



# SAN ANTONIO WATER COMPANY MEETING AGENDA

## *for* SPECIAL BOARD MEETING

May 11, 2026 @ 4:15 pm

At Company Office 139 N. Euclid Ave., Upland, CA 91786

Members of the public may join the meeting by computer, tablet, or smartphone.

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- Call to Order

1. Amendment to Company's 401K Plan

Discussion and possible action adopting Resolution 2026-05-01 amending the Company's 401K plan.

2. Adjournment:

*The next regular Board meeting will be held on May 19, 2026 at 5:00 pm.*

**NOTE:** All agenda report items and back-up materials are available for review and/or acquisition from SAWCo's Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [7:30a – 11:30a and 12:30p – 5:00p] and on SAWCo's website [www.sawaterco.com](http://www.sawaterco.com). The agenda is also available for review and copying at the Upland Public Library located at 450 N. Euclid Avenue.

**POSTING STATEMENT:** On May 6, 2026 a true and correct copy of this agenda was posted at the entry of the Water Company's office (139 N. Euclid Avenue), the Upland City Hall at 460 N. Euclid Ave., the Upland Public Library at 450 N. Euclid Ave., and on SAWCo's website.

**Agenda Item No. 1**

Item Title: Resolution 2026-05-01, Amendment to Company's 401k Plan

Purpose:

To review the proposed resolution amending the Company's 401k Plan, allowing for hardship withdrawals.

Issue:

Should the Board adopt Resolution 2026-05-01?

Manager's Recommendation:

Adopt Resolution 2026-05-01.

Background:

Since taking over Trustee responsibilities earlier in 2026 staff has been reviewing the Company's 401k Retirement Plan with intention of modernizing and improving the Plan and Plan administration with little to no impact on the Company.

One change staff believes is important is allowing In-Service Distributions for financial hardships. Should any staff member experience financial hardship it is sensible for the Company's plan to allow a distribution. Any distribution would only be allowed from the employee's currently vested 401k account. There would be no impact on other employee's accounts or the Company.

Hardship is described in the plan as an immediate and heavy financial need that satisfies one of the following:

- Medical care
- Purchase of a principal residence
- Payment of tuition and related educational fees
- Prevent eviction or foreclosure of principal residence
- Payment of funeral expenses for immediate family
- Repair damages of principal residence that would qualify for a casualty loss deduction
- For any event the IRS recognizes as a safe harbor hardship

Any change to the Plan's underlying adoption agreement requires Board action. If the Board adopts Resolution 2026-05-01, as the plans Trustee staff will execute the attached amendment.

Impact on the Budget:

None.

Previous Actions:

None.

RESOLUTION NO. 2026-05-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN ANTONIO WATER COMPANY APPROVING AN AMENDMENT OF THE COMPANY'S QUALIFIED 401K RETIREMENT PLAN

WHEREAS, the Employer has maintained the SAN ANTONIO WATER COMPANY 401(K) PLAN ("Plan") since 1-1-2011 for the benefit of eligible employees;

WHEREAS, the Employer has decided to amend the above-referenced Plan to allow Hardship In-Service Distributions;

WHEREAS, the Board of Directors has reviewed and evaluated the proposed amendment(s) to the Plan; and

WHEREAS, the Plan document authorizes the Employer to amend the selections under the Adoption Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has hereby approved the proposed amendment(s) to the SAN ANTONIO WATER COMPANY 401(K) PLAN and authorizes the Employer to adopt the amendment, to be effective on 5-11-2026;

RESOLVED FURTHER that the undersigned members of the Board of Directors authorize the execution of the Plan amendment and authorize the performance of any other actions necessary to implement the adoption of the Plan amendment. The members of the Board of Directors may designate any members of the Board of Directors (or other authorized person) to execute the Plan amendment and perform the necessary actions to adopt the amendment. The Employer will maintain a copy of the amendment to the Plan, as approved by the members of the Board of Directors, in its files; and

RESOLVED FURTHER, if the Plan amendment modified the provisions of the Summary Plan Description, Plan participants will receive a Summary of Material Modifications summarizing the changes under the Plan amendment.

I, Bob Cable, Secretary of the San Antonio Water Company, do hereby certify that the foregoing Resolution was adopted by the Board of Directors on May 11, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SAN ANTONIO WATER COMPANY

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## AMENDMENT TO THE SAN ANTONIO WATER COMPANY 401(K) PLAN (“the Plan”)

WHEREAS, SAN ANTONIO WATER COMPANY (the “Employer”) maintains the SAN ANTONIO WATER COMPANY 401(K) PLAN (the “Plan”) for its employees;

WHEREAS, SAN ANTONIO WATER COMPANY has decided that it is in its best interest to amend the Plan;

WHEREAS, Section 14.01(b) of the Plan authorizes the Employer to amend the selections under the SAN ANTONIO WATER COMPANY 401(K) PLAN Adoption Agreement.

NOW THEREFORE BE IT RESOLVED, that the SAN ANTONIO WATER COMPANY 401(K) PLAN Adoption Agreement is amended as follows. The amendment of the Plan is effective as of 4-30-2026.

1. The Adoption Agreement is amended to read:

10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of any of the event(s) selected under this AA §10-1. If more than one option is selected for a particular contribution source under this AA §10-1, a Participant may take an in-service distribution upon the occurrence of any of the selected events, unless designated otherwise under this AA §10-1. *[Note: If special in-service distribution rules apply to Accounts that hold inactive sources of contributions, the Employer may designate such rules under AA §10-3.]*

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No in-service distributions are permitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Attainment of age 59½.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(c) Attainment of age <u>60</u> . <i>[Note: No in-service distribution of Salary Deferral is permitted prior to age 59½.]</i>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(d) A Hardship that satisfies the safe harbor rules under Section 8.10(e)(1) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) A non-safe harbor Hardship described in Section 8.10(e)(2) of the Plan.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) Attainment of Normal Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Attainment of Early Retirement Age.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(h) The Participant has participated in the Plan for at least ____ (cannot be less than 60) months.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(i) The amounts being withdrawn have been held in the Trust for at least two years.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(j) Upon a Participant becoming Disabled.
<input type="checkbox"/>	N/A	N/A	(k) As a Qualified Reservist Distribution as defined under Section 8.10(d) of the Plan.
<input checked="" type="checkbox"/>	N/A	N/A	(l) Upon a deemed separation of employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services, as described under Section 15.06(c) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(m) Describe: _____

*[Note: Any distribution event described in this AA §10-1 may not discriminate in favor of Highly Compensated Employees. No in-service distribution of Salary Deferrals is permitted prior to age 59½, except for Hardship, Disability, as a Qualified Reservist Distribution or on a deemed separation of employment. If Normal Retirement Age or Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for purposes of determining eligibility to distribute Salary Deferrals. If this Plan has accepted a transfer of assets from a pension plan (e.g., a Money Purchase Plan), no in-service distribution from amounts attributable to such transferred assets is permitted prior to age 62, except for Disability. See AA §11-7 for special rules that may apply to distributions of Qualifying Employer Securities and/or Qualifying Employer Real Property.]*

2. The Hardship IA Page has been modified. The modified Hardship IA Page is attached to this Amendment.
3. The Secure 2.0 IA Page has been modified. The modified Secure 2.0 IA Page is attached to this Amendment.

**INTERIM AMENDMENT - HARDSHIP DISTRIBUTION  
ELECTIVE PROVISIONS**

These Elective Provisions provide for elections as allowed by the Final Regulations and the Hardship Distribution Interim Amendment, attached to the Basic Plan Document.

**HD-1 SOURCES FOR HARDSHIP DISTRIBUTIONS.**

(a) **Source accounts (not including earnings).** For Plan Years beginning after December 31, 2018 (or such later date specified under HD-1(a)(8) or HD-1(a)(9) below or the effective date of a new Plan), a Participant may take an in-service distribution upon the occurrence of a Hardship that satisfies the Hardship distribution rules under Section 8.10(e) of the Plan, as amended by this interim amendment, with respect to the following sources:

- Default** (1) No change to current Plan sources available for Hardship distributions under AA §§10-1 and 10-2.
- (2) Qualified Nonelective Contribution (QNEC) Account (Not applicable to 401(a) Governmental Plans)
- (3) Qualified Matching Contribution (QMAC) Account (Not applicable to 401(a) Governmental Plans)
- (4) Safe Harbor Employer Contribution Account (Not applicable to 401(a) Governmental Plans)
- (5) Safe Harbor Matching Contribution Account (Not applicable to 401(a) Governmental Plans)
- (6) QACA Safe Harbor Employer Contribution Account (Not applicable to 401(a) Governmental Plans)
- (7) QACA Safe Harbor Matching Contribution Account (Not applicable to 401(a) Governmental Plans)
- (8) Effective date is January 1, 2020, whether Plan has a calendar or fiscal Plan Year.
- (9) Describe effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: \_\_\_\_\_

(b) **Earnings on source accounts.** For Plan Years beginning after December 31, 2018 (or such later date specified under HD-1(b)(11) or HD-1(b)(12) below or the effective date of a new Plan), amounts available for Hardship distributions include earnings on the following available sources:

- Default** (1) Amounts available for Hardship include earnings on all available sources.
- (2) No change to current Plan rule (i.e., earnings are not available on Salary Deferrals, except for those on grandfathered (pre-1989) earnings, if applicable).
- (3) Pre-Tax Salary Deferral Account
- (4) Roth Deferral Account
- (5) Qualified Nonelective Contribution (QNEC) Account (Not applicable to 401(a) Governmental Plans)
- (6) Qualified Matching Contribution (QMAC) Account (Not applicable to 401(a) Governmental Plans)
- (7) Safe Harbor Employer Contribution Account (Not applicable to 401(a) Governmental Plans)
- (8) Safe Harbor Matching Contribution Account (Not applicable to 401(a) Governmental Plans)
- (9) QACA Safe Harbor Employer Contribution Account (Not applicable to 401(a) Governmental Plans)
- (10) QACA Safe Harbor Matching Contribution Account (Not applicable to 401(a) Governmental Plans)
- (11) Effective date is January 1, 2020, whether Plan has a calendar or fiscal Plan Year.
- (12) Describe effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: \_\_\_\_\_

**HD-2 NEED TO OBTAIN ALL AVAILABLE LOANS.** (Complete only if Employer maintains any qualified plan(s) that permits Participant loans.)

- (a) For Plan Years beginning after December 31, 2018 (or such later date specified in HD-2(d) or HD-2(e) below or the effective date of a new Plan), if a Participant requests a Hardship distribution from any of the Accounts specified in HD-1 above and AA §§10-1 and 10-2, the Participant is **NO LONGER** required to obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer.
- Default** (b) No change to current Plan provisions. Participants are required to obtain all nontaxable loans available under the Plan and all plans maintained by the Employer.
- (c) Describe any special requirements with respect to the need to first obtain all available loans: \_\_\_\_\_
- (d) Effective date is January 1, 2020, whether Plan has a calendar or fiscal Plan Year.
- (e) Describe other effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: \_\_\_\_\_

**HD-3 SUSPENSION OF ABILITY TO MAKE SALARY DEFERRALS AND AFTER-TAX EMPLOYEE CONTRIBUTIONS DURING 2019.** (Applicable only to Plans that were using the safe harbor Hardship distribution suspension rule.)

*[Note: Under the Final Regulations, adopting Employers may continue to apply the suspension of Salary Deferrals and After-Tax Employee Contributions rules for the 2019 Plan Year. However, in no event, may the Plan provide for a suspension of an Employee's Salary Deferrals or After-Tax Employee Contributions as a condition of obtaining a Hardship distribution for Hardship distributions made on or after January 1, 2020.]*

- (a) For Plan Years beginning after December 31, 2018 (or such later date specified in HD-3(d) below) and applicable to Hardship distributions made before January 1, 2020, if a Participant takes a Hardship distribution as permitted under the Plan, the Participant was NOT suspended from making Salary Deferrals (and After-Tax Employee Contributions, if applicable) for any period of time after the receipt of the Hardship distribution.
- Default** (b) No change to current Plan provisions. For Hardship distributions made before January 1, 2020, the Participant continued to be suspended from making Salary Deferrals (and After-Tax Employee Contributions, if applicable) for a period of 6 months after the receipt of the Hardship distribution.
  - Suspensions on Hardship distributions made after July 1, 2019 will cease effective January 1, 2020.
- (c) Describe any special requirements with respect to the suspension from making Salary Deferrals (and After-Tax Employee Contributions, if applicable): \_\_\_\_\_
- (d) Describe the effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: \_\_\_\_\_

**HD-4 APPLICATION OF SUSPENSION REQUIREMENT FOR PRE-2019 PLAN YEAR HARDSHIP DISTRIBUTIONS.** (Applicable only to Plans that were using the Hardship distribution suspension rule as of the last day of the 2018 Plan Year.)

- Default** (a) No change to current Plan provisions. A Participant who received a Hardship distribution prior to the beginning of the 2019 Plan Year continued to be suspended from making Salary Deferrals (and After-Tax Employee Contributions, if applicable) for a period of 6 months after the receipt of the Hardship distribution.
- (b) Effective on the first day of the Plan Year beginning after December 31, 2018 (or such later date specified in HD-4(d) below), a Participant who received a Hardship distribution prior to the beginning of the 2019 Plan Year was no longer suspended from making Salary Deferrals (and After-Tax Employee Contributions, if applicable).
- (c) Describe any special rules with respect to the suspension from making Salary Deferrals (and After-Tax Employee Contributions, if applicable) for Participants who have received pre-2019 Hardship distributions: \_\_\_\_\_
- (d) Describe the effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: \_\_\_\_\_

**HD-5 OTHER APPLICABLE RULES.** Describe any other rules, such as conditions for receiving a Hardship distribution, not otherwise reflected in the Plan or Hardship Distribution Interim Amendment: \_\_\_\_\_

**HD-6 MEMORIALIZATION OF PRIOR OPERATION.** The elections in this Hardship Distribution Interim Amendment should reflect current Plan operations. The Employer may memorialize prior plan operations relevant to the implementation of the Final Regulations by describing such operations below: \_\_\_\_\_



**SECURE 2.0 ACT INTERIM AMENDMENT  
ELECTIVE PROVISIONS**

These Elective Provisions provide for elections related to the SECURE 2.0 Act Interim Amendment (S2IA). **All provisions and elections made below are your document Provider's defaults.**

**ELECTIVE PROVISIONS RELATING TO EMPLOYER CONTRIBUTIONS**
**S2-1. OPTIONAL TREATMENT OF EMPLOYER CONTRIBUTIONS AS DESIGNATED ROTH NONELECTIVE CONTRIBUTIONS. (S2IA §3.01)**

**[Applies to all Plans with 401(k) provisions.]**

- (a) A Participant may not elect to treat a nonforfeitable Employer Contribution made on behalf of such Participant as a Designated Roth Nonelective Contribution.
- (b) Effective \_\_ (insert date on or after December 30, 2022), a Participant MAY elect to treat a nonforfeitable Employer Contribution made on behalf of such Participant as a Designated Roth Nonelective Contribution.
- (c) Describe any rules relating to the optional treatment of nonforfeitable Employer Contributions as a Designated Roth Nonelective Contribution: \_\_\_\_\_

**S2-2. EXCLUSION OF "OTHERWISE EXCLUDABLE EMPLOYEES" FOR TOP-HEAVY PLAN PURPOSES. (S2IA §3.02)**

**[Applies to all Plans with 401(k) provisions, except the Owners Only (Solo k) and the Governmental Plan.]**

Effective for Plan Years beginning after December 31, 2023, the Plan excludes Employees who do not meet the minimum age and service requirements under Code §410(a)(1) (i.e., "otherwise excludable Employees") from consideration in determining whether the Plan satisfies the Top-Heavy Plan requirements under Section 4 of the BPD. Such otherwise excludable Employees will not receive a Top-Heavy Plan minimum allocation unless the Employer elects otherwise below.

- (a) "Otherwise excludable Employees" who are otherwise eligible to receive Employer Contributions will receive a Top-Heavy Plan minimum allocation.
- (b) The Employer has the discretion, on an annual basis, whether to allocate the otherwise applicable Top-Heavy minimum allocation to "otherwise excludable Employees."
- (c) Describe any special rules relating to "otherwise excludable Employees": \_\_\_\_\_

**ELECTIVE PROVISIONS RELATING TO SALARY DEFERRALS**
**S2-3. MANDATORY AUTOMATIC ENROLLMENT. (S2IA §4.01)**

**[Applies to all Plans with 401(k) provisions, except the Governmental Plan and the Church Plan.]**

*[Note: The mandatory automatic enrollment requirements do not apply to the Pre-Approved Governmental Plan (#03-001) or the Pre-Approved Church Plan (#05-001). The mandatory automatic enrollment requirements also do not apply to the Pre-Approved Defined Contribution Plan (#01-001, 002,003, or 004), the Pre-Approved Owners Only Plan (#02-001) or the Pre-Approved ESOP, if such Plan is exempt from the requirements under Code §414A, including a Plan maintained by an Employer that normally employs 10 or fewer Employees, a Plan maintained by an Employer that has been in existence for less than 3 years, or a Plan established before December 29, 2022. (See S2IA §4.01(e).)]*

- (a) **The Plan is exempt from the mandatory automatic enrollment requirements. [Note: Designation under this §S2-3(a) as to whether and why the Plan is exempt from the automatic enrollment requirements is optional. The exemption may be determined administratively.]**

The Plan is exempt from the mandatory automatic enrollment requirements because:

- (1) The Plan was established before December 29, 2022.
- (2) The Plan is maintained by an Employer that normally employs 10 or fewer Employees.
- (3) The Plan is maintained by an Employer that has been in existence for less than 3 years.
- (4) The Plan is a governmental plan (within the meaning of Code §414(d).
- (5) The Plan is a church plan (within the meaning of Code §414(e).

[*Note: If the Plan is exempt from the mandatory automatic enrollment requirements, do not complete the elective provisions under (b) – (f) below. Additionally, an Employer is not required to complete the following elective provisions if the elections in the Adoption Agreement already satisfy the mandatory automatic enrollment requirements.*]

**The following elections apply for the first Plan Year beginning after December 31, 2024 or, if later, the date the Plan is initially effective, unless the Employer designates a special effective date under subsection (f) below.**

- (b) **Eligible Automatic Contribution Arrangement deferral percentage and automatic increase.**
  - (1) **Initial automatic (default) Salary Deferral percentage.** \_\_\_\_% of Plan Compensation (percentage must be between 3% and 10%)
  - (2) **Automatic (default) Salary Deferral percentage increase.** For each Plan Year beginning after an Employee’s initial period under the arrangement, the percentage of the default Salary Deferral is increased by 1 percentage point until the percentage is \_\_\_\_% of Plan Compensation (must be at least 10%, but may not exceed 15%)
  - (3) **Special application of automatic increase provisions.** The Employer may describe under this subsection (3) special rules applicable to automatic increase provisions: \_\_\_\_\_  

[*Note: Special rules must satisfy all applicable statutory and regulatory requirements.*]
- (c) **Application of automatic (default) Salary Deferral provisions.** The automatic (default) Salary Deferral election under subsection (b) will apply to Participants who enter the Plan after the automatic (default) Salary Deferral provisions are effective and to current Participants eligible to participate in the Plan at the time the automatic (default) Salary Deferral provisions are effective as set forth below:
  - (1) **Current Participants.** The automatic (default) Salary Deferral provisions apply to all other eligible Participants as follows:
    - (i) Automatic (default) Salary Deferral provisions apply to current Participants who have not entered into an affirmative Salary Deferral Election. (Under this election, the automatic (default) Salary Deferral provisions do not apply to current Participants who have made an affirmative Salary Deferral Election to not defer into the Plan.)
    - (ii) Automatic (default) Salary Deferral provisions apply to current Participants who have not entered into a Salary Deferral Election and to current Participants who have made an affirmative Salary Deferral Election not to defer under the Plan.
    - (iii) Automatic (default) Salary Deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election that is at least equal to the automatic (default) Salary Deferral amount under subsection (b)(1). Current Participants who have made a Salary Deferral Election that is less than the automatic (default) Salary Deferral amount, or who have not made a Salary Deferral Election, will automatically be increased to the automatic (default) Salary Deferral amount unless the Participant enters into a new Salary Deferral Election on or before the effective date of the automatic (default) Salary Deferral provisions.
    - (iv) Describe: \_\_\_\_\_
  - (2) **Expiration of affirmative deferral elections.** Unless this subsection (2) is elected, for purposes of the automatic (default) Salary Deferral provisions of the Plan, a Participant’s affirmative Salary Deferral Election will not expire. If this subsection (2) is elected, a Participant’s affirmative Salary Deferral Election will expire:
    - (i) At the end of each Plan Year.
    - (ii) Describe date that the affirmative Salary Deferral Election will expire: \_\_\_\_\_
 Expiration applies to the following:
    - (iii) All affirmative Salary Deferral elections.
    - (iv) Only to affirmative Salary Deferral elections that are less than the current automatic (default) Salary Deferral rate.

If a Participant fails to complete a new affirmative Salary Deferral Election subsequent to the prior election expiring, the Participant becomes subject to the automatic (default) Salary Deferral percentage as specified in the Plan pursuant to the automatic (default) Salary Deferral provisions. Each year, the Participant may always complete a new affirmative Salary Deferral Election and designate a new Salary Deferral percentage.

(3) **Treatment of automatic (default) Salary Deferral.** Any Salary Deferrals made pursuant to an automatic (default) Salary Deferral Election will be treated as Pre-Tax Deferrals, unless designated otherwise under this subsection (3).

- Any Salary Deferrals made pursuant to an automatic (default) Salary Deferral Election will be treated as Roth Deferrals.

*[Note: This subsection (3) may only be checked if Roth Deferrals are permitted under the Plan.]*

(d) **Permissive redetermination of periods without automatic (default) Salary Deferrals.** The uniform automatic (default) Salary Deferral percentages under (b) above are based on the date the Employee’s initial period begins. However, if, after the Employee’s initial period began, the Employee did not have automatic (default) Salary Deferral made for an entire Plan Year, then an Employee’s initial period is redetermined as follows or under separate administrative procedures: (If no elections are made below or under separate administrative procedures, the initial period is not redetermined.)

- (1) **Redetermination for Employee who became ineligible.** If, for an entire Plan Year, no automatic (default) Salary Deferral were made solely because the Employee was not eligible to make Salary Deferrals under the Plan for that Plan Year, then the Employee’s initial period is redetermined so that it begins on the date the Employee is again eligible to make Salary Deferrals under the Plan.
- (2) **Redetermination for Employee who remained eligible and made an affirmative Salary Deferral Election.** If, for an entire Plan Year, no automatic (default) Salary Deferrals were made to the Plan solely because the Employee made an affirmative Salary Deferral Election in a different amount (including an election not to make Salary Deferrals) and the Employee’s affirmative election expires pursuant to an election in (c)(2) above, such Employee’s initial period is redetermined so that it begins:
  - (i) On the first day of the Plan Year that begins after the first full Plan Year in which the affirmative election was in effect.
  - (ii) Describe date for which an Employee’s initial period is redetermined (may not be earlier than the first day of the Plan Year beginning after the last day of the Plan Year that follows the Plan Year that includes the date the initial period began): \_\_\_\_\_

(e) **Permissible withdrawals.**

- (1) **Time period for electing a permissible withdrawal.** A Participant who had an automatic (default) Salary Deferral made under the Plan must be allowed to withdraw such contributions (and earnings attributable thereto). Unless otherwise elected below, a Participant must request a permissible withdrawal no later than 90 days after the date of the Participant’s first automatic (default) Salary Deferral under the EACA.
  - Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than \_\_\_\_ [may not be less than 30 nor more than 90] days after the date the Plan Compensation from which automatic (default) Salary Deferral are withheld would otherwise have been included in gross income.
- (2) **Employee with no automatic (default) Salary Deferral for a full Plan Year.** Unless elected otherwise below, an Employee who would otherwise be subject to the automatic (default) Salary Deferral requirements but who for an entire Plan Year did not have automatic (default) Salary Deferral made under the Plan (e.g., a Participant who terminated employment) may elect a permissible withdrawal within the applicable time period if automatic (default) Salary Deferrals begin at a later time (e.g., the Employee is rehired).
  - The ability to take permissible withdrawals does not apply to an Employee who would otherwise be subject to the automatic (default) Salary Deferral requirements but who for an entire Plan Year did not have automatic (default) Salary Deferral made under the Plan.

(f) Describe special rules, including effective date rules, applicable to the mandatory automatic enrollment under the Plan: \_\_\_\_\_

**S2-4. CATCH-UP CONTRIBUTIONS. (S2IA §4.02)**

**[Applies to all Plans with 401(k) provisions.]**

*[Note: If the Employer has elected to not permit Catch-Up Contributions under the Adoption Agreement, no elections are necessary under this §S2-4. Note that the Plan default is that the Plan permits Catch-Up Contributions.]*

- (a) **Catch-Up Contribution elections.** Unless otherwise elected under this §S2-4(a), a Plan that permits Catch-Up Contributions added the higher Catch-Up Contribution Limit for Participants who have attained ages 60 - 63, effective for taxable years beginning on or after January 1, 2025.
  - (1) The higher Catch-Up Contribution Limit for Participants who have attained ages 60 - 63 is not permitted under the Plan.

- (2) The higher Catch-Up Contribution Limit for Participants who have attained ages 60 - 63 was added to the Plan effective \_\_\_\_ [insert date after January 1, 2025].
- (3) The higher Catch-Up Contributions for Participants who have attained ages 60 - 63 were permitted for taxable years beginning on or after January 1, 2025, but are no longer permitted under the Plan, effective \_\_\_\_ [insert date].
- (4) Collectively Bargained Employees who are eligible to make Salary Deferrals under the Plan are not eligible for the higher Catch-Up Contribution Limit for Participants who have attained ages 60 - 63.

(b) **Catch-Up Contributions that are eligible for Matching Contributions.** Unless elected otherwise under this §S2-4(b), a Plan that includes an election to make Catch-Up Contributions that are eligible for Matching Contributions (see AA §6B-3) will provide such Matching Contributions on all Catch-Up Contributions (including higher Catch-Up Contributions) that are permitted under the Plan.

- (1) Only regular Catch-Up Contributions are eligible for Matching Contributions. Higher Catch-Up Contributions for Participants who have attained ages 60 - 63 are not eligible for Matching Contributions.
- (2) Only regular Catch-Up Contributions are eligible for Matching Contributions. Matching Contributions on higher Catch-Up Contributions for Participants who have attained ages 60 - 63 are no longer made to the Plan, effective \_\_\_\_ [insert date after January 1, 2025].
- (3) Describe any special rules or provisions, including effective dates, relating to Catch-Up Contributions and their eligibility for Matching Contributions: \_\_\_\_\_

*[Note: If no elections are made above, the Plan will treat higher Catch-Up Contributions in the same manner as Catch-Up Contributions as designated under AA §6B-3.]*

(c) **Elections relating to Roth Deferrals and Catch-Up Contributions.**

*[Note: In lieu of making elections under this subsection (c), the Employer may make appropriate elections (i.e., to remove Catch-Up Contributions or to add Roth Deferrals) under the Adoption Agreement. If Roth Deferrals are added under subsection (2) below, the Plan defaults for Roth Deferrals will apply unless otherwise described under subsection (f) below.]*

- (1) Catch-Up Contributions are removed from the Plan effective \_\_\_\_ [insert date on or after January 1, 2024].
- (2) Roth Deferrals are added to the Plan effective \_\_\_\_ [insert date on or after January 1, 2024].
- (3) Highly Paid Individuals (i.e., any eligible Participant whose wages (as defined in Code §3121(a) for the preceding calendar year from the employer sponsoring the Plan exceeded \$150,000 (as adjusted)) are not eligible to make Catch-Up Contributions under the Plan.
- (4) Highly Compensated Employees and Highly Paid Individuals (i.e., any eligible Participant whose wages (as defined in Code §3121(a)) for the preceding calendar year from the employer sponsoring the Plan exceeded \$150,000 (as adjusted) are not eligible to make Catch-Up Contributions under the Plan.
- (5) Highly Compensated Employees with net earnings from self-employment for the preceding calendar year that exceeded \$150,000 (as adjusted) and Highly Paid Individuals (i.e., any eligible Participant whose wages (as defined in Code §3121(a)) for the preceding calendar year from the employer sponsoring the Plan exceeded \$150,000 (as adjusted) are not eligible to make Catch-Up Contributions under the Plan.

(d) **Deemed Roth Catch-Up Contribution election.** Unless elected otherwise below, the Plan deems a Participant who is subject to the Roth Catch-Up Contribution requirement to have irrevocably designated any Catch-Up Contributions as a Roth Deferral.

- (1) The Plan does not provide for a deemed Roth Catch-Up Contribution election, unless the Plan Administrator notifies the Participant of such a deemed Roth Catch-Up Contribution election before the Participant makes a Salary Deferral election. (See S21A §4.02(d).)
- (2) The Plan does not provide for a deemed Roth Catch-Up Contribution election. The Participant must make an election to treat Catch-Up Contributions as Roth Catch-Up Contributions. (See S21A §4.02(d).)

(e) **Aggregation of employers for determining the “employer sponsoring the Plan” for purposes of Code §414(v)(7).** To determine the Highly Paid Individuals for purposes of Code §414(v)(7) and determining wages from the “employer sponsoring the Plan,” the following employers are aggregated, as allowed under Treas. Reg. §1.414(v)-2(b)(4) (e.g., employers using a common paymaster or part of a Related Employer group): \_\_\_\_\_

*[Note: In lieu of listing aggregated employers above, the Employer may describe such aggregated employers in a separate written administrative procedure.]*

(f) Describe other special rules or provisions, including effective date rules, relating to Catch-Up Contributions: \_\_\_\_\_

**S2-5. LTPT EMPLOYEES. (S2IA §4.03)**

**[Applies to all Plans with 401(k) provisions.]**

*[Note: If the Employer has made elections related to Long-Term Part-Time Employees under the CARE/SECURE Interim Amendment, such elections will not be overridden unless elected otherwise below. However, changes to the LTPT Employee rules under the SECURE 2.0 apply.]*

The Plan must permit LTPT Employees to make Salary Deferrals into the Plan, as required under Code §§401(k)(2)(D)(ii) and 401(k)(15) and applicable regulations. The Employer may make elections under this §S2-5 consistent with the requirements of S2IA §4.03. Elections under this §S2-5 are not necessary if no Employees are eligible to make Salary Deferrals solely because of the LTPT Employee requirements under Code §§401(k)(2)(D)(ii) and 401(k)(15).

- (a) **Eligibility for Employer Contributions and Matching Contributions.** Unless elected otherwise below, LTPT Employees are not eligible for Employer Contributions or Matching Contributions under the Plan.

In addition to the ability to make Salary Deferrals, LTPT Employee may receive the following in the same manner and under the same conditions as other Eligible Employees under the Plan:

- (1) All available Employer Contributions and Matching Contributions, effective \_\_\_\_.
- (2) Employer Contributions (including Qualified Nonelective Employer Contributions), effective \_\_\_\_.
- (3) Matching Contributions (including Qualified Matching Contributions), effective \_\_\_\_.
- (4) Safe Harbor 401(k) Plan Contributions, effective \_\_\_\_.
- (5) Describe: \_\_\_\_\_

- (b) **Eligibility Computation Period (ECP).** Unless elected otherwise below, the ECP rules under the Plan apply to LTPT Employees.

- (1) The ECP for an LTPT Employee is based on Anniversary Years and will not switch to the Plan Year.
- (2) Describe ECP rules applicable to LTPT Employees: \_\_\_\_\_  
*[Note: Any description under this (2) must be consistent with requirements for ECPs under the Plan.]*

- (c) **Entry Date.** Unless elected otherwise below, the Entry Date rules under the Plan apply to LTPT Employees.

- (1) The Entry Date for LTPT Employees will be the first day of the 1st and 7th month of the Plan Year.
- (2) Describe the Entry Date rules applicable to LTPT Employees: \_\_\_\_\_  
*[Note: Any description under this (2) must be consistent with requirements for Entry Dates under the Plan.]*

- (d) **Collectively Bargained Employees and non-resident aliens.** If Collectively Bargained Employees and/or non-resident aliens who receive no compensation from the Employer that constitutes U.S. source income are otherwise eligible for the Plan, the Employer may elect to not exclude such Employees from the LTPT Employee rules below:

- (1) Collectively Bargained Employees are not excluded from eligibility as LTPT Employees.
- (2) Non-resident aliens who receive no compensation from the Employer that constitutes U.S. source income are not excluded from eligibility as LTPT Employees.

- (e) **Roth Deferrals.** LTPT Employees may make Roth Deferrals if Roth Deferrals are permitted under the Plan, unless the Employer elects otherwise below:

- LTPT Employees are not permitted to make Roth Deferrals under the Plan.

- (f) **After-Tax Employee Contributions.** LTPT Employees may make After-Tax Employee Contributions if After-Tax Employee Contributions are permitted under the Plan, unless the Employer elects otherwise below:

- LTPT Employees are not permitted to make After-Tax Employee Contributions under the Plan.

- (g) **Rollover Contributions.** LTPT Employees may make Rollover Contributions if Rollover Contributions are permitted under the Plan, unless the Employer elects otherwise below:

- LTPT Employees are not permitted to make Rollover Contributions under the Plan.

- (h) **Automatic Contribution Arrangements.** LTPT Employees are subject to the Plan’s Automatic Contribution Arrangement provisions (including automatic escalation), unless the Employer elects otherwise below:

- (1) LTPT Employees are not subject to the Automatic Contribution Arrangement provisions of the Plan.
- (2) LTPT Employees are subject to the Plan’s Automatic Contribution Arrangement provisions (**excluding automatic escalation**).

*[Note: If the Plan is subject to the mandatory automatic enrollment rules under S2IA §4.01, LTPT Employees must be automatically enrolled in the Plan and the above elections do not apply.]*

- (i) **Vesting Computation Periods (VCPs).** LTPT Employee will not receive vesting credit for VCPs beginning before January 1, 2021, unless the Employer elects otherwise below:

- (1) All VCPs beginning before January 1, 2021 will be taken into account for determining vesting credit for LTPT Employees.
- (2) Describe the VCPs beginning before January 1, 2021 that will be taken into account for determining vesting credit for LTPT Employees: \_\_\_\_\_

- (j) **Nondiscrimination and coverage election.** If the Plan is not a Safe Harbor 401(k) Plan, the Employer may administratively elect on an annual basis to exclude LTPT Employees from all nondiscrimination and coverage tests listed under S2IA §4.03(f).

If the Plan is a Safe Harbor 401(k) Plan, the Employer excludes LTPT Employees from all nondiscrimination and coverage tests listed under S2IA §4.03(f), unless elected otherwise below:

- The Plan is a Safe Harbor 401(k) Plan intended to satisfy the ADP safe harbor provisions of Code §§401(k)(12) or (13) and/or the ACP safe harbor provisions of Code §§401(m)(11) or (12) and the Employer elects to INCLUDE LTPT Employees in all nondiscrimination and coverage tests listed under S2IA §4.03(f). (The Employer must make this nondiscrimination and coverage election before the Plan Year for which the election applies.)

- (k) **Top-Heavy Plan election.** LTPT Employees will not receive a Top-Heavy Plan minimum allocation as provided under Section 4 of the BPD, unless the Employer elects otherwise below.

- LTPT Employees will receive a Top-Heavy Plan minimum allocation as provided under Section 4 of the BPD, if applicable.

- (l) **Describe other rules applicable to LTPT Employees:** \_\_\_\_\_

*[Note: Any rules under this (l) must be consistent with requirements for the participation of LTPT Employees as set forth under S2IA §4.03.]*

**S2-6. STARTER 401(k) PLANS FOR EMPLOYERS WITH NO RETIREMENT PLAN. (S2IA §4.05)**

**[Applies to all Plans with 401(k) provisions, except the Governmental Plan and the Church Plan.]**

- Establishment of Starter 401(k) Plan.** The Employer establishes a Starter 401(k) Plan, as of the effective date indicated on the Employer Signature Page of the Adoption Agreement. The effective date may be no earlier than December 31, 2023.

*[Note: An Employer adopting a Starter 401(k) Plan should complete the Adoption Agreement consistent with the requirements applicable to a Starter 401(k) Plan, as described under S2IA §4.05. The Employer must designate an automatic (default) deferral percentage of at least 3% and not more than 15%, a minimum service requirement of not more than one Year of Service, a minimum age requirement of not more than age 21, and an Entry Date.]*

**S2-7. PENSION-LINKED EMERGENCY SAVINGS ACCOUNT (PLESA). (S2IA §4.06)**

**[Applies to all Plans with 401(k) provisions.]**

- (a) **Establishment of a PLESA.** Unless otherwise elected below, the Plan does not include PLESAs.

- Effective for Plan Years beginning on or after \_\_\_\_ [enter a date no earlier than January 1, 2024], the Employer establishes, as part of the Plan, a PLESA for the benefit of eligible Participants, as provided under Code §402A(e) and ERISA §§801 – 804.

- (b) **Elections relating to PLESAs.** If PLESAs are established under the Plan, the Employer may make the following elections:

- (1) Instead of \$2,500 the Plan limits the portion of a Participant’s Account attributable to PLESA contributions to \$ \_\_\_\_ [insert amount less than \$2,500]
- (2) Instead of requiring an affirmative election by a Participant to contribute to the PLESA, the Plan will automatically enroll eligible Participants at a rate of \_\_\_\_% [must be 3% or less]

**S2-8 SIMPLE 401(k) PLAN PROVISIONS. (S2IA §4.07)**

**[Applies to the DC Plan if used as a SIMPLE 401(k) Plan. New SIMPLE 401(k) Plans must also complete AA §6A-10.]**

Subject to the increased Salary Deferral and Catch-Up Contribution limits described under S2IA §4.07(b) and (c), the Provisions under the current Plan document will apply to SIMPLE 401(k) Plans, unless elections are made under this §S2-8. See §S2-4 for elections relating to higher Catch-Up Contributions for Participants who have attained ages 60-63.

- (a) **Election of Matching Contribution or Employer Contribution.**
  - Instead of the election under AA §6A-10(a), the Employer will determine whether to make Matching Contributions or Employer Contributions under S2IA §4.07(b)(4) or 4.07(c)(4) on an annual basis.
- (b) **Additional Employer Contributions to SIMPLE 401(k) Plan.** Effective for taxable years beginning on or after January 1, 2024, an Employer may make additional discretionary Employer Contributions to its SIMPLE 401(k) Plan for each Eligible Employee in a uniform manner, provided that such contribution may not exceed the lesser of up to 10% of compensation or \$5,000 (indexed for inflation). The Employer may elect below to make the additional Employer Contribution as a fixed contribution to the Plan.
  - Effective for Plan Years beginning on or after \_\_\_\_ [no earlier than January 1, 2024], the Employer elects to make an additional fixed Employer Contribution to the SIMPLE 401(k) Plan for the Plan Year equal to \_\_\_\_% of SIMPLE Compensation [may not exceed 10%] up to:
    - (1) \$5,000
    - (2) \$ \_\_\_\_ [must be less than \$5,000]
- (c) **Election to increase contribution limits for Employers with more than 25 Employees.** Effective for taxable years beginning on or after January 1, 2024, for an Employer with 26 to 100 Employees who receive at least \$5,000 of compensation for the preceding year that sponsors a SIMPLE 401(k), the otherwise applicable Salary Deferral limit and the limit on the SIMPLE 401(k) Catch-Up Contribution are increased by 10% if the Employer elects below to either provide for a 4% Matching Contribution or a 3% Employer Contribution.
  - (1) Effective for taxable years beginning on or after \_\_\_\_ [no earlier than the taxable year beginning on or after January 1, 2024], the Employer elects to contribute a Matching Contribution equal to an Eligible Employee's Salary Deferrals up to 4% of the Employee's SIMPLE Compensation for the full calendar year.
  - (2) Effective for taxable years beginning on or after \_\_\_\_ [no earlier than the taxable year beginning on or after January 1, 2024], the Employer elects to contribute an Employer Contribution of 3% of SIMPLE Compensation for the full calendar year for each Eligible Employee.
  - (3) Effective for taxable years beginning on or after \_\_\_\_ [no earlier than the taxable year beginning on or after January 1, 2024], the Employer will determine on an annual basis whether to make Matching Contributions equal to the Eligible Employee's Salary Deferrals up to 4% of the Employee's SIMPLE Compensation for the full calendar year or Employer Contributions of 3% of SIMPLE Compensation of the Eligible Employee for the full calendar year.
- (d) Other SIMPLE 401(k) provisions: \_\_\_\_\_  
*[Note: Any special rules under subsection (e) must satisfy the nondiscrimination requirements under Code §401(a)(4) and the requirements for a SIMPLE 401(k) Plan as described in S2IA §4.07.]*

**S2-9 RETROACTIVE FIRST YEAR SALARY DEFERRALS FOR SOLE PROPRIETORS. (S2IA §4.08)**

**[Applies to all Plans with 401(k) provisions, except the Governmental Plan and the Church Plan.]**

- As provided under S2IA §4.08, the Employer, as an eligible sole proprietor, elects to adopt the Plan, including the ability of a sole proprietor to make Salary Deferrals, retroactively to \_\_\_\_ [insert first day of the Plan Year for which Plan is initially effective – date must be on or after December 30, 2022.]

**ELECTIVE PROVISIONS RELATING TO MATCHING CONTRIBUTIONS**

**S2-10. OPTIONAL TREATMENT OF MATCHING CONTRIBUTIONS AS DESIGNATED ROTH MATCHING CONTRIBUTIONS. (S2IA §5.01)**

**[Applies to all Plans with 401(k) provisions.]**

- (a) A Participant may not elect to treat a nonforfeitable Matching Contribution made on behalf of such Participant as a Designated Roth Matching Contribution.
- (b) Effective \_\_\_\_ [insert date on or after December 30, 2022], a Participant MAY elect to treat a nonforfeitable Matching Contribution made on behalf of such Participant as a Designated Roth Matching Contribution.

- (c) Describe any special rules relating to the optional treatment of nonforfeitable Matching Contributions as a Designated Roth Matching Contribution: \_\_\_\_\_

**S2-11. TREATMENT OF QUALIFIED STUDENT LOAN PAYMENTS (QSLPs) AS SALARY DEFERRALS FOR PURPOSES OF MATCHING CONTRIBUTIONS. (S2IA §5.02)**

[Applies to all Plans with 401(k) provisions.]

- (a) The Plan does not treat QSLPs as Salary Deferrals (or After-Tax Employee Contributions, if applicable) for purposes of Matching Contributions.
- (b) Effective for Plan Years beginning on or after \_\_\_\_ [enter a date no earlier than January 1, 2024], the Plan will treat QSLPs as Salary Deferrals (or After-Tax Employee Contributions, if applicable) for purposes of Matching Contributions, as provided for under §110 of the SECURE 2.0 Act.
- (c) Describe any special rules relating to the treatment of QSLPs as Salary Deferrals (or After-Tax Employee Contributions, if applicable) for purposes of Matching Contributions: \_\_\_\_\_

**S2-12. FEDERAL SAVER’S MATCHING CONTRIBUTION. (S2IA §5.03)**

[Applies to all Plans with 401(k) provisions. Note, an Owners Only (Solo k) Plan may accept federal saver’s matching contributions to the extent allowed under applicable IRS guidance.]

- (a) Employer will not accept receipt of the federal saver’s matching contribution.
- (b) The Employer elects to accept the receipt of the federal saver’s matching contribution, effective \_\_\_\_ [insert date on or after January 1, 2027].
- (c) Describe special rules applicable to the federal saver’s matching contribution: \_\_\_\_\_

**ELECTIVE PROVISIONS RELATING TO DISTRIBUTIONS**

**S2-13. AVAILABILITY OF INVOLUNTARY CASH-OUT DISTRIBUTIONS. (S2IA §6.01)**

[Applies to all Plans.]

- (a) **No change to Involuntary Cash-Out Distribution related-provisions as elected under the Adoption Agreement and as applicable before January 1, 2024 (i.e., prior to the effective date of §304 of the SECURE 2.0 Act).**
- (b) **Involuntary Cash-Out Distributions.** Beginning January 1, 2024, or, if later, \_\_\_\_ [insert date after January 1, 2024], a Participant who has a termination of employment with a vested Account Balance of \$7,000 or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under the Plan.
- (c) **No Involuntary Cash-Out Distributions.** Beginning January 1, 2024, or, if later, \_\_\_\_ [insert date after January 1, 2024], the Plan does not provide for Involuntary Cash-Out Distributions. A Participant who has a termination of employment must consent to any distribution from the Plan.
- (d) **Lower Involuntary Cash-Out Distribution threshold.** Beginning January 1, 2024, or, if later, \_\_\_\_ [insert date after January 1, 2024], a Participant who has a termination of employment will receive an Involuntary Cash-Out Distribution only if the Participant’s vested Account Balance is less than or equal to:
  - (1) \$1,000
  - (2) \$5,000
  - (3) \$\_\_\_\_ (must be less than \$7,000)
- (e) **Application to spousal consent requirements.** Beginning January 1, 2024, or, if later, \_\_\_\_ [insert date after January 1, 2024], if the Plan is subject to the Qualified Joint and Survivor Annuity rules and this subsection (e) is elected, the elections in subsections (a) - (d) do not apply in determining the dollar threshold for spousal consent under the Plan and instead the spousal consent threshold is \$7,000 or such lower amount as selected below:
  - (1) \$1,000
  - (2) \$5,000
  - (3) \$\_\_\_\_ (must be less than \$7,000)
- (f) Describe any special rules relating to Involuntary Cash Out Distributions and/or spousal consent requirements: \_\_\_\_\_

**S2-14. AVAILABILITY OF IN-SERVICE DISTRIBUTIONS. (S2IA §§6.03, 6.04, 6.05 and 6.07)**

**[Applies to all Plans, except the Money Purchase Plan.]**

A Participant may withdraw all or any portion of such Participant’s vested Account Balance, to the extent designated, upon the occurrence of any of the event(s) selected under this §S2-14. If more than one option is selected for a particular contribution type under this §S2-14, a Participant may take an in-service distribution upon the occurrence of any of the selected events, unless designated otherwise under this §S2-14.

If the Plan allows for Rollover Contributions under AA §C-2 or After-Tax Employee Contributions under AA §6D, unless elected otherwise under this §S2-14, a Participant may take an in-service distribution from such Participant’s Rollover Account and After-Tax Employee Contribution Account at any time. If the Plan provides for Safe Harbor Contributions (SH) under AA §6C, unless elected otherwise under this §S2-14, a Participant may take an in-service distribution from such Participant’s Safe Harbor Contribution Account at the same time as elected for Salary Deferrals under §S2-14. Unless otherwise described under §S2-14(e), a Participant may take an in-service distribution from a Transfer Account as allowed for the underlying contribution source.

**All Available Sources**

<b>Deferral</b>	<b>Match</b>	<b>ER</b>	<b>R/O</b>	<b>AT</b>	<b>SH</b>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) As an Emergency Personal Expense Distribution beginning January 1, 2024, or, if later, ____ [insert date after January 1, 2024].
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) As a Domestic Abuse Distribution beginning January 1, 2024, or, if later, ____ [insert date after January 1, 2024].
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) As a Qualified Long-Term Care Distribution beginning December 30, 2025, or, if later, ____ [insert date after December 30, 2025].
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) As a Terminally Ill Individual Distribution beginning December 30, 2022, or, if later, ____ [insert date after December 30, 2022]. <i>[Note: Not available with respect to Salary Deferrals, Traditional Safe Harbor Contributions, QACA Safe Harbor Contributions, QNECs and QMACs, unless legislation amends Code §72(t)(2)(L) to allow a Terminally Ill Individual Distribution as a permissible distribution event.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Describe: _____

*[Note: Unless designated otherwise under subsection (e), any selection(s) in the Deferral column also apply to Roth Contributions, QMACs and QNECs. Except, Qualified Long-Term Care Distributions may not be taken from Roth accounts. Elections under the ER column also apply to Mandatory Contributions, unless otherwise provided in subsection (e). Any event described in subsection (e) may not violate the permissible distribution events under the Plan.]*

(f) **Special distribution rules for in-service distributions.**

- (1) The following are not available to Participants who have had a termination of employment:
  - (i) Emergency Personal Expense Distributions
  - (ii) Domestic Abuse Distributions
  - (iii) Qualified Long-Term Care Distributions
  - (iv) Terminally Ill Individual Distributions
- (2) The following are not available unless the Participant is 100% vested in the source from which the distribution is taken:
  - (i) Emergency Personal Expense Distributions
  - (ii) Domestic Abuse Distributions
  - (iii) Qualified Long-Term Care Distributions

- (iv) Terminally Ill Individual Distributions
- (3) Other distribution rules: \_\_\_\_\_

**S2-15. REQUIRED MINIMUM DISTRIBUTIONS ELECTIONS AND RULES. (S2IA §6.08) [If the Employer has made elections related to the required minimum distribution rules under the CARE/SECURE Interim Amendment, such elections will not be overridden unless elected otherwise below.]**

**[Applies to all Plans.]**

*[Note: The Plan shall comply with the required minimum distribution requirements of Code §401(a)(9) and applicable regulations. The Employer may develop administrative procedures to assist the Plan in complying with the required minimum distribution requirements.]*

**(a) Application of life expectancy and 10-year rules to Eligible Designated Beneficiaries.**

Unless the Employer elects otherwise under this subsection (a), required minimum distributions under the Plan when the Participant dies prior to the Required Beginning Date shall be made as follows: (1) if the Participant does not have a Designated Beneficiary, distributions must satisfy the 5-year rule under Code §401(a)(9)(B)(ii); (2) if the Participant has a Designated Beneficiary that is not an Eligible Designated Beneficiary, distributions must satisfy the 10-year rule; or (3) if the Participant has an Eligible Designated Beneficiary, distributions must satisfy the life expectancy rule.

- Instead of the above default rule, the Plan will apply the following rule:
  - (1) The 10-year rule applies to all Eligible Designated Beneficiaries.
  - (2) The entire interest of an Eligible Designated Beneficiary will be distributed by the end of the \_\_\_\_\_ calendar year [may not be greater than 9<sup>th</sup>] following the year the Participant dies.
  - (3) The Participant or Eligible Designated Beneficiary may elect to apply either the 10-year rule or the life expectancy rule to determine the required minimum distributions when the Participant dies before such Participant's Required Beginning Date. If the Participant or Eligible Designated Beneficiary does not make such an election on a timely basis:
    - (i) the life expectancy rule applies to all Eligible Designated Beneficiaries.
    - (ii) the 10-year rule applies to all Eligible Designated Beneficiaries.
    - (iii) the 10-year rule, reduced to \_\_\_\_\_ years, applies to all Eligible Designated Beneficiaries.
  - (4) Describe the manner (including effective date) in which the 10-year rule and life expectancy rule apply to Eligible Designated Beneficiaries: \_\_\_\_\_

**(b) Describe any rules relating to the application of the required minimum distribution rules under Code §401(a)(9):**

\_\_\_\_\_

**MISCELLANEOUS PROVISIONS**

**S2- 16 PLAN AMENDMENT INCREASING EMPLOYER CONTRIBUTIONS FOR PREVIOUS PLAN YEAR. (S2IA §7.06)**

**[Applies to all Plans.]**

- (a) Effective \_\_\_\_\_ [insert date during the immediately preceding Plan Year that is no earlier than January 1, 2024], the Employer elects to amend the Plan to increase Employer Contributions (as provided for in the Adoption Agreement) and to treat such amendment as having been adopted as of the last day of the Plan Year in which the amendment is effective.
- (b) Describe special rules relating to plan amendment increasing Employer Contributions for previous Plan Year: \_\_\_\_\_

*[Note: In lieu of an election under this §S2-16, the Employer may include the effective date of the Plan amendment on the Employer Signature Page. Any Adoption Agreement restriction that the effective date may be no earlier than the first day of the Plan Year in which the amendment is adopted does not apply.]*

**S2-17 MILITARY SPOUSE PLAN ELIGIBILITY. (S2IA §7.07)**

**[Applies to all DC Plans, except the Owners Only (Solo k) Plan, the Governmental Plan and the Church Plan.]**

Effective for taxable years beginning after December 29, 2022, if the Employer is an Eligible Small Employer that meets the requirements of Code §45AA, such Employer may be entitled to a tax credit with respect to each Military Spouse Employee who participates in the Plan. Although Code §45AA is not a qualification requirement under Code §401(a), the Employer may want to design the Plan to satisfy the applicable requirements. The Employer may design the Plan to meet the Code §45AA requirements under the terms of the Adoption Agreement or under this §S2-17.

- (a) **The Employer elects the following special provisions applicable to Military Spouses. All Matching Contributions**

**and/or Employer Contributions made on behalf of Military Spouses are immediately 100% vested.**

- (1) A Military Spouse will enter the Plan immediately upon such Military Spouse’s Employment Commencement Date and is immediately eligible to receive Matching Contributions and/or Employer Contributions which are not less than the amount of such contributions that a similarly situated Participant who is not a Military Spouse would be eligible to receive under the Plan after two (2) Years of Service for eligibility purposes.
  - (2) A Military Spouse will enter the Plan on the date which is two months after such Military Spouse’s Employment Commencement Date and is then immediately eligible to receive Matching Contributions and/or Employer Contributions which are not less than the amount of such contributions that a similarly situated Participant who is not a Military Spouse would be eligible to receive under the Plan after two (2) Years of Service for eligibility purposes.
  - (3) A Military Spouse will enter the Plan on the next Entry Date following such Military Spouse’s Employment Commencement Date, but in no event later than two months after such Employment Commencement Date, and is then immediately eligible to receive Matching Contributions and/or Employer Contributions which are not less than the amount of such contributions that a similarly situated Participant who is not a Military Spouse would be eligible to receive under the Plan after two (2) Years of Service for eligibility purposes.
  - (4) A Military Spouse will enter the Plan on the date which is \_\_\_\_ months (cannot exceed two (2)) or \_\_\_\_ days (cannot exceed 60) after such Military Spouse’s Employment Commencement Date and is then immediately eligible to receive Matching Contributions and/or Employer Contributions which are not less than the amount of such contributions that a similarly situated Participant who is not a Military Spouse would be eligible to receive under the Plan after two (2) Years of Service for eligibility purposes.
- (b) Effective date of special provisions applicable to Military Spouses: \_\_\_\_\_
- (c) Describe special rules relating to contributions for Military Spouses: \_\_\_\_\_

**S2-18. PEP FIDUCIARY FOR COLLECTING CONTRIBUTIONS TO THE PEP. (S2IA §8.01)**

- Instead of the PPP, the fiduciary for collecting contributions to the PEP is: \_\_\_\_\_

**S2-19. SPECIAL PROVISIONS.**

**[Applies to all Plans.]**

If the Employer wishes to provide additional or clarifying provisions to this SECURE 2.0 Act Interim Amendment, the Employer may include such provisions below.

- Describe any special rules related to this SECURE 2.0 Act Interim Amendment: \_\_\_\_\_

**EMPLOYER SIGNATURE PAGE**

**PURPOSE OF EXECUTION.** This Signature Page is being executed for SAN ANTONIO WATER COMPANY 401(K) PLAN to effect:

- (a) The adoption of a **new plan**, effective \_\_\_. [*Note: Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.*]
- (b) The **restatement** of an existing plan in order to comply with the requirements for Cycle 3 Pre-Approved Plans, pursuant to Rev. Proc. 2017-41.
  - (1) Effective date of restatement: \_\_\_\_\_ [*Note: Date can be no earlier than the first day of the Plan Year in which the restatement is adopted.*]
  - (2) Name of plan(s) being restated: \_\_\_\_\_
  - (3) The original effective date of the plan(s) being restated: \_\_\_\_\_
- (c) An **amendment or restatement** of the Plan (other than to comply with the requirements for Cycle 3 Pre-Approved Plans under Rev. Proc. 2017-41). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
  - (1) Effective Date(s) of amendment/restatement: 4-30-2026
  - (2) Name of plan being amended/restated: SAN ANTONIO WATER COMPANY 401(K) PLAN
  - (3) The original effective date of the plan being amended/restated: 1-1-2011
  - (4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: 10-1(d)

**PRE-APPROVED PLAN PROVIDER INFORMATION.** The Pre-Approved Plan Provider (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Pre-Approved Plan Provider (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the IRS Opinion Letter to the Pre-Approved Plan Provider (or authorized representative) at the following location:

**Name of Pre-Approved Plan Provider (or authorized representative):** Raymond, Reeves  
**Address:** 1423 South Higley Rd. Ste. 116 Mesa, AZ 85206  
**Telephone number:** (480) 834-6524

**IMPORTANT INFORMATION ABOUT THIS PRE-APPROVED PLAN.** A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. The Employer may rely on the Favorable IRS Letter issued by the Internal Revenue Service to the Pre-Approved Plan Provider as evidence that the Plan is qualified under Code §401(a), to the extent provided in Rev. Proc. 2017-41. The Employer may not rely on the Favorable IRS Letter in certain circumstances or with respect to certain qualification requirements, which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2017-41. In order to obtain reliance in such circumstances or with respect to such qualification requirements, the Employer may need to apply to the Internal Revenue Service for a determination letter.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that he/she has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #01. The Employer understands that the Pre-Approved Plan Provider has no responsibility or liability regarding the suitability of the Plan for the Employer's needs or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

SAN ANTONIO WATER COMPANY  
*(Name of Employer)*

Brian C. Lee General Manager  
*(Name of authorized representative)* *(Title)*

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*(Signature – Electronically signed)* *(Date)*