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CORRESPONDENCE MEMORANDUM

DATE: April 18, 2011

TO: Wisconsin Deferred Compensation Board

FROM: Shelly Schueller, Director
Wisconsin Deferred Compensation Program

SUBJECT: Proposed Plan and Trust Document Changes Related to Clarifying Compliance with Federal and State Regulations

Staff recommends that the Board approve revisions to the Wisconsin Deferred Compensation (WDC) Plan and Trust Document.

This memo outlines revisions that are necessary if the Board wishes to provide WDC participants with an in-plan Roth conversion option. The proposed changes to the existing Plan and Trust Document have been developed in consultation with Great-West Retirement Services' (GWRS) legal staff and are underlined in this memo. A complete Plan and Trust Document showing the proposed changes is also included as an attachment.

Background: The Small Business Jobs Act of 2010

The Small Business Jobs Act of 2010 was signed by President Obama on September 27, 2010. Section 2112 of the Act permits optional in-plan Roth conversions ("rollovers") for s. 457 plans that offer designated Roth accounts, beginning January 1, 2011. Previously, because a participant could not "convert" balances within a plan to a Roth account, the only way to accomplish this was via a rollover of assets out of the s. 457 plan to an external Roth IRA. As of January 1, 2011, s. 457 plans that permit designated Roth contributions may also allow eligible participants to convert eligible pre-tax assets to Roth assets through an in-plan rollover. In order for a participant to make an in-plan Roth rollover, the participant must be eligible to receive a distribution and the distribution must be an eligible rollover distribution. A participant who makes an in-plan Roth rollover would be responsible for any ordinary income tax due on the rollover amount in the year of conversion.

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

Matt Stohr — 4/20/11
Signature — Date

Board	Mtg Date	Item #
DC	05.17.11	6

The in-plan Roth rollover feature is optional for s. 457 plans. However, staff believes there is interest in this feature and recommends that the Board adopt language that would permit participants to convert eligible pre-tax assets to Roth assets through an in-plan rollover. Staff has worked with attorneys at GWRS to draft suggested language regarding in-plan Roth rollovers, as follows:

Add the following two definitions to Article 1:

> Article I. nm. IN-PLAN ROTH ROLLOVER means the portion of ELIGIBLE ROLLOVER DISTRIBUTION from the PLAN that a PARTICIPANT elects to have paid to the PARTICIPANT'S designated Roth contribution account.
>
> Article 1, nr. IN-PLAN ROTH ROLLOVER ACCOUNT means the separate bookkeeping account within the PARTICIPANT's designated Roth contribution account maintained by the ADMINISTRATOR within the PLAN for a PARTICIPANT for amounts of each IN-PLAN ROTH ROLLOVER made.

Add the following as a new section to Article IV. Plan Transfers and Eligible Rollover Distributions:

> Article IV, Section 4.07. A PARTICIPANT may elect, at the time and in the manner prescribed by the ADMINISTRATOR, to have any portion of an ELIGIBLE ROLLOVER DISTRIBUTION paid to the PLAN in an IN-PLAN ROTH ROLLOVER to the PARTICIPANT'S IN-PLAN ROTH ROLLOVER ACCOUNT. The amount rolled over in a direct IN-PLAN ROTH ROLLOVER continues to be taken into consideration for De Minimus distributions.

Recommendation

Staff recommends that the Board approve revisions to the WDC's Plan and Trust Document to include the changes discussed in this memo and as they are shown on the attached draft.

If the Board approves the recommended changes, the Board Chair could sign the revised Plan and Trust Document after the Board meeting. The changes would go into effect August 1, 2011, after they have been announced to participants via the July 2011 WDC quarterly newsletter and WDC staff develops an education campaign for participants.

GWRS and Department staff will be available at the meeting to discuss this memo and answer any questions you may have regarding the proposed revisions.

Attachment: Draft Revised Plan and Trust Document

Wisconsin Plan and Trust Document
Amended and Restated

~~November 16, 2010~~May 17, 2011

THE STATE OF WISCONSIN
PUBLIC EMPLOYEES
DEFERRED COMPENSATION PLAN AND TRUST

The State of Wisconsin hereby amends and restates, effective ~~January~~ August 1, 2011, (the Effective Date"), the State of Wisconsin Public Employees Deferred Compensation Plan and Trust (hereinafter called the "PLAN").

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ARTICLE I: Definitions

1.01. The following terms shall, for purposes of this PLAN, have the meaning set forth below:

a. ACCOUNT HOLDER means the PARTICIPANT. The term also includes an ALTERNATE PAYEE with respect only to the separate account, which may be established for the ALTERNATE PAYEE by reason of the award to the ALTERNATE PAYEE of a share of a PARTICIPANT'S account under a DOMESTIC RELATIONS ORDER. The term includes a BENEFICIARY who, as determined by the ADMINISTRATOR, has inherited control of a PARTICIPANT'S account under the provisions of the PLAN.

am. ADMINISTRATOR means the DEPARTMENT and, to the extent provided by the terms and conditions of contract, the entity contracted by the TRUSTEES to assist the DEPARTMENT in administering this benefit plan and to provide administrative services to the PLAN. Depending on the responsibilities assigned to the contracted entity, it may or may not be a "plan administrator" within the meaning of 26 U.S.C. §414(g).

b. ALTERNATE PAYEE means the person identified in a DOMESTIC RELATIONS ORDER to whom is awarded a portion of a PARTICIPANT'S account, or to whom is payable a portion or all of a PARTICIPANT'S benefit, under the PLAN.

c. BENEFICIARY means the person or estate entitled to receive benefits under this PLAN after the death of a PARTICIPANT.

d. COMPENSATION means all cash compensation for services to the EMPLOYER, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includable in the EMPLOYEE'S gross income for the calendar year, plus amounts that would be cash compensation for services to the EMPLOYER includable in the EMPLOYEE'S gross income for the calendar year but for a compensation reduction election under IRC Sections 125, 132(f), 401(k), 403(b), or 457(b), including an election to defer COMPENSATION under this PLAN. For PLAN years after December 31, 2008, to the extent permitted by the applicable Code provisions and Treasury Regulations, COMPENSATION shall include DIFFERENTIAL WAGE PAYMENTS received by a PARTICIPANT from the EMPLOYER while performing QUALIFIED MILITARY SERVICE.

e. CORE INVESTMENT SPECTRUM means the slate of investment options selected and monitored by the Deferred Compensation Board for offering to PARTICIPANTS of the PLAN for the investment of DEFERRED COMPENSATION and ELIGIBLE ROLLOVER DISTRIBUTION amounts.

f. DEFERRED COMPENSATION means the amount of COMPENSATION that a PARTICIPANT elects to defer into the PLAN under the PARTICIPATION AGREEMENT.

g. DEFERRED COMPENSATION ACCOUNT means the separate bookkeeping account maintained by the ADMINISTRATOR within the PLAN for a PARTICIPANT for amounts of COMPENSATION deferred into the PLAN.

gp. DESIGNATED ROTH CONTRIBUTION means an elective deferral that is:

(a) Designated irrevocably by the PARTICIPANT at the time of the cash or deferred election as a Roth contribution that is being made in lieu of all or a portion of the pre-tax deferrals the PARTICIPANT is otherwise eligible to make under the PLAN; and

(b) Treated by the EMPLOYER as includible in the PARTICIPANT'S income at the time the PARTICIPANT would have received that amount in cash if the PARTICIPANT had not made a cash or deferred election.

gm. DEPARTMENT means the Department of Employee Trust Funds.

gr. DIFFERENTIAL WAGE PAYMENTS means any payment, including but not limited to a payment under s. 230.315, Stats., which meets all the following criteria:

(a) The payment is made by an employer to a participating employee with respect to any period during which the participating employee is performing service in the uniformed services, as defined in 38 USC 4303, while on active duty for a period of more than 30 days.

(b) The payment represents all or a portion of the earnings the participating employee would have received from the employer if the participating employee were performing services for the employer.

gw. DOMESTIC PARTNER means an individual in a domestic partnership.

gy. DOMESTIC PARTNERSHIP means a relationship between two individuals that satisfies all of the requirements under s. 40.02(21d), Wis. Stats., which are:

(a) Each individual is at least 18 years old and otherwise competent to enter into a contract.
(b) Neither individual is married to, or in a domestic partnership with, another individual.
(c) The two individuals are not related by blood in any way that would prohibit marriage under s. 765.03.
(d) The two individuals consider themselves to be members of each other's immediate family.
(e) The two individuals agree to be responsible for each other's basic living expenses.
(f) The two individuals share a common residence. Two individuals may share a common residence even if any of the following applies:
    1. Only one of the individuals has legal ownership of the residence.
    2. One or both of the individuals have one or more additional residences not shared with the other individual.

3. One of the individuals leaves the common residence with the intent to return.

h. DOMESTIC RELATIONS ORDER means a judgment, decree, or order issued by a court pursuant to a domestic relations law of any state or territory of the United States relating to a marriage that terminated after December 1, 2001 or a DOMESTIC PARTNERSHIP that terminated after January 1, 2010 and that conforms to the requirements of Wisconsin Statutes Sections 40.08 and 40.80 and the BOARD.

i. ELIGIBLE ROLLOVER ACCOUNT means the separate bookkeeping account maintained by the ADMINISTRATOR within the PLAN for a PARTICIPANT for amounts of ELIGIBLE ROLLOVER DISTRIBUTIONS as defined in Section 1.01(j).

j. ELIGIBLE ROLLOVER DISTRIBUTION means an eligible rollover distribution as defined in IRC Section 402(c)(4), including eligible rollover distributions to a surviving spouse under IRC Section 402(c)(9) or a non-spousal beneficiary as defined by IRC Section 402(c)(11).

k. ELIGIBLE RETIREMENT PLAN means an eligible retirement plan as defined in IRC Section 402(c)(8)(B) as well as a Roth IRA as described in IRC Section 408A.

l. EMPLOYEE means any person, other than independent contractors, who receives any type of compensation from the EMPLOYER, for which services are rendered (including, but not limited to, elected or appointed officials, salaried employees and limited term employees). A person receiving DIFFERENTIAL WAGE PAYMENTS is an employee although not rendering services to the EMPLOYER.

m. EMPLOYER means the State of Wisconsin or any governmental unit, any of its agencies, departments, subdivisions, or instrumentalities for which services are performed by a PARTICIPANT.

n. INCLUDIBLE COMPENSATION means an EMPLOYEE'S actual wages in box 1 of Form W-2 for a year for services to the EMPLOYER, but subject to a maximum of $200,000 (or such higher maximum as may apply under IRC Section 401(a)(17)) and increased (up to the dollar maximum) by any compensation reduction election under IRC Sections 125, 132(f), 401(k), 403(b), or 457(b), including an election to defer COMPENSATION under this Plan.

nm. IN-PLAN ROTH ROLLOVER means the portion of ELIGIBLE ROLLOVER DISTRIBUTION from the PLAN that a PARTICIPANT elects to have paid to the PARTICIPANT'S designated Roth contribution account.

nr. IN-PLAN ROTH ROLLOVER ACCOUNT means the separate bookkeeping account within the PARTICIPANT's designated Roth contribution account maintained by the ADMINISTRATOR within the PLAN for a PARTICIPANT for amounts of each IN-PLAN ROTH ROLLOVER made.

o. IRC means the Internal Revenue Code of 1986 as now in effect or as hereafter amended.

p. NORMAL RETIREMENT AGE means the normal retirement date under WIS. STAT. § 40.02 (42) applicable to the PARTICIPANT based on the category of employment from which the PARTICIPANT retired.

q. PARTICIPANT means an individual who is currently deferring COMPENSATION, or who has previously deferred COMPENSATION under the PLAN by salary reduction and who has not received a distribution of his or her entire benefit under the PLAN. Only individuals who perform services for the EMPLOYER as an EMPLOYEE may defer COMPENSATION under the Plan.

r. PARTICIPATION AGREEMENT means the application of the PARTICIPANT to the ADMINISTRATOR to participate in the PLAN.

s. PLAN means the State of Wisconsin Public Employees Deferred Compensation Plan and Trust as set forth in this document and as it may be amended from time to time.

t. PLAN YEAR means the calendar year in which the PLAN becomes effective, and each succeeding calendar year of existence of this PLAN.

tm. PUBLIC SAFETY OFFICER is a term having the same meaning as provided by 42 USC 3796b(9)(A) for purposes of determining coverage for federal public safety officers' death benefits. A protective occupation participant as defined by WIS. STAT. § 40.02 (48) is not necessarily a PUBLIC SAFETY OFFICER and a person who is not a protective occupation participant may nevertheless qualify as a PUBLIC SAFETY OFFICER.

tr. QUALIFIED MILITARY SERVICE is a term having the same meaning as provided in 26 US Code s. 414(u)(5).

u. SEVERANCE FROM EMPLOYMENT means the date that the EMPLOYEE dies, retires, or otherwise has a severance from employment with the EMPLOYER, as determined by the ADMINISTRATOR (and taking into account guidance issued under the IRC). A PARTICIPANT whose employment is interrupted by QUALIFIED MILITARY SERVICE shall be deemed severed from employment until such time as he or she is reemployed following the term of duty. Effective for PLAN YEARS after December 31, 2008, if a PARTICIPANT called to QUALIFIED MILITARY SERVICE receives a distribution from the

PLAN due to severance, the PARTICIPANT'S deferral to the PLAN shall be suspended for six months following the date of the distribution.

v. SDO means the Self-Directed Brokerage Option offered for additional opportunities for investment of account balance as a transfer of assets from the CORE INVESTMENT SPECTRUM account.

w. TRUSTEES mean the Wisconsin Deferred Compensation Board.

x. UNFORESEEABLE EMERGENCY means a severe financial hardship to the PARTICIPANT or BENEFICIARY resulting from: an illness or accident of the PARTICIPANT or BENEFICIARY, the spouse of the PARTICIPANT or BENEFICIARY, or the PARTICIPANT or BENEFICIARY'S dependent, as that term is defined by 26 USC 152 but without regard to 26 USC 152 (b)(1) or (2) or (d)(1)(B); loss of PARTICIPANT'S or BENEFICIARY'S property due to casualty, including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster; or, other similar or extraordinary and unforeseeable circumstances, arising as a result of events beyond the control of the PARTICIPANT or BENEFICIARY. Examples of circumstances which may constitute an unforeseeable emergency include: the imminent foreclosure of, or eviction from, the participant's or beneficiary's primary residence; the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication; the need to pay for the funeral expenses of a PARTICIPANT's or BENEFICIARY'S spouse or a dependent, as defined by 26 USC 152 without regard for 26 USC 152(b)(1) or (2) or (d)(1)(B). Examples that are not unforeseeable emergencies include: payment of college tuition; and, the purchase of a home, except as expressly provided above concerning the replacement of a home lost due to casualty.

ARTICLE II: Election to Defer Compensation

2.01. The PARTICIPANT may elect to participate by signing the PARTICIPATION AGREEMENT and consenting to a reduction of salary by the deferral amount specified in the PARTICIPATION AGREEMENT.

2.02. The PARTICIPANT may elect to defer accumulated sick pay, accumulated vacation pay, and back pay amounts into the PLAN, provided that a PARTICIPATION AGREEMENT is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the PARTICIPANT is an EMPLOYEE of EMPLOYER in that month. In the case of accumulated sick pay, vacation pay, or back pay that is payable before the PARTICIPANT has a SEVERANCE FROM EMPLOYMENT, the requirements of the preceding sentence are deemed satisfied if the PARTICIPATION AGREEMENT is entered into before the amount is currently available (as defined in regulations under IRC Section 401(k)).

2.03. The EMPLOYER shall commence the salary reduction no earlier than the first pay period commencing during the first month that begins after the date on which the PARTICIPATION AGREEMENT is filed with the ADMINISTRATOR.

a. The PARTICIPANT may revoke his election to participate and may amend the amount of DEFERRED COMPENSATION by filing with the ADMINISTRATOR a revocation or amendment according to the procedural manner established by the ADMINISTRATOR. In addition, the PARTICIPANT may amend his investment specification in the procedural manner established by the ADMINISTRATOR. Any amendment that increases the amount of DEFERRED COMPENSATION for any pay period shall be effective only if an agreement providing for such additional amount is entered into before the beginning of the month in which the pay period commences. Any revocation or amendment of the amount of DEFERRED COMPENSATION shall be effective prospectively only. Any change in the PARTICIPANT'S investment specification by the PARTICIPANT, whether it applies to amounts previously deferred or amounts to be deferred in the future, shall be effective prospectively only, subject to the underlying restrictions and limitations of the PLAN, the ADMINISTRATOR, the investment option to which, or from which, a change is made, or as may be otherwise required by law. Any change shall be effective on a date consistent with these rules and specifications. Such specifications are available from the ADMINISTRATOR upon request.

b. After the death of the PARTICIPANT, his BENEFICIARY shall have the right to amend the PARTICIPANT'S, or the BENEFICIARY'S own, investment specification by filing with the ADMINISTRATOR an amendment according to the procedural manner established by the ADMINISTRATOR. Any change in an investment specification by a BENEFICIARY shall be subject to the underlying restrictions and limitations of the PLAN, the ADMINISTRATOR, the investment option to which, or from which, a change is made, or as may be otherwise required by law. Any change shall be effective on a date consistent with these rules and specifications. Such specifications are available from the ADMINISTRATOR upon request.

2.04. Except as provided in Sections 2.05 and 2.06, the maximum amount of DEFERRED COMPENSATION under the PLAN for the PARTICIPANT'S taxable year shall not exceed the lesser of (a) the maximum dollar amount under IRC Section 457 (b)(2)(A) as adjusted for cost of living adjustments described in IRC Section 457(e)(15); or (b) 100% of the PARTICIPANT'S INCLUDIBLE COMPENSATION as provided in IRC Section 457(b)(2)(B).

2.05. The maximum deferral amount described in Section 2.04 under the PLAN for the PARTICIPANT'S taxable year may be increased for a PARTICIPANT who has attained age 50 or over by the end of the taxable year pursuant to IRC Section 414(v)(2)(B) and any applicable treasury regulations. This section shall not be applicable for any taxable year for which a higher limitation under Section 2.06 applies.

2.06. If the applicable year is one of a PARTICIPANT'S last 3 calendar years ending before the year in which the PARTICIPANT attains NORMAL RETIREMENT AGE and the amount deferred under this Section exceeds the amount computed under Sections 2.04 and 2.05, then the maximum deferral under this Section shall be the lesser of:

a. An amount equal to 2 times the maximum deferral amount described in Section 2.04 for such year; or

b. The sum of:

(i) An amount equal to (A) the aggregate of maximum deferral amount for the current year plus each prior calendar year beginning after December 31, 2001 during which the PARTICIPANT was an EMPLOYEE under the PLAN, minus (B) the aggregate amount of COMPENSATION that the PARTICIPANT deferred under the PLAN during such years; plus

(ii) An amount equal to (A) the aggregate limit referred to in IRC Section 457(b)(2) for each prior calendar year beginning after December 31, 1978 and before January 1, 2002 during which the PARTICIPANT was an EMPLOYEE (determined without regard to this Section and Section 2.05), minus (B) the aggregate contributions to Pre-2002 Coordination.

However, in no event can the deferred amount be more than the PARTICIPANT'S COMPENSATION for the year. If the PARTICIPANT is or has been a PARTICIPANT in one or more eligible plans within the meaning of IRC Section 457(b), then this PLAN and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations. For this purpose, the ADMINISTRATOR shall take into account any other such eligible plan for which the ADMINISTRATOR receives from the PARTICIPANT sufficient information concerning his or her participation in such other plan. In applying the foregoing limitations, a year shall be taken into account only if (i) the PARTICIPANT was eligible to participate in the PLAN during all or a portion of the year and (ii) COMPENSATION deferred, if any, under the PLAN during the year was subject to the maximum annual limit described in Section 2.04 or any other plan ceiling required by IRC Section 457(b).

The term "contributions to Pre-2002 Coordination Plans" means an employer contribution, salary reduction or elective contribution under any other eligible IRC Section 457(b) plan, or a salary reduction or elective contribution under an IRC Section 401(k) qualified cash or deferred arrangement, IRC Section 402(h)(1)(B) simplified employee pension (SARSEP), IRC Section 403(b) annuity contract, and IRC Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in IRC Section 501(c)(18), including plans, arrangements or accounts maintained by the EMPLOYER or any employer for whom the PARTICIPANT performed services. However, the contributions

for any calendar year are only taken into account for purposes of Section 2.06(b)(2)(B) to the extent that the total of such contributions does not exceed the aggregate limited referred to in IRC Section 457(b)(2) for that year.

2.07. If the DEFERRED COMPENSATION on behalf of a PARTICIPANT for any calendar year exceeds the limitations described in this Article, or the DEFERRED COMPENSATION on behalf of a PARTICIPANT for any calendar year exceeds the limitations described in this Article when combined with other amounts deferred by the PARTICIPANT under another eligible deferred compensation plan under IRC Section 457(b) for which the PARTICIPANT provides information that is accepted by the ADMINISTRATOR, then the DEFERRED COMPENSATION, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any allocable thereto), shall be distributed to the PARTICIPANT.

2.08. An EMPLOYEE whose employment is interrupted by qualified military service under IRC Section 414(u) or who is on a leave of absence for qualified military service under IRC Section 414(u) may elect to make additional deferrals upon resumption of employment with the EMPLOYER equal to the maximum deferral limit that the EMPLOYEE could have elected during that period if the EMPLOYEE'S employment with the EMPLOYER had continued (at the same level of COMPENSATION) without the interruption or leave, reduced by the deferrals, if any, actually made for the EMPLOYEE during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of interruption or leave).

2.09 **Designated ROTH Contributions**
Each PARTICIPANT may make DESIGNATED ROTH CONTRIBUTIONS; provided, however, that a PARTICIPANT shall not make a DESIGNATED ROTH CONTRIBUTION to the PLAN for any PLAN YEAR to the extent such DESIGNATED ROTH CONTRIBUTION would exceed the limitations of Section 2.04.

a. General Application. This subsection will apply to designated Roth contributions beginning on or after January 1, 2011.

(i) As of the effective date under (a), the PLAN will accept elective deferrals designated as DESIGNATED ROTH CONTRIBUTIONS made on behalf of PARTICIPANTS. A PARTICIPANT'S DESIGNATED ROTH CONTRIBUTIONS will be allocated to a separate account maintained for such deferrals as described in (b).

(ii) Unless specifically stated otherwise, designated Roth Contributions will be treated as elective deferrals for all purposes under the PLAN.

b. Separate Accounting. Contributions and withdrawals of designated Roth Contributions will be credited and debited to the Roth Contribution Account maintained for each PARTICIPANT.

(i) The PLAN will maintain a record of the amount of DESIGNATED ROTH CONTRIBUTIONS in each PARTICIPANT'S Roth contribution account.

(ii) Gains, losses and other credits or charges must be separately allocated on a reasonable and consistent basis to each PARTICIPANT'S Roth contribution account and the PARTICIPANT'S other accounts under the PLAN.

(iii)No contributions other than DESIGNATED ROTH CONTRIBUTIONS and properly attributable earnings will be credited to each PARTICIPANT'S Roth contribution account.

ARTICLE III: Employer Contributions

3.01. If the EMPLOYER agrees to make, or any collective bargaining agreement requires to be made, any contributions to the PLAN for PARTICIPANTS, the EMPLOYER may contribute to the PLAN for PARTICIPANTS. If the EMPLOYER makes any contributions, they shall become PARTICIPANT contributions under the PLAN at the time such contributions are made. For purposes of administering Sections 2.04, 2.05 and 2.06 of this PLAN, EMPLOYER contributions shall apply toward the maximum deferral limits in the PLAN YEAR that such contributions are made.

ARTICLE IV: Plan Transfers and Eligible Rollover Distributions

4.01. If a PARTICIPANT terminates employment with the EMPLOYER and accepts employment with another employer which maintains an eligible deferred compensation plan (as defined in IRC Section 457) and the new employer's plan accepts transfers, the PARTICIPANT may transfer his account balance from the PLAN to the plan maintained by the new employer. The PARTICIPANT'S election to transfer shall be filed with the ADMINISTRATOR before the date for any benefit distributions.

4.02. If the EMPLOYER offers an eligible deferred compensation plan (as defined in IRC Section 457) other than the PLAN, and such other plan accepts transfers, the PARTICIPANT may transfer the account balance from the PLAN to the other plan. The PARTICIPANT'S election to transfer shall be filed with the ADMINISTRATOR.

4.03. Transfer from other eligible deferred compensation plans (as defined in IRC Section 457) to the PLAN will be accepted at the PARTICIPANT'S request if such transfers are in cash or in non-annuity products currently offered under the PLAN. Any such transferred amount shall not be subject to the limitations of Section 2.04, provided, however, that the actual amount deferred during the calendar year under both plans shall be taken into account in calculating the deferral limitation for that year. For purposes of determining the limitation set forth in Section 2.06, years of eligibility to participate in the prior plan and deferrals under that plan shall be considered.

4.04. The PLAN may receive an ELIGIBLE ROLLOVER DISTRIBUTION on behalf of a PARTICIPANT from an ELIGIBLE RETIREMENT PLAN provided (a) the ELIGIBLE ROLLOVER DISTRIBUTION is made entirely in the form of U.S. dollars, and (b) the PARTICIPANT demonstrates to the ADMINISTRATOR'S satisfaction that the amount is a qualifying eligible rollover distribution under IRC Sections 402(c)(4), 403(a)(4) or 408(d)(3). Solely for the purposes of applying the rollover provisions of the PLAN, 2009 required minimum distributions and extended 2009 required minimum distributions will be treated as ELIGIBLE ROLLOVER DISTRIBUTIONS.

4.05. Subject to Section 10.01, and the rules of 26 USC 402(c)(2) through (7), (9) and (11) and (f), a PARTICIPANT or BENEFICIARY may elect at the time and in the manner prescribed by the ADMINISTRATOR, to have any portion of an ELIGIBLE ROLLOVER DISTRIBUTION paid directly to an ELIGIBLE RETIREMENT PLAN specified by the PARTICIPANT or BENEFICIARY, provided the PARTICIPANT or BENEFICIARY presents to the satisfaction of the ADMINISTRATOR a letter of acceptance or other written acknowledgment from the accepting plan that it is an ELIGIBLE RETIREMENT PLAN qualified to accept the ELIGIBLE ROLLOVER DISTRIBUTION.

4.06. A PARTICIPANT may use all or a portion of an account balance as a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in IRC Section 414(d)), including the Wisconsin Retirement System ("WRS") to purchase permissive service credit or for the repayment of service credits. Such plan must permit such a transfer, and the PARTICIPANT must demonstrate to the ADMINISTRATOR'S satisfaction that the transfer is to an eligible defined benefit governmental plan and the transfer is permissible for the purchase of service credit (as defined in Code Section 415(n)(3)(A)) or for the repayment of service credits permissible by IRC Section 415(k)(3).

4.07 A PARTICIPANT may elect, at the time and in the manner prescribed by the ADMINISTRATOR, to have any portion of an ELIGIBLE ROLLOVER DISTRIBUTION paid to the PLAN in an IN-PLAN ROTH ROLLOVER to the PARTICIPANT'S IN-PLAN ROTH ROLLOVER ACCOUNT. The amount rolled over in a direct IN-PLAN ROTH ROLLOVER continues to be taken into consideration for De Minimus distributions.

ARTICLE V: Beneficiaries

5.01. The ACCOUNT HOLDER under this PLAN, shall have the right to file, with the ADMINISTRATOR, a written BENEFICIARY designation form designating the person or persons who shall receive the benefits payable under this PLAN in the event of the ACCOUNT HOLDER's death. An ACCOUNT HOLDER who has filed a written BENEFICIARY designation form, accepted by the ADMINISTRATOR, may change his or her BENEFICIARY designations only by filing a new BENEFICIARY designation

form. This means, for example, that a BENEFICIARY designation naming a spouse is not affected by a subsequent divorce. The form for this purpose shall be provided by the ADMINISTRATOR and will have no effect unless it is signed and filed with the ADMINISTRATOR prior to the ACCOUNT HOLDER's death, and accepted by the ADMINISTRATOR. In the absence of a written designation of BENEFICIARY, or if all designated BENEFICIARIES who survive the decedent die before the ACCOUNT HOLDER, the ACCOUNT HOLDER's BENEFICIARIES shall be determined pursuant to Wisconsin Statutes 40.02(8)(a)2., as in effect on the date of death, with all relationships determined relative to the deceased ACCOUNT HOLDER. The shares payable to the issue of a person shall be determined per stirpes. At present, the statute provides the following sequence of potential beneficiaries:

Group I	Surviving Spouse or Surviving DOMESTIC PARTNER;
Group II	Children, of the deceased ACCOUNT HOLDER in equal shares, with the share of any deceased child payable to the issue of the child or, if there is no surviving issue of a deceased child, to the other eligible children in this group or if deceased, their issue;
Group III	Parents, in equal share if both survive;
Group IV	Brother and sister in equal shares and the issue of any deceased brother or sister;
Group V	The estate of the deceased ACCOUNT HOLDER.

The current statute provides that payments shall be made equally to each surviving member of a group, except as otherwise specifically indicated. No members of any succeeding group shall have the right to receive any payments if there is a surviving member of a preceding group.

Pursuant to Wisconsin Statutes 40.02(8)(a)2, a BENEFICIARY does not include a person who dies before filing with the ADMINISTRATOR either a beneficiary designation applicable to that death benefit or an application for any death benefit payable to the person except as otherwise provided under Group II above. If a person dies after filing a beneficiary application but before the date on which the benefit check, share draft or other draft is issued or funds are otherwise transferred, any benefit payable shall be paid in accord with the written designation of beneficiary, if any, filed with the ADMINISTRATOR in connection with the application or, if none, in accord with the last designation previously filed by the person, or otherwise to the person's estate.

A BENEFICIARY may waive all or a portion of the right to or the payment of any benefit payable or to become payable under the PLAN to the BENEFICIARY as provided in WIS. STAT. § 40.08 (3). With respect only to the portion of the right to, or payment of, any benefit waived, any beneficiary designation or application filed by the BENEFICIARY shall be void and the BENEFICIARY shall be treated as having predeceased the ACCOUNT HOLDER. Once in effect, a waiver is absolute, without right of reconsideration or recovery.

No person may be the BENEFICIARY of an ACCOUNT HOLDER if he or she has unlawfully and intentionally killed and shall instead be treated as if he or she had previously waived all rights to payment of benefits under the PLAN.

The above provisions reflect applicable Wisconsin State law, in existence as of the Effective Date. Any amendment of State law after the Effective Date, which conflicts with any of these provisions will control, rather than the above provisions, to the extent of such conflict.

Each ACCOUNT HOLDER accepts and acknowledges that he or she had the burden of executing and filing with the ADMINISTRATOR, a proper BENEFICIARY designation form.

ARTICLE VI: Accounts and Reports

6.01. The EMPLOYER shall remit DEFERRED COMPENSATION amounts to the ADMINISTRATOR or his designated agent. The ADMINISTRATOR shall have no duty to determine whether the funds paid to him by the EMPLOYER are correct, nor to collect or enforce such payment. The ADMINISTRATOR shall maintain a DEFERRED COMPENSATION ACCOUNT with respect to each PARTICIPANT'S DEFERRED COMPENSATION amounts. A written report of the status of the PARTICIPANT'S DEFERRED COMPENSATION ACCOUNT shall be furnished quarterly and within twenty (20) days after the end of each calendar quarter to the PARTICIPANT or BENEFICIARY.

6.02. The PARTICIPANT or an ELIGIBLE RETIREMENT PLAN shall remit ELIGIBLE ROLLOVER DISTRIBUTION amounts to the ADMINISTRATOR or his designated agent. The ADMINISTRATOR shall maintain an ELIGIBLE ROLLOVER ACCOUNT with respect to each PARTICIPANT'S ELIGIBLE DISTRIBUTION amounts. A written report of the status of the PARTICIPANT'S ELIGIBLE ROLLOVER ACCOUNT shall be furnished quarterly and within twenty (20) days after the end of each calendar quarter to the PARTICIPANT or BENEFICIARY.

6.03. The statement of accounts furnished by the ADMINISTRATOR to the PARTICIPANT or BENEFICIARY no later than twenty (20) days from the end of the quarter shall reflect the current balance and all activity in each account during the quarter. Amounts corresponding to the CORE INVESTMENT SPECRTUM options will be itemized. Any balance held in the SDO will be shown as the aggregate balance of all investments in the SDO with detail that includes the total of all transfers into and out of the SDO option for the reporting period.

6.04. Within ninety (90) days after the end of the calendar year, the ADMINISTRATOR shall file with the EMPLOYER a balance sheet for the PLAN, showing the total assets at the beginning and end of the calendar year, a schedule of all receipts and disbursements, and a report for all material transactions of the PLAN during the preceding year.

6.05. The ADMINISTRATOR'S records shall be open to inspection on any official State business day between 8:00 a.m. and 4:30 p.m. Central Time, by the EMPLOYER or any PARTICIPANT, or their designated representatives.

6.06. Within thirty (30) days from the end of each quarter, the ADMINISTRATOR shall furnish to the EMPLOYER a quarterly statement that identifies the aggregate balance of all employee accounts in the PLAN. Amounts corresponding to the CORE INVESTMENT SPECTRUM options will be itemized. Any balances held in the SDO will be shown as the aggregate balance of all investments in the SDO with detail that includes the total of all transfers into and out of the SDO option for the reporting period.

ARTICLE VII: Investments of Accounts

7.01. DEFERRED COMPENSATION and ELIGIBLE ROLLOVER DISTRIBUTION amounts shall be delivered to the ADMINISTRATOR or his designated agent for investment as designated by the PARTICIPANT or BENEFICIARY. Such amounts shall be treated as contributed to the PLAN within a period that is not longer than reasonable for the proper administration if the contribution is made within 15 business days following the end of the month in which the amounts would otherwise have been paid to the PARTICIPANT.

7.02. The ADMINISTRATOR, as agent for the TRUSTEES, shall use the PARTICIPANT'S or BENEFICIARY'S investment specifications to determine the value of any DEFERRED COMPENSATION ACCOUNT and/or ELIGIBLE ROLLOVER ACCOUNT maintained with respect to the PARTICIPANT, and shall invest the amounts in each account according to such specifications.

7.03. All interest, dividends, charges for premiums and administrative expenses, and changes in value due to market fluctuations applicable to each PARTICIPANT'S account shall be credited or debited to the account as they occur. Dividends and capital gains distributions shall be automatically reinvested as applicable.

7.04. All assets of the PLAN, including all DEFERRED COMPENSATION and ELIGIBLE ROLLOVER DISTRIBUTION amounts, property and rights purchased with such amounts, and all income attributable to such amounts, property or rights shall be held in Trust, in accordance with the provisions of Section 9.06, by the TRUSTEES (until made available to the PARTICIPANT or BENEFICIARY) for the exclusive benefit of PARTICIPANTS and their BENEFICIARIES. Contracts and other evidence of the investments of all assets under this PLAN shall be registered in the name of the TRUSTEES, who shall be the owners thereof.

7.05. If any contribution (or any portion of a contribution) is made to the PLAN by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the ADMINISTRATOR, the

amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the PARTICIPANT or, to the extent required or permitted by the ADMINISTRATOR, to the EMPLOYER.

ARTICLE VIII: Special Rules Regarding the Self-Directed Option (SDO)

8.01. In addition to the CORE INVESTMENT SPECTRUM, the PLAN also offers an SDO for additional investment choices. Investments can only be made in the SDO as a transfer of assets from the account balance in the CORE INVESTMENT SPECTRUM.

8.02. The PARTICIPANT or BENEFICIARY acknowledge that the TRUSTEES, EMPLOYER, PLAN or its ADMINISTRATOR have no express or implied responsibility for the evaluation, selection, and/or monitoring of the continued offering of additional investment options in the SDO by the PLAN, including any duty to supervise or monitor the PARTICIPANT or BENEFICIARY'S investment experience in the SDO. The PARTICIPANT or BENEFICIARY acknowledge that it is their sole responsibility to determine if the SDO investment options selected are appropriate for long-term retirement savings and the PARTICIPANT or BENEFICIARY hereby agree to remain liable for any investment losses related thereto. It is understood that the TRUSTEES, EMPLOYER, PLAN or its ADMINISTRATOR are held harmless from any liability for investment losses or lost investment opportunities pertaining to the PARTICIPANT'S or BENEFICIARY'S investment in SDO options.

8.03. The PARTICIPANT or BENEFICIARY acknowledge that any PARTICIPANT-related disputes or controversies involving SDO accounts are solely the responsibility of the PARTICIPANT or BENEFICIARY and hereby agree to settle such disputes according to the terms and conditions of the LPOA form referenced in Section 8.05 herein. It is understood that the TRUSTEES, EMPLOYER, PLAN or its ADMINISTRATOR have no responsibility or liability to any PARTICIPANT or BENEFICIARY for any act, error, omission, controversy or dispute involving SDO accounts being offered by the PLAN as additional investment choices.

8.04. A minimum balance of $1,000 in the CORE INVESTMENT SPECTRUM is required for a PARTICIPANT or BENEFICIARY to be eligible to establish an SDO account. A minimum amount of $500 must be maintained in the CORE INVESTMENT SPECTRUM account. If at any time this account balance falls below $250 the ADMINISTRATOR will provide notification to the PARTICIPANT or BENEFICIARY and may subsequently initiate an automatic transfer from the SDO to restore the CORE INVESTMENT SPECTRUM account balance to the $500 minimum required balance. This liquidation will be made based on the steps identified in Section 10.06(3).

8.05. Once eligible, a PARTICIPANT or BENEFICIARY may elect to participate in the SDO offered by the PLAN by signing a Limited Power of Attorney form (LPOA) to establish a separate account with the SDO provider. By signing this form and submitting it to the ADMINISTRATOR, the PARTICIPANT or BENEFICIARY acknowledges that the

options available through the SDO are not evaluated or monitored by the PLAN. The LPOA form filed with the ADMINISTRATOR will be processed on the same business day as received if receipt is by 3:00 p.m. Central Time. All LPOA forms received after 3:00 p.m. Central Time will be processed on the next business day.

8.06. After establishment of the SDO account, the PARTICIPANT or BENEFICIARY may initiate a transfer of assets from the CORE INVESTMENT SPECTRUM into the SDO. The minimum initial transfer amount to the SDO is $500 with no minimum amount required for any subsequent transfers.

8.07. Amounts transferred from the CORE INVESTMENT SPECTRUM to the SDO will be initially deposited into the SDO money market account. The PARTICIPANT or BENEFICIARY must initiate transfers from the money market fund to other SDO options by contacting the SDO provider. Transfer activity within the SDO may not take place until the initial transfer to the SDO has been processed by the ADMINISTRATOR and recorded into the SDO account. Transfers to the SDO require one (1) business day to process and the transferred assets will be out of the market during this processing period.

8.08. Amounts transferred from the SDO back to the CORE INVESTMENT SPECTRUM can only be made from the SDO money market account. Prior to initiating a transfer back into the core options, the PARTICIPANT or BENEFICIARY must first liquidate sufficient SDO investments and deposit this amount into the SDO money market fund. Once dollars are available in the SDO money market fund, transfers from the SDO back to the CORE INVESTMENT SPECTRUM require two (2) business days to process and the transferred assets will be out of the market for one business day of this processing period.

8.09. Administrative fees assessed by the PLAN will be based on the PARTICIPANT'S or BENEFICIARY'S entire account balance in the PLAN and include amounts invested in the SDO. The fee will be deducted entirely from the balance in the CORE INVESTMENT SPECTRUM account.

8.10. The PLAN may assess an additional fee to PARTICIPANTS and BENEFICIARIES who have established or maintained an SDO account for administration of this option.

8.11. Notwithstanding any other provision of this Article, the ADMINISTRATOR may compel a PARTICIPANT to liquidate SDO investments, deposit the realized amount into the SDO money market fund and transfer a sum sufficient to enable implementation of a DOMESTIC RELATIONS ORDER into the CORE INVESTMENT SPECTRUM money market account, as provided in Article XI, §11.025 j (i) (D) and (ii) (B). In the event the PARTICIPANT fails to act within 15 days after being sent a request to do so, the PLAN shall liquidate all SDO investments, deposit the realized amount into the SDO money market fund and transfer the entire amount to the CORE INVESTMENT SPECTRUM money market account.

ARTICLE IX: Trust Provisions

9.01. TRUSTEES. The TRUSTEES shall be, at any time, the duly appointed and authorized members of the Wisconsin Deferred Compensation Board ("BOARD"). Resignation, removal, and appointment of TRUSTEES shall be conducted and governed by provisions of Wisconsin law applicable to resignation, renewal and appointment of such Board members. Compensation and expense reimbursement of the TRUSTEES shall also be in accordance with compensation and expenses of Board members.

9.02. The TRUSTEES shall adopt various investment options to establish the CORE INVESTMENT SPECTRUM for the investment of deferred amounts by PARTICIPANTS or their BENEFICIARIES, and shall monitor and evaluate the appropriateness of continued offerings by the PLAN. The TRUSTEES may de-select options that are determined to be no longer appropriate for offering. In adopting or de-selecting such options, the TRUSTEES shall be governed by the applicable Wisconsin Statutes and Wisconsin Administrative Code. Following such adoption or de-selection of investment options by the TRUSTEES, PARTICIPANTS or their BENEFICIARIES shall be entitled to select from among the available options for investment of their accounts. In the event options are de-selected, the TRUSTEES may require PARTICIPANTS or their BENEFICIARIES to move balances to an alternative option offered by the PLAN. If PARTICIPANTS or their BENEFICIARIES fail to act in response to the written notice, the TRUSTEES shall transfer monies out of the de-selected option to an alternative option chosen by the TRUSTEES. By exercising such right to select investment options or by failing to respond to notice to transfer from a de-selected option where the TRUSTEES move the monies on behalf of such PARTICIPANTS or their BENEFICIARIES, PARTICIPANTS and their BENEFICIARIES agree that none of the PLAN fiduciaries will be liable for any investment losses, or lost investment opportunity in situations where monies are moved by TRUSTEES, that are experienced by a PARTICIPANT or BENEFICIARY in the investment option(s) they selected or are selected for them if they fail to take appropriate action in regard to a de-selected fund.

9.03. Designation of Fiduciaries. The EMPLOYER, ADMINISTRATOR, and TRUSTEES and the persons they designate to carry out or help carry out their duties or responsibilities are fiduciaries under the PLAN. Each fiduciary has only those duties or responsibilities specifically assigned to him under the PLAN or Trust or delegated to him by another fiduciary. Each fiduciary may assume that any direction, information or action of another fiduciary is proper and need not inquire into the propriety of any such action, direction, or information. Except as provided by law, no fiduciary will be responsible for the malfeasance, misfeasance or nonfeasance of any other fiduciary.

9.04. Fiduciary Standards.

a. The TRUSTEES and all other fiduciaries shall discharge their duties with respect to this Trust solely in the interest of the PARTICIPANTS and BENEFICIARIES of the PLAN. Such duties shall be discharged for the exclusive purpose of

providing benefits to the PARTICIPANTS and BENEFICIARIES and defraying expenses of the PLAN.

b. All fiduciaries shall discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and as defined by Wisconsin law.

9.05. TRUSTEES' Powers and Duties. The TRUSTEES' powers and duties shall be those defined for the Board members under applicable Wisconsin State Statutes and the Administrative Code.

9.06. This Trust is intended to be exempt from taxation under Section 501(a) of the Internal Revenue Code ("Code") and is intended to comply with Section 457(g) of such Code. The TRUSTEES shall be empowered to submit or designate appropriate agents to submit this PLAN and TRUST to the Internal Revenue Service for a determination of the eligibility of the PLAN under Section 457, and the exempt status of the Trust under Section 501(a), if the TRUSTEES conclude that such a determination is desirable.

ARTICLE X: Benefits

10.01. **Commencement of Distributions.** Except for Hardship Withdrawals under Section 10.03 and De Minimus withdrawals under Section 10.04, distributions from the PLAN may not be made to a PARTICIPANT earlier than (a) the calendar year in which the PARTICIPANT attains age 70 ½; or (b) the calendar year in which there is a SEVERANCE FROM EMPLOYMENT by the PARTICIPANT. All irrevocable elections of a Benefit Commencement Date made by PARTICIPANTS or BENEFICIARIES prior to January 1, 2002 shall become revocable as of January 1, 2002. If a PARTICIPANT has an ELIGIBLE ROLLOVER ACCOUNT, the PARTICIPANT may at any time elect to receive a distribution of all or any portion of the amount held in the ELIGIBLE ROLLOVER ACCOUNT subject to any procedures established by the ADMINISTRATOR. Notwithstanding any other provisions of Article X of the PLAN, a PARTICIPANT or BENEFICIARY who would have been required to receive a required minimum distribution for 2009 but for the enactment of section 401(a)(9)(H) of the Code ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (or life expectancy) of the PARTICIPANT'S designated BENEFICARY, or for a period of at least 10 years ("Extended 2009 RMDs"), will receive those distributions for 2009 unless the PARTICIPANT or BENEFICIARY chooses not to receive such distributions. PARTICIPANTS and BENEFICIARIES described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence. If the PARTICIPANT or BENEFICIARY has not elected to receive a 2009 RMD or Extended 2009 RMD then the PARTICIPANT or BENEFICIARY will not receive a 2009 or Extended 2009 RMD unless the PARTICIPANT elects to receive the distributions.

10.02. All distributions under the PLAN must comply with IRC Section 401(a)(9) and the regulations issued thereunder. The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year. The term "designated beneficiary" as used in this Section shall have the meaning set forth in Treasury Regulation Section 1.401(a)(9)-4.

a. **Requirements of Treasury Regulations Incorporated.** All distributions required under this Section will be determined and made in accordance with the Treasury regulations under IRC Section 401(a)(9).

b. **Required Beginning Date.** The PARTICIPANT'S entire interest will be distributed, or begin to be distributed, to the PARTICIPANT no later than the PARTICIPANT'S required beginning date.

bm. **Death of PARTICIPANT performing QUALIFIED MILITARY SERVICE.** The beneficiary(ies) of a PARTICIPANT who died while performing QUALIFIED MILITARY SERVICE, shall be entitled to any additional benefits that would be provided under the PLAN had the PARTICIPANT resumed and then terminated employment on account of death. This provision applies only to the extent that there is any difference, now or in the future, between the benefits provided under the plan in the event of the death of a PARTICIPANT (a) who was employed at the time of death and (b) who was severed from employment before the death.

c. **Death of PARTICIPANT Before Distributions Begin**. If the PARTICIPANT dies before distributions begin, the PARTICIPANT'S entire interest will be distributed, or begin to be distributed, no later than as follows:

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

(ii) If the PARTICIPANT'S surviving spouse is not the PARTICIPANT'S sole designated BENEFICIARY, distributions to the designated BENEFICIARY will begin by December 31 of the calendar year immediately following the calendar year in which the PARTICIPANT died.

(iii) If there is no designated BENEFICIARY as of September 30 of the year following the year of the PARTICIPANT'S death, the PARTICIPANT'S entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the PARTICIPANT'S death.

(iv) If the PARTICIPANT'S surviving spouse is the PARTICIPANT'S sole designated BENEFICIARY and the surviving spouse dies after the PARTICIPANT but before distributions to the surviving spouse begin, this Section will apply as if the surviving spouse were the PARTICIPANT.

d. **Required Minimum Distributions During PARTICIPANT'S Lifetime.** During the PARTICIPANT'S lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

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

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

e. **Death On or After Date Distributions Begin and PARTICIPANT Survived by Designated BENEFICIARY.**

(i) If the PARTICIPANT dies on or after the date distributions begin and there is a designated BENEFICIARY, the minimum amount that will be distributed for each distribution calendar year after the year of the PARTICIPANT'S death is the quotient obtained by dividing the PARTICIPANT'S account balance by the longer of the remaining life expectancy of the PARTICIPANT or the remaining life expectancy of the PARTICIPANT'S designated BENEFICIARY, determined as follows: The PARTICIPANT'S remaining life expectancy is calculated using the age of the PARTICIPANT in the year of death, reduced by one for each subsequent year.

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

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

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

f. **Death Before Date Distributions Begin and PARTICIPANT Survived by Designated BENEFICIARY**. If the PARTICIPANT dies before the date distributions begin and there is a designated BENEFICIARY, the minimum amount that will be distributed for each distribution calendar year after the year of the PARTICIPANT'S death is the quotient obtained by dividing the PARTICIPANT'S account balance by the remaining life expectancy of the PARTICIPANT'S designated BENEFICIARY.

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

g. **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin**. If the PARTICIPANT dies before the date distributions begin, the PARTICIPANT'S surviving spouse is the PARTICIPANT'S sole designated BENEFICIARY, and the surviving spouse dies before distributions are required to begin, this Section will apply as if the surviving spouse were the PARTICIPANT.

If a PARTICIPANT or BENEFICIARY fails to elect a payment option that meets the requirements of IRC Section 401(a)(9), the ADMINISTRATOR will initiate such a distribution. A PARTICIPANT or BENEFICIARY who has chosen a payment option, other than an annuity option, shall have the ability to change his or her payment option subject to any administrative restrictions and charges established by the TRUSTEES.

10.03. **Hardship Withdrawal**: Notwithstanding any other provisions herein, in the event of an UNFORESEEABLE EMERGENCY, a PARTICIPANT or BENEFICIARY may request that benefits be paid to him or her at any time. Such request shall be filed in accordance with procedures established pursuant to this PLAN. If the application for payment is approved by the TRUSTEE or its designee, payments shall be effected within ten (10) working days of receipt of such approval. The decision whether a PARTICIPANT or BENEFICIARY is faced with an UNFORSEEABLE EMERGENCY will be based upon the relevant facts and circumstances of each case and in accordance with the terms of the PLAN and 26 CFR §1.457-6(c)(2). Benefits to be paid shall be limited strictly to the amount necessary to meet the UNFORESEEABLE EMERGENCY constituting financial hardship, and may include any amounts necessary to pay for any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution, to the extent such UNFORESEEABLE EMERGENCY is not relieved:

a. by reimbursement or compensation from insurance or otherwise;

b. by liquidation of the PARTICIPANT'S assets, to the extent the liquidation of such assets would not itself cause financial hardship; or

c. by cessation of deferrals under the PLAN.

A PARTICIPANT'S deferrals will automatically be terminated upon approval of a hardship application and the PARTICIPANT cannot re-enroll in the PLAN for 180 days from the date of approval of the hardship withdrawal. The ADMINISTRATOR may require such medical, financial or other evidence deemed appropriate for a determination to be made concerning the PARTICIPANT'S or BENEFICIARY'S withdrawal request.

Foreseeable personal expenditures normally budgetable, such as a down payment on a home, the purchase of an automobile, college or other educational expenses, etc., may not necessarily constitute an UNFORESEEABLE EMERGENCY. The decision of the TRUSTEE or its designee concerning the payment of benefits under this Section shall be appealable under Wisconsin Statutes Sections 40.80(2g) and 40.08 (12).

10.04. **De Minimus Distributions**: Notwithstanding any other provision of the PLAN, if the PARTICIPANT has not deferred any amount for a two (2) year period, a PARTICIPANT may elect to receive, or the PLAN may elect to distribute without the PARTICIPANT'S consent, the entire account in a lump sum distribution if the value of his DEFERRED COMPENSATION ACCOUNT does not exceed the maximum amount allowed under IRC Section 411(a)(11)(A) for this De Minimus distribution. The amount to be distributed may also include amounts from any ELIGIBLE ROLLOVER ACCOUNT as well as the balance in the DEFERRED COMPENSATION ACCOUNT. No subsequent distribution under this provision to such PARTICIPANT may occur, once distribution occurs. Such distribution shall be made within three (3) days of the receipt, by the ADMINISTRATOR of an appropriate election.

10.05. **Special Rules Regarding Distributions when an SDO Account Exists:** Notwithstanding any other provision of the PLAN, if a PARTICIPANT or BENEFICIARY elects a distribution from the PLAN while maintaining a balance in an SDO account, the following requirements must be met:

a. For distributions of a lump sum, partial lump sum or amount paid under the UNFORESEEABLE EMERGENCY provision: The PARTICIPANT or BENEFICIARY is responsible for liquidating assets in the SDO account and transferring the balance back to the CORE INVESTMENT SPECTRUM account. The ADMINISTRATOR will not process the withdrawal request until a sufficient balance exists in the CORE INVESTMENT SPECTRUM account. For a total lump sum distribution, the SDO account balance must be completely liquidated and transferred back into the CORE INVESTMENT SPECTRUM before the ADMINISTRATOR will process the payment.

b. For periodic distributions from the account: The PARTICIPANT or BENEFICIARY must maintain a sufficient account balance in the CORE INVESTMENT SPECTRUM to cover the periodic payments for a minimum one (1) year period. The PARTICIPANT or BENEFICIARY will be instructed to replenish the balance in the CORE INVESTMENT SPECTRUM on an annual basis to ensure the next year's payments are available. If the PARTICIPANT or BENEFICIARY fails to transfer sufficient assets into the CORE INVESTMENT SPECTRUM to meet this requirement, the ADMINISTRATOR will notify the PARTICIPANT or BENEFICIARY that one of the following actions will occur:

(i) If occurrence is prior to the required minimum distribution date, payments will cease and the PARTICIPANT or BENEFICIARY will be required to reapply to continue the distribution.

(ii) If occurrence is after the required minimum distribution date, an automatic distribution will be initiated by the ADMINISTRATOR as specified in paragraph (c).

c. If a PARTICIPANT or BENEFICIARY fails to timely initiate transfer from the SDO account to execute continuing distributions as required in (ii) above, and upon receiving notification from the ADMINISTRATOR, the ADMINISTRATOR is hereby authorized by the PLAN to liquidate assets in the SDO account in accordance with paragraph (2) herein in the following sequence:

(i) Assets will first be liquidated from the SDO money market fund (sweep), then from other money market funds that do not assess a transaction fee, redeeming shares first from those fund(s) with the highest balance;

(ii) Assets will then be liquidated from the SDO account in mutual funds that have been held for more than ninety (90) days and do not assess a transaction fee, redeeming shares first from those fund(s) with the highest balance;

(iii) Assets will then be liquidated from the SDO account in mutual funds held for less than ninety (90) days and do not assess a transaction fee, redeeming shares first from those fund(s) with the highest balance;

(iv) Assets will then be liquidated from the remaining SDO account held in any other mutual fund(s) according to the highest balance.

The PARTICIPANT or BENEFICIARY will be responsible for any transaction fees assessed and deducted from the SDO account as a result of the automatic transfers initiated by the ADMINISTRATOR to fund benefit payments.

10.06. **Special Rules Regarding Distributions to Retired Public Safety Officers for Insurance Premium Payments:** Subject to the requirements and limitations of 26 USC 402(l), a PARTICIPANT who, by reason of disability or attainment of NORMAL RETIREMENT AGE, is separated from service as a PUBLIC SAFETY OFFICER for the State of Wisconsin, may elect to have distributions made directly from the PLAN to an insurer to pay qualified health insurance premiums for coverage for such eligible retired PUBLIC SAFETY OFFICER, his spouse and their dependents, by an accident or health insurance plan or qualified long-term care insurance contract as defined in IRC Section 7703B(b). Before such distributions may be made, the PARTICIPANT must file with the ADMINISTRATOR a written election for such distributions on the form provided for the purpose by the ADMINISTRATOR, identifying the insurer and specifying the premium amount. In addition, the individual must provide information sufficient to establish to the satisfaction of the ADMINISTRATOR that the PARTICIPANT is a PUBLIC SAFETY OFFICER and that the premiums are for qualified health insurance premiums within the meaning of 26 USC 402(l)(4)(D).

10.07. **Special Rules Regarding PARTICIPANTS in the Uniformed Services**: In addition to the death benefit provision of 10.02 bm., the following provisions apply to a PARTICIPANT serving or having served in the uniformed services.

a. *Option to be treated as severed from employment.* A person receiving DIFFERENTIAL WAGE PAYMENTS shall nevertheless be treated as having terminated employment during any period the person is performing service in the uniformed services, as defined in 38 USC 4303, on active duty for a period of more than 30 days, if the person elects to take a distribution from the PLAN based upon severance from employment.

b. *Restriction on future elective deferrals.* Any person who elects to receive a distribution under paragraph a. may not make an elective deferral or employee contribution into the PLAN during the 6-month period following the distribution.

c. *Additional elective deferrals.* When a PARTICIPANT becomes entitled to the benefits of chapter 43 of title 38, United States Code, then makeup employee contributions to the PLAN are permitted in the manner and amounts, and within

the time limits described in 26 U.S.C. 414(u)(2). If the PARTICIPANT'S EMPLOYER would have been required to make a matching contribution with respect to a deferral actually made during the period of QUALIFIED MILITARY SERVICE, then the EMPLOYER must similarly match any contribution made by the employee under this paragraph.

ARTICLE XI: Domestic Relations Order Account Divisions

11.01. When the ADMINISTRATOR receives a judgment, decree or order ("Order") issued by a court pursuant to a domestic relations law of any state or territory of the United States, the ADMINISTRATOR shall adhere to the procedures and requirements of Wisconsin Statutes Sections 40.08 and 40.80 and the PLAN in determining whether it is a valid DOMESTIC RELATIONS ORDER.

a. The ADMINISTRATOR shall promptly notify the PARTICIPANT and ALTERNATE PAYEE of the receipt of the Order and the PLAN'S procedures for determining the status of the Order, and

b. Within a reasonable time, the ADMINISTRATOR will follow the procedures adopted by the PLAN to determine whether the Order meets the requirements of a valid DOMESTIC RELATIONS ORDER and will notify the PARTICIPANT and ALTERNATE PAYEE of such determination.

11.02. A DOMESTIC RELATIONS ORDER is a judgment, decree, or order issued by a court pursuant to a domestic relations law of any state or territory of the United States that conforms with this Article as determined by the ADMINISTRATOR and the provisions of 26 USC §414(p) applicable to a governmental plan and does all of the following:

a. Relates to a marriage that terminated after December 1, 2001 or a DOMESTIC PARTNERSHIP that terminated after January 1, 2010.

b. Assigns all or part of a PARTICIPANT'S accumulated assets held in the PLAN to one or more persons known as "ALTERNATE PAYEEs." A person may be an ALTERNATE PAYEE if the PLAN PARTICIPANT is both required to satisfy a marital property or family support obligation to the person under both the applicable law and the court's judgment, decree or order terminating the marriage or DOMESTIC PARTNERSHIP, and the person is one of the following:

(i) The PARTICIPANT's spouse or DOMESTIC PARTNER, but only in the event the action terminating the marriage or DOMESTIC PARTNERSHIP is a court-ordered, legal separation which includes a final property division.

(ii) The PARTICIPANT's former spouse of the marriage or former DOMESTIC PARTNER of the DOMESTIC PARTNERSHIP terminated by the court's judgment, decree or order.

(iii) A child of the PARTICIPANT who is dependent upon the PARTICIPANT for his or her support. "Child" includes a natural child, stepchild, adopted child or child in court-ordered adoptive placement, regardless of age, provided the PARTICIPANT is legally obligated to support the child.

c. Names the PLAN and is submitted to the ADMINISTRATOR.

d. Is actually received by the Administrator while the PLAN PARTICIPANT is still living.

e. Is on the form approved by the DEPARTMENT for the purpose.

NOTE: See "Order to Divide Wisconsin Deferred Compensation Program Account," form ET-2367 and "Supplement To Order To Divide Wisconsin Deferred Compensation Program Account," form ET-2368.

f. Was issued by the court having jurisdiction over the property division while the court still had jurisdiction.

g. The Order clearly specifies the following:

(i) The name, last known mailing address, date of birth, and tax reporting identification numbers of the PARTICIPANT and each and every ALTERNATE PAYEE, as well as the relationship of each ALTERNATE PAYEE to the PARTICIPANT.

(ii) The dollar amount or percentage of the PARTICIPANT'S PLAN account to be paid to each ALTERNATE PAYEE, in the form of the specific award option available under s. 11.025 of the PLAN. All awards to all ALTERNATE PAYEES in a DOMESTIC RELATIONS ORDER must be expressed in the options under s. 11.025.

(iii) That the Order is intended to be a permanent, not temporary, division and is issued only after the termination of the marriage or DOMESTIC PARTNERSHIP is final and either the property division is final and there is no pending appeal which could potentially affect the assignment to the ALTERNATE PAYEES ordered in the DOMESTIC RELATIONS ORDER.

(iv) That the Order does not require a form of payment or any other benefit to the ALTERNATE PAYEE that is not otherwise provided under the PLAN.

(v) That the Order does not require the payment of benefits to an ALTERNATE PAYEE which are required by a prior DOMESTIC RELATIONS ORDER to be paid to another ALTERNATE PAYEE.

(vi) That the Order does not apply to any portion of a PARTICIPANT'S PLAN account that has already been distributed or paid to the participant, including a distribution in the form of the purchase of an annuity.

11.025. Division of a PLAN account under a DOMESTIC RELATIONS ORDER is subject to the following requirements and limitations:

a. There are three different permitted options for dividing a WDC account. Exactly the same option choice must be applied to each ALTERNATE PAYEE named in the DOMESTIC RELATIONS ORDER, although differing percentages or dollar amounts (depending on the option chosen) may be assigned to each. All three Options are available for marriages terminated on or after December 1, 2005 or DOMESTIC PARTNERSHIPS terminated on or after January 1, 2010. Only Option 1 is available for marriages terminated prior to December 1, 2005.

(i) OPTION 1. The ALTERNATE PAYEE may be awarded a sum certain. This award will not be affected by any market gains and losses that may have occurred before the DOMESTIC RELATIONS ORDER is processed by the ADMINISTRATOR. The award is limited to stated dollar amount and may not specify assets to be liquidated. The sum certain will be distributed to the ALTERNATE PAYEE as a lump-sum distribution if an approved ALTERNATE PAYEE distribution request is received on or before the date the DOMESTIC RELATIONS ORDER is received by the ADMINISTRATOR. Otherwise, when the DOMESTIC RELATIONS ORDER is processed by the ADMINISTRATOR, the sum certain will be deposited into a DEFERRED COMPENSATION ACCOUNT established for the ALTERNATE PAYEE and thereafter will be subject to the investment instructions of the ALTERNATE PAYEE and to gains and losses. A DOMESTIC RELATIONS ORDER making an Option 1 award shall be rejected if there are insufficient funds in the PARTICIPANT'S DEFERRED COMPENSATION account to process the DOMESTIC RELATIONS ORDER. Option 1 is the only option available if the marriage terminated prior to December 1, 2005.

(ii) OPTION 2. The ALTERNATE PAYEE may be awarded a share of the PARTICIPANT'S DEFERRED COMPENATION ACCOUNT determined by dollar value as of the date the marriage or DOMESTIC PARTNERSHIP is terminated, along with all subsequent gains and losses

experienced by the assets awarded to the ALTERNATE PAYEE to make up that dollar value, beginning on the date the marriage is terminated. The award is limited to a dollar value and may not specify assets to be transferred.

(iii) OPTION 3. The ALTERNATE PAYEE may be awarded a percentage of the PARTICIPANT'S DEFERRED COMPENATION ACCOUNT, as of the date the marriage or DOMESTIC PARTNERSHIP is terminated, along with all subsequent gains and losses experienced by the share of the assets awarded to the ALTERNATE PAYEE, beginning on the date the marriage or DOMESTIC PARTNERSHIP is terminated. The award is limited to a percentage and may not specify assets to be transferred. The percentage awarded may be expressed to a maximum of two decimal places. The aggregate of all percentages awarded to all ALTERNATE PAYEES by the DOMESTIC RELATIONS ORDER may not exceed 100%.

b. A PLAN PARTICIPANT'S account may be affected only once by a DOMESTIC RELATIONS ORDER for each terminated marriage or terminated DOMESTIC PARTNERSHIP to which the PARTICIPANT is a party. All ALTERNATE PAYEES awarded an interest in the PARTICIPANT'S DEFERRED COMPENSATION ACCOUNT as a result of the termination of the marriage or DOMESTIC PARTNERSHIP must be named in the same DOMESTIC RELATIONS ORDER.

(i) Except as provided in paragraph c., if the ADMINISTRATOR has accepted a DOMESTIC RELATIONS ORDER as valid under WIS. STAT. §§ 40.08 and 40.80 and this Article, then any subsequent DOMESTIC RELATIONS ORDERS pertaining to the same marriage or DOMESTIC PARTNERSHIP and purporting to divide the same DEFERRED COMPENSATION ACCOUNT shall be rejected.

(ii) Remarriage of the parties to a divorce shall not result in voiding the effects of a previous DOMESTIC RELATIONS ORDER division of the PLAN PARTICIPANT'S account between the parties. Likewise, the reestablishment of a DOMESTIC PARTNERSHIP between a PARTICIPANT and DOMESTIC PARTNER shall not result in voiding the effects of a previous DOMESTIC RELATIONS ORDER division of the PLAN PARTICIPANT'S account between the parties.

(iii) If the ADMINISTRATOR has accepted and acted upon a DOMESTIC RELATIONS ORDER based upon a judgment of legal separation, then the subsequent conversion of the judgment of legal separation into a judgment of divorce shall have no effect under this Article.

c. Notwithstanding paragraph a., in order to enable correction of an error by the court, a DOMESTIC RELATIONS ORDER may be amended for up to six

months after the order is first received and accepted by the ADMINISTRATOR, provided that:

(i) The court terminating the marriage or DOMESTIC PARTNERSHIP retains jurisdiction.

(ii) The amended order must be clearly identified as such.

(iii) The amended order must be received by the ADMINISTRATOR while the PARTICIPANT and each affected ALTERNATE PAYEE is still living.

(iv) There have been no intervening withdrawals of assets or other transactions, during the period between receipt of the original and amended DOMESTIC RELATIONS ORDERS, that make the amended division impossible, as determined by the ADMINISTRATOR.

(v) In recreating the PLAN PARTICIPANT account as if the original division had not occurred, any asset investments made in the interim in an ALTERNATE PAYEE account created by the original DOMESTIC RELATIONS ORDER shall be attributed to the PLAN PARTICIPANT, who shall bear any resulting gains or losses.

(vi) The amended assignment must be in the same Option 1, 2 or 3 form as the original. That is, an assignment of a percentage may not be amended into the assignment of a dollar amount, or vice versa. An assignment of a sum certain may not be amended into the award of a dollar or percentage share as of the termination of the marriage.

(vii) No ALTERNATE PAYEE may be added to or deleted from the original DOMESTIC RELATIONS ORDER by an amended order.

(viii) The amended DOMESTIC RELATIONS ORDER complies in all respects with this Article.

d. Paragraph c. above shall apply only to amending a DOMESTIC RELATIONS ORDER accepted by the ADMINISTRATOR. Paragraph c. shall not be construed to prevent a court from issuing a DOMESTIC RELATIONS ORDER to replace an order rejected by the ADMINISTRATOR.

e. If both parties to the action to terminate a marriage or DOMESTIC PARTNERSHIP are each a PLAN PARTICIPANT through his or her individual employment, then the PLAN PARTICIPANT account of each may be divided by using two separate DOMESTIC RELATIONS ORDERS.

f. Each and every ALTERNATE PAYEE to whom an assignment of any part of the PLAN PARTICIPANT'S account is made in the course of the termination of the

particular marriage or DOMESTIC PARTNERSHIP must be named in the same DOMESTIC RELATIONS ORDER.

g. The PARTICIPANT must be living on the date the DOMESTIC RELATIONS ORDER is received by the ADMINISTRATOR, or the DOMESTIC RELATIONS ORDER is void.

h. The ADMINISTRATOR shall make all reasonable efforts to restore a DEFERRED COMPENSATION ACCOUNT divided in error under a DOMESTIC RELATIONS ORDER. The ADMINISTRATOR shall not be required to attempt to collect distributions made in the good faith belief that the PARTICIPANT was alive on the date the DOMESTIC RELATIONS ORDER was received by the ADMINISTRATOR.

j. Upon determining that a DOMESTIC RELATIONS ORDER is valid, the ADMINISTRATOR shall create a separate account for the ALTERNATE PAYEE and transfer into it from the PLAN PARTICIPANT'S account assets sufficient to satisfy the ordered assignment. Except, if the ALTERNATE PAYEE has filed an approved ALTERNATE PAYEE distribution request for a lump-sum distribution on or before the date the DOMESTIC RELATIONS ORDER is received, then in lieu of creating a separate account for the ALTERNATE PAYEE, the ADMINISTRATOR shall make the appropriate lump-sum distribution to the ALTERNATE PAYEE.

(i) If the assignment to the ALTERNATE PAYEE is of a specific dollar amount (Note: this refers to Options 1 and 2 on form ET-2367):

(A) The ADMINISTRATOR shall transfer assets into the ALTERNATE PAYEE account (or make a lump-sum distribution to the ALTERNATE PAYEE) having the stated dollar value. If the dollar award is under Option 2, the stated dollar value shall first be adjusted by the interest and investment gains and losses attributable to the ALTERNATE PAYEE'S share since the date the marriage was terminated.

(B) The ADMINISTRATOR shall transfer any such assets, or liquidate assets and transfer funds, as the ADMINISTRATOR deems necessary to satisfy the dollar amount stated in the DOMESTIC RELATIONS ORDER, beginning with existing assets in the CORE INVESTMENT SPECTRUM.

(C) If the ALTERNATE PAYEE'S dollar amount exceeds the dollar value of the PARTICIPANT'S account, the DOMESTIC RELATIONS ORDER shall be rejected.

(D) If the ALTERNATE PAYEE'S dollar amount exceeds the dollar value of the PARTICIPANT'S CORE INVESTMENT SPECTRUM account, the ADMINISTRATOR shall notify the PARTICIPANT in writing of the necessary remaining sum from the SDO that needs to be liquidated and transferred into the CORE INVESTMENT SPECTRUM to enable the implementation of the DOMESTIC RELATIONS ORDER. If the PARTICIPANT fails to immediately comply, the ADMINISTRATOR shall liquidate all the SDO assets as provided in Article VIII, Section 8.11.

(ii) If the assignment to the ALTERNATE PAYEE is of a percentage of the PLAN PARTICIPANT'S account (Note: this refers to Option 3 on form ET-2367):

(A) The DOMESTIC RELATIONS ORDER shall be rejected if the aggregate of the percentages assigned to all ALTERNATE PAYEES exceeds 100%.

(B) The ADMINISTRATOR shall value the PARTICIPANT'S entire account including both the CORE INVESTMENT SPECTRUM and SDO assets and liquidate or transfer to the ALTERNATE PAYEE account, insofar as possible, and except as otherwise expressly provided in this subdivision, the same stated percentage of each fund or other investment in the PLAN PARTICIPANT'S account, so that the award to the ALTERNATE PAYEE consists of essentially the same asset mix as the PARTICIPANT'S account. However, the ADMINISTRATOR may, in order to achieve the overall percentage award ordered, vary the transfer of portions of particular assets to the extent necessary. If the PARTICIPANT'S account includes assets in the SDO, the ADMINISTRATOR shall first apply existing assets in the CORE INVESTMENT SPECTRUM to satisfy the award to the ALTERNATE PAYEE. If these assets are insufficient to satisfy the award to the ALTERNATE PAYEE, the ADMINISTRATOR shall follow the same procedure as described above in Section 11.025 j (i) (D) to liquidate SDO assets.

k. Following a division under a DOMESTIC RELATIONS ORDER, and establishment of a DEFERRED COMPENATION ACCOUNT for the ALTERNATE PAYEE, the ALTERNATE PAYEE shall then be responsible for transferring assets to achieve whatever investment goals or diversification the ALTERNATE PAYEE desires.

l. Prior to receiving a total distribution under the PLAN of all assigned assets, an ALTERNATE PAYEE shall have the same rights, benefits and interests in his or her ALTERNATE PAYEE account as a former employee, no longer employed by

an employer participating in the PLAN, has in his or her PLAN PARTICIPANT account, including but not limited to the right to designate a BENEFICIARY for death benefit purposes and the right to direct PLAN investments to the extent permitted under the PLAN and generally being treated as a PARTICIPANT. Except, however:

(i) Benefits will be payable to the ALTERNATE PAYEE in any form or permissible option available to PARTICIPANTS under the terms of the PLAN. If the ALTERNATE PAYEE is a former DOMESTIC PARTNER, the ALTERNATE PAYEE may not take a benefit from the PLAN until the PARTICIPANT is eligible to commence distributions.

(ii) An ALTERNATE PAYEE account created in response to a DOMESTIC RELATIONS ORDER may not be merged or otherwise joined with any other PLAN account held by the individual.

(iii) An ALTERNATE PAYEE account is not subject to division by a DOMESTIC RELATIONS ORDER.

m. Unless an Internal Revenue Service or Wisconsin Department of Revenue levy or attachment exceeds the remainder or jointly names an ALTERNATE PAYEE, to whom the levy or attachment shall then also apply, any levy or attachment against the PARTICIPANT'S account shall continue to apply only to the remainder of the PARTICIPANT'S account.

11.03. The ADMINISTRATOR shall make no distributions from a PARTICIPANT'S account while it determines the validity of or processes a DOMESTIC RELATIONS ORDER.

11.04. The ADMINISTRATOR shall establish a separate account for the ALTERNATE PAYEE and transfer the assigned value or benefit from the PARTICIPANT'S account into the ALTERNATE PAYEE'S account, unless the ALTERNATE PAYEE has timely and appropriately applied for a lump-sum distribution of the entire award on or before the date the DOMESTIC RELATIONS ORDER is received. In all other circumstances, a DEFERRED COMPENSATION ACCOUNT shall be established for the ALTERNATE PAYEE.

11.05. The ALTERNATE PAYEE shall be treated as a PARTICIPANT who is no longer employed by a participating employer, except as otherwise provided in this Article.

a. Distributions made to an ALTERNATE PAYEE are reported as taxable income to the ALTERNATE PAYEE. State taxes, if applicable, and federal taxes will be withheld from any distribution on the ALTERNATE PAYEE'S account based upon the tax withholding elections of the ALTERNATE PAYEE.

b. The ALTERNATE PAYEE may not make any contributions to his or her account.

c. The ALTERNATE PAYEE is permitted to designate beneficiaries for the account and to exercise exchanges among the investment options as permitted by the PLAN.

d. Unless otherwise provided in this Article, all other PLAN rules and procedures applicable to a PARTICIPANT shall be applicable to the ALTERNATE PAYEE'S account.

11.06. The TRUSTEES, DEPARTMENT, EMPLOYER and ADMINISTRATOR, and any member, employee, or agent thereof shall be immune from civil liability for any act or omission while performing duties relating to implementing a DOMESTIC RELATIONS ORDER and for any act or omission of a PARTICIPANT with respect to the PARTICIPANT'S account under the PLAN, including specifically any deferral or investment election or distribution during the period that begins on the day on which the PARTICIPANT'S marriage or DOMESTIC PARTNERSHIP is terminated by a court and ends on the day on which his or her account is divided pursuant to a DOMESTIC RELATIONS ORDER.

11.07. **Federal Tax Treatment of Distributions.** If the ALTERNATE PAYEE is the PARTICIPANT's spouse or former spouse, the ALTERNATE PAYEE is the distributee for federal tax purposes. IRC §402(e)(1)(A). If the ALTERNATE PAYEE is any other person, the PARTICIPANT is the distributee for tax purposes.

11.08. **Responsibility for Errors.**

a. In the event that the ADMINISTRATOR pays to the PARTICIPANT any benefits that are assigned to the ALTERNATE PAYEE pursuant to the terms of a DOMESTIC RELATIONS ORDER, the PARTICIPANT shall immediately, within ten days, report the error to the ADMINISTRATOR and is personally liable for reimbursement to the ALTERNATE PAYEE.

b. In the event that the ADMINISTRATOR pays to the ALTERNATE PAYEE any benefits that were not assigned to the ALTERNATE PAYEE pursuant to the terms of a DOMESTIC RELATIONS ORDER, and instead remained the property of the PARTICIPANT, the ALTERNATE PAYEE shall immediately, within ten days, report the error to the ADMINISTRATOR and is personally liable for reimbursement to the PARTICIPANT.

c. The entity contracted to assist the DEPARTMENT and provide administrative services for the PLAN may be held liable to the PLAN, TRUSTEES or DEPARTMENT for any damages resulting from a division performed contrary to the terms and conditions of the PLAN contrary to the terms and conditions of a DOMESTIC RELATIONS ORDER or under an order which did not qualify as a DOMESTIC RELATIONS ORDER. Aside from actions undertaken consistent with written DEPARTMENT determinations, the contracted entity shall hold harmless and indemnify the DEPARTMENT, its employees, and agents and the TRUSTEES and Deferred Compensation Board employees and agents, from

liability for any action or omission by the contracted entity regarding handling of any order purporting to be, or treated, as a DOMESTIC RELATIONS ORDER.

11.09 Responsibility for Participant Transactions Made Before Implementation of the Domestic Relations Order. The PLAN, ADMINISTRATOR, DEPARTMENT, Deferred Compensation Board, EMPLOYER, and Public Employee Trust Fund are not liable to any third person, including any ALTERNATE PAYEE, for trades or transactions made by the PARTICIPANT after the date a marriage or DOMESTIC PARTNERSHIP is terminated and before a DOMESTIC RELATIONS ORDER is implemented by the ADMINISTRATOR and the PARTICIPANT is notified that the division is completed. Such trades and transactions involving funds or assets in the PARTICIPANT's account as of the date that the marriage or DOMESTIC PARTNERSHIP was terminated may affect the interests of the ALTERNATE PAYEE. Such trades and transactions will be treated for PLAN purposes as part of the gains and losses experienced by the PARTICIPANT's account since the marriage or DOMESTIC PARTNERSHIP was terminated. This provision may not be construed to interfere with any right of the ALTERNATE PAYEE to seek redress directly against the PARTICIPANT for wastage or any other damages suffered.

ARTICLE XII: Administration of the Plan

12.01. The TRUSTEES may at any time amend, modify or terminate this PLAN without the consent of the PARTICIPANT (or any BENEFICIARY thereof). All amendments shall become effective on the first day of the calendar month beginning after the date of the amendment. Notice shall be deemed given when the amendment and an explanation of such is posted in the quarterly newsletter that is distributed to all PARTICIPANTS and BENEFICIARIES along with the quarterly statement of account. No amendment shall deprive the PARTICIPANT of any of the benefits to which he is entitled under this PLAN with respect to deferred amounts credited to his account before the effective date of the amendment. If the PLAN is curtailed, terminated, or the acceptance of additional deferred amounts suspended permanently, the ADMINISTRATOR shall nonetheless be responsible for the supervision of the payment of benefits resulting from amounts deferred before the amendment, modification, or termination in accordance with Article XI hereof.

12.02. The TRUSTEES may at any time establish, amend or terminate rules, procedures or policies necessary in their judgment for the effective administration of the PLAN.

12.03. Any companies that may issue any policies, contracts, or other forms of investment media adopted by the TRUSTEES or specified by the PARTICIPANT, do not have rights under this PLAN. All assets invested with these companies are held on behalf of PARTICIPANTS and their BENEFICIARIES.

12.04. Participation in this PLAN by the EMPLOYEE shall not be construed to give a contract of employment to the PARTICIPANT, or to alter or amend an existing employment contract of the PARTICIPANT, nor shall participation in this PLAN be construed as

affording to the PARTICIPANT any representation or guarantee regarding his continued employment.

12.05. The TRUSTEES, the EMPLOYER, and the ADMINISTRATOR do not represent or guarantee that any particular Federal or State income, payroll, personal property, or other tax consequences will occur because of the PARTICIPANT'S participation in this PLAN. The PARTICIPANT is obligated to consult with his own tax representative regarding all questions of Federal or State income, payroll, personal property, or other tax consequences arising from participation in this PLAN.

12.06. As authorized by the TRUSTEES, the ADMINISTRATOR shall have the power to appoint agents to act for the ADMINISTRATOR and in the administration of this PLAN.

12.07. Whenever used herein, the masculine gender shall include the feminine and the singular shall include the plural unless the provisions of the PLAN specifically require a different construction.

12.08. The laws of the State of Wisconsin and Section 457 of the Internal Revenue Code shall apply in determining the construction and validity of this PLAN.

12.09. The rights of PARTICIPANTS and their BENEFICIARIES under this PLAN shall not be subject to the rights of creditors of the PARTICIPANT or any BENEFICIARY, and shall be exempt from the execution, attachment, prior assignment, or any other judicial relief or order for the benefit of creditors or other third persons.

12.10. It is agreed that neither the PARTICIPANT nor his BENEFICIARY nor any other designee shall have the right to commute, sell, assign, transfer, or otherwise convey or receive any payments hereunder which payments and right thereto are expressly declared to be non-assignable and non-transferable.

12.11. This PLAN, and any properly adopted amendments, shall constitute the total agreement or contract between the EMPLOYER and the PARTICIPANT regarding the PLAN. No oral statement to the contrary regarding the PLAN may be relied upon by the PARTICIPANT.

12.12. This PLAN and any properly adopted amendments, shall be binding on the parties hereto and their respective heirs, administrators, trustees, successors, and assignees and on all BENEFICIARIES of the PARTICIPANT.

12.13. The ADMINISTRATOR shall establish and follow a formal complaint procedure that includes an appeal to the Wisconsin Deferred Compensation Board. A copy of the written complaint procedure shall be provided to the PARTICIPANT upon request. The PARTICIPANT has the right to exercise the formal complaint procedure up to and including the formal appeal process under Wisconsin Statute 40.80(g) and Wisconsin Administrative Code, Chapter ETF 11.

ARTICLE XIII: Notice to All Participants to Read These Provisions Providing Board Powers and Absolute Safeguards of the Employer and Trustees.

13.01. The EMPLOYER, the TRUSTEES or their authorized agent, the ADMINISTRATOR, is authorized to resolve any questions of fact necessary to decide the PARTICIPANT'S rights under this PLAN unless reversed on appeal under Section 12.12.

13.02. The EMPLOYER, the TRUSTEES or their authorized agent, the ADMINISTRATOR, shall be authorized to construe the PLAN and to resolve any ambiguity in the PLAN and to apply reasonable and fair procedures for the administration of the PLAN.

13.03. The PARTICIPANT specifically agrees not to seek recovery against the EMPLOYER, the TRUSTEES, the ADMINISTRATOR, or any other employee, contractee, or agent of the EMPLOYER, TRUSTEES, or ADMINISTRATOR, or any endorser of any loss sustained by the PARTICIPANT or his BENEFICIARY, for the non-performance of their duties, negligence, or any other misconduct of the above named persons except that this paragraph shall not excuse fraud or wrongful taking by any person.

13.04. The EMPLOYER, the TRUSTEES, or their agents including the ADMINISTRATOR, if in doubt concerning the correctness of their action in making a payment of benefit, may suspend the payment until satisfied as to the correctness of the payment or the person to receive the payment or allow the filing in any State Court of competent jurisdiction, a suit in such form as they consider appropriate for a legal determination of the benefits to be paid out and the person to receive them.

13.05. The EMPLOYER, the TRUSTEES, and their agents including the ADMINISTRATOR, are hereby held harmless from all court costs and all claims for the attorney's fees arising from any action brought by the PARTICIPANT or any BENEFICIARY thereof under this PLAN or to enforce his rights under the PLAN, including any amendments hereof.

13.06. The ADMINISTRATOR shall not be required to participate in any litigation concerning the PLAN except upon written demand from the EMPLOYER or TRUSTEES. The ADMINISTRATOR may compromise, adjust or effect settlement of litigation when specifically instructed to do so by the EMPLOYER or TRUSTEES.

IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated PLAN and TRUST this ~~16~~____th day of ~~November 2010~~May 2011 with an effective date of ~~January~~ August 1, 2011.

_____
Edward D. Main, Chairman
State of Wisconsin Deferred Compensation Board

Witnessed By: _____