Florida Optional Retirement Program for the State University System

Written Plan

Section 1. Definition of Terms Used

The following words and terms, when used in the Plan, have the meaning set forth below, unless a different meaning is plainly specified or required by the context.

1.1. “Account”: The account or accumulation maintained for the benefit of any participant or beneficiary under an annuity contract or a custodial account.

1.2. “Account Balance”: The account maintained for each participant that reflects the aggregate amount credited to the participant’s account under all accounts, including the participant’s elective deferrals, the earnings or loss of each annuity contract or custodial account (net of expenses) allocable to the participant, any transfers to the extent permitted by the plan, any exchanges for the participant’s benefit and any distribution made to the participant or the participant’s beneficiary. If a participant has more than one beneficiary at the time of the participant’s death, then a separate account balance shall be maintained for each beneficiary. The account balance includes any account established under section six for rollover contributions and plan-to-plan transfers made for a participant, the account established for a beneficiary after a participant’s death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Internal Revenue Code).

1.3. “Administrator”: Florida Department of Management Services, formerly known as the Florida Department of Administration.

1.4. “Annuity Contract”: A nontransferable contract as defined in section 403(b)(1) of the Code, established for each participant by the employer or administrator, or by each participant individually, that is issued by an insurance company or other company qualified to issue annuities in Florida and that includes payment in the form of an annuity.

1.5. “Beneficiary”: The designated person who is entitled to receive benefits under the plan after the death of a participant, subject to such additional rules as may be set forth in the individual agreements.

1.6. “Benefit”: A benefit under the optional retirement program is a distribution of any or all the member’s account balance that is requested by the member or surviving beneficiary funded in

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part or in whole by employer or required employee contributions, plus earnings, and includes
rolling a distribution over to another qualified plan.
1.7.  “Code”: The Internal Revenue Code of 1986, as now in effect or as hereafter amended.
All citations to sections of the Code are to such sections as they may from time to time be
amended or renumbered.
1.8.  “Compensation”: As defined in Section 121.021 Florida Statutes.
1.9.  “Custodial Account”: The group or individual custodial account or accounts, as defined
in section 403(b)(7) of the Code, established for each participant by the employer, administrator
or by each participant individually, to hold assets of the plan.
1.10. “Disability Benefits”: Benefits payable under the plan due to disability are equal to the
account balance at time of payment.
1.11. “Elective Deferral”: The contributions made to the plan at the election of the participant
in lieu of receiving cash compensation. Elective deferrals are limited to pre-tax salary reduction
contributions.
1.12. “Eligible Employee”: Each employee eligible to benefit from this plan in accordance
with section 121.35(2), Florida Statutes.
1.13. “Employee”: Each individual, whether appointed or elected, who is a common law
employee of the employer performing services for a state university system as an employee of the
employer. This definition is not applicable unless the employee’s compensation for performing
services is paid by the employer. Further, a person occupying an elective or appointive public
office is not an employee performing services for a state university system unless such office is
to one which an individual is elected or appointed only if the individual has received training, or
is experienced, in the field of education. A public office includes any elective or appointive office
of a state or local government.
1.14. “Employer”: An entity that is part of the State University System of Florida and that
makes contributions to this plan.
1.15. “Florida Statutes”: The Florida Statutes, as now in effect or as hereafter amended. All
citations to sections of the Florida Statutes are to such sections as they may from time to time be
amended or renumbered.
1.16. “Funding Vehicles”: The annuity contracts or custodial accounts issued for funding
amounts held under the plan and specifically approved by administrator for use under the plan.
These are also referred to as investment products in section 121.35, Florida Statutes. The list of
approved funding vehicles, as amended from time to time, is hereby incorporated by reference.
1.17. “Includible Compensation”: An eligible employee’s actual wages in box one of Form
W-2 for a year for services to the employer, but subject to the following maximum: a) in the case
of any person who first became a member or participant prior to July 1, 1996, compensation for
all plan years beginning on or after July 1, 1990, shall not include any amounts in excess of the
compensation limitation (originally $200,000) established by section 401(a)(17) of the Code prior
to the Omnibus Budget Reconciliation Act of 1993, which limitation shall be adjusted for changes
in the cost of living since 1989, in the manner provided by 401(a)(17) of the Code of 1991; and
b) in the case of any person who becomes a member or participant on or after July 1, 1996,
$150,000 (or such higher maximum as may apply under Section 401(a)(17) of the Code) and
increased (up to the dollar maximum) by any compensation reduction election under section 125,
132(f), 401(k), 403(b), or 457(b) of the Code (including any elective deferral under the plan). The
amount of includible compensation is determined without regard to any community property
laws.
1.18. “Individual Agreement”: The agreements between a vendor and the employer,
administrator or a participant that constitute or govern a custodial account or an annuity contract.
1.19. **"Participant":** An individual for whom contributions are currently being made, or for whom contributions have previously been made, under the plan and who has not received a distribution of his or her entire benefit under the plan.

1.20. **"Plan":** State University System of Florida Optional Retirement Program (SUSORP), or Optional Retirement Program for the State University System of Florida.

1.21. **"Plan Year":** The fiscal year commencing each July 1 and running through the following June 30.

1.22. **"Related Employer":** The Employer as defined in Section 121.021(10) Florida Statutes. Such Section defines Employer based on a reasonable, good faith standard and taking into account the special rules regarding Related Employers applicable under IRS Notice 89-23 (1989-1 C.B. 654).

1.23. **"Severance from Employment":** For purpose of the plan, severance from employment means termination as defined in section 121.021(39), Florida Statutes.

1.24. **"Valuation Date":** Date as of which the account balance is determined. This date must be determined by the provider company and must be no less frequently than the last day of each calendar quarter.

1.25. **"Vendor":** The provider of annuity contracts or custodial accounts, also referred to as a provider company. The list of approved vendors as amended from time to time is incorporated by reference.

1.26. **"Year of Service"** For purposes of determining includible compensation or special catch-up contributions described in sections 3.2, this term means each plan year during which an individual is a full-time employee of the employer, plus fractional credit for each part of a plan year during which the individual is either a full-time employee of the employer for a part of a year or a part-time employee of the employer. The employee must be credited with a full year of service for each plan year during which the employee is a full-time employee, plus a fraction of a year for each part of a plan year during which the employee is a full-time or part-time employee of the employer. An employee’s number of years of service equals the aggregate of the plan years during which the employee is employed by the employer.

**Section 2.**

**Participation and Contributions**

2.1. **Participation.** Each eligible employee shall be a participant to the extent provided in section 121.35, Florida Statutes.

2.2. **Eligibility for Elective Deferrals.** Each participant may choose to have elective deferrals made on his or her behalf immediately upon becoming employed by the employer. Contributions shall be an amount not greater than the amount specified in section 121.35(4)(e), Florida Statutes. In order to maintain tax-qualified status, each employer maintains a 403(b), 457(b) or (if permitted by law) 401(k) plan of the employer which permits an amount to be contributed or deferred at the election of the employee for any employee of the employer who is not eligible to be covered under this plan, except as provided in the remainder of this section. An employee who is a student performing services described in section 3121(b)(10) of the Code or who normally works fewer than 20 hours per week need not be eligible to participate in a 403(b) plan. An employee normally works fewer than 20 hours per week if, for the 12-month period beginning on the date the employee’s employment commenced, the employer reasonably expects the employee to work fewer than 1,000 hours of service (as defined under section 410(a)(3)(C) of the Code) and, for each plan year ending after the close of that 12-month period, the employee has worked fewer than 1,000 hours of service.

2.3. **Compensation Reduction Election.** An employee elects to have elective deferrals made on his or her behalf by executing an election to reduce his or her compensation (and have that

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amount contributed as an elective deferral on his or her behalf) and filing it with the administrator. This compensation reduction election shall be made on the form provided by the employer under which the employee agrees to be bound by all the terms and conditions of the plan. The participation election shall also include designation of the funding vehicles and accounts therein to which elective deferrals are to be made. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the employer as an participant may reduce his or her compensation under the plan. Each employee will become a participant in accordance with the terms and conditions of the individual agreements. All elective deferrals shall be made on a pre-tax basis. Elective deferrals shall begin as soon as administratively practicable following the date applicable under the employee’s election.

2.4. **Employer Contributions.** Each eligible employee shall be entitled to participate in employer contributions in accordance with section 121.35(4), Florida Statutes.

2.5. **Mandatory Employee Deferrals**—Effective July 1, 2011, each participant shall contribute mandatory employee contributions in accordance with section 121.35(4), Florida Statutes.

2.6. **Voluntary Employee Deferrals**—Each participant shall have the option to contribute a percentage of the employee’s gross compensation as provided in 121.35(4), but such contribution should not exceed federal limitations.

2.7. **Information Provided by the Employee.** Each participant shall provide to the plan administrator at the time of initial enrollment, and later if there are any changes, any such just and true information necessary or advisable for the plan administrator to administer the plan, including any information required under the individual agreements.

2.8. **Change in Elective Deferrals Election.** Subject to the provisions of the applicable individual agreements, an employee may at any time revise his or her contribution election, including a change of the amount of his or her elective deferrals, his or her investment direction and his or her designated beneficiary. A change in the investment direction shall take effect as of the date provided by the administrator on a uniform basis for all employees. A change in the beneficiary designation shall take effect as provided for in the individual agreement between the vendor and participant.

2.9. **Contributions Made Promptly.** Elective deferrals under the plan shall be transferred to the applicable funding vehicle within a reasonable time following the end of the month in which the amount would otherwise have been paid to the participant or within a reasonable time following the receipt of the information necessary, including but not limited to the proper enrollment documentation, to allow the forwarding of the funds.

2.10. **Leave of Absence.** Unless a compensation reduction election is otherwise revised, when an employee is absent from work by leave of absence, elective deferrals under the plan shall continue to the extent that compensation continues.

**Section 3.**

**Limitations on Amounts Deferred**

3.1. **Basic Annual Limitation on Elective Deferrals.** Except as provided in sections 3.2 and 3.3, the maximum amount of the elective deferral under the plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the participant's includible compensation for the calendar year. The applicable dollar amount is the amount established under section 402(g)(1)(B) of the Code, which is $16,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under section 415(d) of the Code.

3.2. **Special Section 403(b) Catch-up Limitation for Employees with 15 Years of Service.** Because the employer is a qualified organization (within the meaning of § 1.403(b)-4(c)(3)(ii) of
the Income Tax Regulations), the applicable dollar amount under Section 3.1(a) for any “qualified employee” is increased by the least of:

(a) $3,000;
(b) The excess of:
   (1) $15,000, over
   (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
(c) The excess of:
   (1) $5,000 multiplied by the number of years of service of the employee with the qualified organization, over
   (2) The total elective deferrals made for the employee by the qualified organization for prior years (for purposes of this section, the term “elective deferrals” includes designated ROTH contributions, and excludes deferrals under section 3.3).

For purposes of this section, a “qualified employee” means an employee who has completed at least 15 years of service taking into account only employment with the employer or a related employer. However, for purposes of this section, an “employer” or “related employer” is limited to educational employers as provided in Notice 89-23.

3.3. Age 50 Catch-up Elective Deferral Contributions. An employee who is a participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of elective deferrals, up to the maximum age 50 catch-up elective deferrals for the year. The annual maximum dollar amount of the age 50 catch-up elective deferrals is $5,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under the Code.

3.4. Coordination. Amounts in excess of the limitation set forth in section 3.1 must be allocated first to the special 403(b) catch-up under section 3.2 and next as an age 50 catch-up contribution under section 3.3. However, in no event can the amount of the elective deferrals for a year be more than the participant’s includible compensation for the year.

3.5. Limitation on Annual Additions. Maximum Annual Additions

(a) Except as provided in section 3.3, the maximum permissible annual additions that may be contributed or allocated to each participant’s account under the plan for any calendar year will not exceed the lesser of:
   (1) $49,000 for 2009, adjusted for subsequent years for increases in the cost of living under section 415(d) of the Code, or
   (2) 100 percent of the participant’s includible compensation for the most recent period (ending not later than the close of the taxable year) which may be counted as one year of service under Code section 403(b)(4), and which precedes the taxable year by no more than five years.

(b) For purposes of this section, “annual additions” means, for any calendar year, the sum of elective deferrals, Roth 403(b) contributions, and employer contributions to the plan made to the participant’s account and the sum of any employee and employer contributions made on behalf of such individual under any other 403(b) plan sponsored by the employer, and any forfeitures allocated to such individual under any such plan.

(c) If a participant has a “controlling interest” in another employer and participates in that employer’s qualified 401(a) defined contribution plan, welfare benefit fund (as defined in Section 419(e) of the Code), individual medical account (as defined in section 415(l)(2) of the Code) or simplified employee pension (as defined in section 408(k) of the Code) which provides annual additions, the amount of annual additions which may be credited to a participant’s account for any calendar year cannot exceed the maximum permissible amount described in subsection (a), taking into account employer contributions that have been allocated to such other plans as described in this subsection.

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(d) If the annual additions are greater than the maximum permissible amount described in subsection (a) in a calendar year, no amount should be contributed to the participant’s account under the plan for that calendar year. However, if there is any such excess amount under the plan, the administrator or its delegate in concert with the employer will direct the vendor as to the appropriate method of correction of such excess amounts in accordance with the Income Tax Regulations. If timely correction of such excess is not made, such excess will either:

1. remain in the Plan and will be separately accounted for in accordance with section 403(c) of the Code; or, in the event that contributions have been made to more than one contract in the course of a year in which timely correction of such excess amounts is not made, the amount that will be separately accounted for in accordance with section 403(c) of the Code and shall be ratably applied to each of the contracts to which contributions have been made for such year based on the ratio of contributions to that contract for such year as a percentage of contributions to all contracts for such year.

2. the excess annual additions, plus any earnings attributable to the excess annual additions through the date of the corrective distribution, may be distributed to the participant. See sections 6.06(2) and 6.02(4)(e) of Rev. Proc. 2008-50. The taxable amount of the corrective distribution reported in box 2a of Form 1099-R, should only include the amount of earnings attributable to the 415 excess annual additions.

3.6. Special Rule for a Participant Covered by another Section 403(b) Plan. For purposes of this section, if the participant is or has been a participant in one or more other plans under section 403(b) of the Code (or any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this section. For this purpose, the administrator shall take into account any other such plan maintained by any related employer and shall also take into account any other such plan for which the administrator receives from the participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a related employer shall be taken into account for purposes of section 3.2 only if the other plan is a section 403(b) plan.

3.7. Correction of Excess Elective Deferrals. If the elective deferral on behalf of a participant for any calendar year exceeds the limitations described above, when combined with other amounts deferred by the participant under another plan of the employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the participant provides information that is accepted by the administrator), then the elective deferral, 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.

3.8. Protection of Persons in a Military Service. An employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional elective deferrals upon resumption of employment with the employer equal to the maximum elective deferrals 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 elective deferrals, if any, actually made for the employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of
employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

Section 4.

Loans

4.1. Loans from the portion of an employee’s account attributable to contributions under section 2.4 of this plan shall not be permitted under the plan (notwithstanding any such outstanding loan present on the effective date of this written plan).

(a) **Prior to July 1, 2011**, with respect to loans from the portion of an employee’s account attributable to elective deferrals or rollover contributions to the Plan and loans entered into prior to that date, no loan to any participant or beneficiary can be made to the extent that such loan, when added to the outstanding balance of all other loans to the participant or beneficiary, would exceed the lesser of (a) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the plan on the date the loan is made, or (b) one-half the present value of the nonforfeitable accrued benefit of the participant or, if greater, the total accrued benefit up to $10,000. For the purpose of the above limitation, all loans from all plans of the employer and related employers are aggregated. Any loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan. If such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the participant, the amortization period shall be in accordance with the terms of the individual agreements. An assignment or pledge of any portion of the participant’s interest in the plan and a loan, pledge, or assignment with respect to any insurance contract purchased under the plan, will be treated as a loan under this paragraph. Repayment of any loan shall be through the method of repayment specified under the original loan terms.

(b) **Effective July 1, 2011 through June 30, 2012**, benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee’s principal residence, or any other reason before termination from all employment relationships with participating employers for 3 calendar months.

(c) **Effective July 1, 2012**, benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee’s principal residence, or any other reason except a requested distribution for retirement, a mandatory de minimis distribution authorized by the administrator, or a required minimum distribution provided pursuant to the Internal Revenue Code.

Section 5.

Benefit Distributions

5.1. **Benefit Distributions at Severance from Employment or Other Distribution Event.** Except as permitted under section 3.7 (relating to excess elective deferrals), section 5.4 (relating to in-service distributions), section 5.5 (relating to hardship withdrawals) or section 8.3 (relating to termination of the plan), distributions from a participant’s account may not be made earlier
than the earliest of the date on which the participant has a severance from employment, or dies or as provided in section 9.2. Distributions shall otherwise be made in accordance with the terms of the individual agreements.

Notwithstanding the foregoing, elective deferrals made to an annuity contract and corresponding earnings as of December 31, 1988, are "grandfathered" and withdrawal restrictions do not apply to the extent that such amounts can be appropriately identified by the vendor.

Effective July 1, 2011 through June 30, 2012, benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee's principal residence, or any other reason before termination from all employment relationships with participating employers for 3 calendar months.

Effective July 1, 2012, benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee’s principal residence, or any other reason except a requested distribution for retirement, a mandatory de minimis distribution authorized by the administrator, or a required minimum distribution provided pursuant to the Internal Revenue Code. The department may authorize a distribution of up to 10 percent of the member’s account after being terminated from employment with all participating employers for 1 calendar month if the member has reached normal retirement date as defined in S. 121.021 Florida Statutes.

5.2. Small Account Balances. The terms of the individual agreement may permit distributions to be made in the form of a lump-sum payment, but no such payment may be made without the consent of the participant or beneficiary. Any such distribution shall comply with the requirements of section 401(a)(31)(B) of the Code (relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of $1,000).

5.3. Minimum Distributions. Each individual agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each individual agreement is treated as an individual retirement account and distributions shall be made in accordance with the provisions of § 1.408-8 of the Income Tax Regulations, except as provided in § 1.403(b)-6(e) of the Income Tax Regulations.

5.4. In-Service Distributions
(a) From Rollover Account. If a participant has a separate account attributable to rollover contributions to the plan, to the extent permitted by the applicable individual agreement, the participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

(b) From Employee Deferrals Account.
(1) Prior to July 1, 2011, the participant may at any time after attaining age 59½ obtain a distribution of all or part of the account balance attributable to voluntary employee deferrals.

(2) Effective July 1, 2011 through June 30, 2012, benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee’s principal residence, or any other reason before termination from all employment relationships with participating employers for 3 calendar months.

(3) Effective July 1, 2012, benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee’s principal residence,
or any other reason except a requested distribution for retirement, a mandatory de
minimis distribution authorized by the administrator, or a required minimum
distribution provided pursuant to the Internal Revenue Code. The department may
authorize a distribution of up to 10 percent of the member’s account after being
terminated from employment with all participating employers for 1 calendar month
if the member has reached the normal retirement date as defined in s. 121.021
Florida Statutes.

5.5. Hardship Withdrawals.
(a) No hardship withdrawals from the portion of an employee’s account attributable to
contributions under section 2.4 shall be permitted under the plan.
(b) Prior to July 1, 2011, distribution of elective deferrals may be made to a
participant in the event of hardship. A hardship distribution may only be made on account
of an immediate and heavy financial need of the participant and where the distribution is
necessary to satisfy the immediate and heavy financial need.
The following are the only financial needs considered immediate and heavy:
(1) expenses incurred or necessary for medical care, described in Code section
213(d), of the participant, the participant’s spouse, children, or dependents or the
Participant’s primary beneficiary (as defined in Q&A-5 of IRS Notice 2007-7);
(2) the purchase (excluding mortgage payments) of a principal residence for
the participant;
(3) payment of tuition and related educational fees for the next 12 months of
post-secondary education for the participant, the participant’s spouse, children or
dependents, or the participant’s primary beneficiary;
(4) payments necessary to prevent the eviction of the participant from, or a
foreclosure on the mortgage of, the employee’s principal residence;
(5) payments for funeral or burial expenses for the participant’s deceased
parent, spouse, child or dependent, or the participant’s primary beneficiary; and
(6) expenses to repair damage to the participant’s principal residence that
would qualify for a casualty loss deduction under Code section 165 (determined
without regard to whether the loss exceeds 10 percent of adjusted gross income).
A distribution will be considered as necessary to satisfy an immediate and heavy financial
need of the participant only if:
(1) The distribution is not in excess of the amount of the immediate and heavy
financial need (including amounts necessary to pay any federal, state or local
income taxes or penalties reasonably anticipated to result from the distribution);
(2) The participant has obtained all distributions, other than hardship
distributions, and all nontaxable loans under all plans maintained by the employer;
and
(3) All plans maintained by the employer provide that the participant’s elective
deferrals (and employee contributions) will be suspended for at least 6 months
after the receipt of the hardship distribution.
(c) Effective July 1, 2011 through June 30, 2012, benefits, including employee
contributions, are not payable for employee hardships, unforeseeable emergencies,
loans, medical expenses, educational expenses, purchase of a principal residence,
payments necessary to prevent eviction or foreclosure on an employee’s principal
residence, or any other reason before termination from all employment
relationships with participating employers for 3 calendar months.
(d) Effective July 1, 2012, benefits, including employee contributions, are not payable
for employee hardships, unforeseeable emergencies, loans, medical expenses,
5.6. **Rollover Distributions.**

(a) A participant or the beneficiary of a deceased participant (or a participant’s spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the participant in a direct rollover. In the case of a distribution to a beneficiary who, at the time of the participant’s death, was neither the spouse of the participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity that has been established on behalf of the beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover. Each vendor shall also be responsible for maintaining all records regarding rollovers to or from this plan, and for information-sharing with any plan that receives a rollover.

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**Section 6.**

**Rollovers to the Plan, Transfers and Exchanges**

6.1. **Eligible Rollover Contributions to the Plan.**

(a) **Eligible Rollover Contributions.** To the extent provided in the individual agreements, an employee who is a participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the plan. Such rollover contributions shall be made in the form of cash only. The vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, in no event will the plan accept a rollover contribution from a Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code. Each vendor shall also be responsible for maintaining all records regarding rollovers to or from this Plan, and for information-sharing with any plan that receives a rollover.

(b) **Eligible Rollover Distribution.** For purposes of section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a participant’s benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, or (2) any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee’s principal residence, or any other reason except a requested distribution for retirement, a mandatory de minimis distribution authorized by the administrator, or a required minimum distribution provided pursuant to the Internal Revenue Code.
individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

(c) Separate Accounts. The vendor shall establish and maintain for the participant a separate account for any eligible rollover distribution paid to the plan.

6.2. Plan-to-Plan Transfers to the Plan.
No transfers to this plan, other than rollovers, as provided in section 6.1(a) shall be permitted.

6.3. Plan-to-Plan Transfers from the Plan.
No plan-to-plan transfers from this plan shall be permitted except as provided in section 6.5.

(a) A participant or beneficiary is permitted to change the investment of his or her account balance among the vendors under the plan, subject to the terms of the individual agreements. However, an investment change that includes an investment with a vendor that is not eligible to receive contributions under section two (referred to below as an exchange) is not permitted.

(b) If any vendor ceases to be eligible to receive elective deferrals under the plan, the administrator will enter into an information sharing agreement with the receiving vendor for the other contract or custodial account under which the administrator and the vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the employer, to satisfy section 403(b) of the Code, including the employer providing information as to whether the participant’s employment with the employer is continuing, and notifying the vendor when the participant has had a severance from employment (for purposes of the distribution restrictions in section 5.1);

(2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the participant by the employer to satisfy other tax requirements, including information concerning the participant’s or beneficiary’s after-tax employee contributions in order for a vendor to determine the extent to which a distribution is includible in gross income.

6.5. Permissive Service Credit Transfers.
(a) If a participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) of the Florida Retirement System that provides for the acceptance of plan-to-plan transfers with respect to the participant, then the participant may elect to have any portion of the participant’s account balance transferred to the defined benefit governmental plan. A transfer under this section may be made before the participant has had a severance from employment. Any remaining employer contributions must remain on deposit in an SUSORP approved account until severance from employment as defined in section 1.22 of this document. The administrator will designate the forms and procedures necessary to accomplish this transfer.

(b) A transfer may be made under section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.
Section 7.
Investment of Contributions

7.1. Manner of Investment. All elective deferrals or other amounts contributed to the plan, all property and rights purchased with such amounts under the funding vehicles and all income attributable to such amounts, property or rights shall be held and invested in one or more annuity contracts or custodial accounts. Each annuity contract and custodial account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to participants and their beneficiaries, for any part of the assets and income of the custodial account to be used for, or diverted to, purposes other than for the exclusive benefit of participants and their beneficiaries, except as provided in section 9.2, 9.3, or 9.6.

7.2. Investment of Contributions. Each participant or beneficiary shall direct the investment of his or her account among the investment options available under the annuity contract or custodial account in accordance with the terms of the individual agreements. Exchanges among annuity contracts and custodial accounts as described in section 6.4 may be made to the extent provided in the individual agreements and permitted under applicable Income Tax Regulations and Florida Statutes.

7.3. Current and Former Vendors. The administrator shall maintain a list of all vendors under the plan. Such list is hereby incorporated as part of the plan. Each vendor and the administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a vendor that is not eligible to receive elective deferrals under the plan (including a vendor that has ceased to be a vendor eligible to receive elective deferrals under the plan or a vendor holding assets under the plan in accordance with Section 6.4), the employer shall keep the vendor informed of the name and contact information of the administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

Section 8.
Amendment and Plan Termination

8.1. Termination of Contributions. The State of Florida has no obligation or liability whatsoever to maintain the plan for any length of time and may discontinue contributions under the plan at any time without any liability hereunder for any such discontinuance.

8.2. Amendment and Termination. The administrator reserves the authority to amend or terminate this plan at any time.

8.3. Distribution upon Termination of the Plan. The administrator may provide that, in connection with a termination of the plan and subject to any restrictions contained in the individual agreements, all accounts will be distributed, provided that the employer and any related employer on the date of termination do not make contributions to an alternative section 403(b) contract that is not part of the plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the plan, except as permitted by the Income Tax Regulations.

Section 9.
Miscellaneous

9.1. Non-Assignability. Except as provided in sections 9.2 and 9.3, the interests of each participant or beneficiary under the plan are not subject to the claims of the participant's or beneficiary's creditors; and neither the participant nor any beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest
under the plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

9.2. Domestic Relation Orders. Notwithstanding section 9.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments or the marital property rights of a spouse or former spouse, child or other dependent of a participant is made pursuant to the domestic relations law of any state that would constitute a qualified domestic relations order under the Code but for the fact that this plan is a governmental plan ("domestic relations order"), then the amount of the participant's account balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the participant is eligible for a distribution of benefits under the plan. The vendor shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

9.3. IRS Levy. Notwithstanding section 9.1, the vendor may pay from a participant's or beneficiary's account balance the amount that the vendor finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that participant or beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the participant or beneficiary; provided, however, that the United States Government (a) cannot garnish or otherwise collect against a participant's or beneficiary's benefit until the participant or beneficiary has a right to a distribution (distributable event) under the terms of the plan; (b) steps into the shoes of either the participant or beneficiary and can make an election on his or her behalf when such person is eligible for distribution but has not elected same; and (c) is subject to the joint and survivor annuity rules and other plan provisions to the same extent as the participant or beneficiary.

9.4. Tax Withholding. Contributions to the plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to elective deferrals, which constitute wages under section 3121 of the Code). Any benefit payment made under the plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such just and true information as the vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

9.5. Payments to Minors and Incompetents. If a participant or beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, benefits will be paid to such person as may be designated for the benefit of such participant or beneficiary. Such payments shall be considered a payment to such participant or beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the plan.

9.6. Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the plan by a good faith mistake of fact, then, upon receipt in good order of a proper request approved by the administrator, the amount of the mistaken contribution shall be returned directly to the participant or, to the extent required or permitted by the administrator, to the employer.

9.7. Procedure When Distributee Cannot Be Located. The vendor shall make all reasonable attempts to determine the identity and address of a participant or a participant's beneficiary entitled to benefits under the plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the vendors, the employer's or the administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the vendor is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the funding vehicle shall continue to hold the benefits due such person.
9.8. **Incorporation of Individual Agreements and Florida Statutes.** The Florida Statutes are hereby incorporated by reference into the plan, and shall override any inconsistent provisions of the plan. The plan, together with the individual agreements and sections 121.35 and 121.355, Florida Statutes, are intended to satisfy the requirements of Section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the plan shall be incorporated by reference into the individual agreements. If terms of the individual agreement are inconsistent with the plan or Section 403(b) of the code, the Code and plan will control.

9.9. **Governing Law.** The plan will be construed, administered and enforced according to the Code and the laws of the State of Florida.

9.10. **Headings.** Headings of the plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

9.11. **Gender.** Pronouns used in the plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

IN WITNESS THEREOF, the State of Florida, Department of Management Services has caused this plan to be executed by its undersigned official as duly authorized.

**DEPARTMENT OF**
**MANAGEMENT SERVICES**

Sarabeth Snuggs  
Director

Effective Date of the Plan: July 1, 1984  
This amendment is effective upon signing.