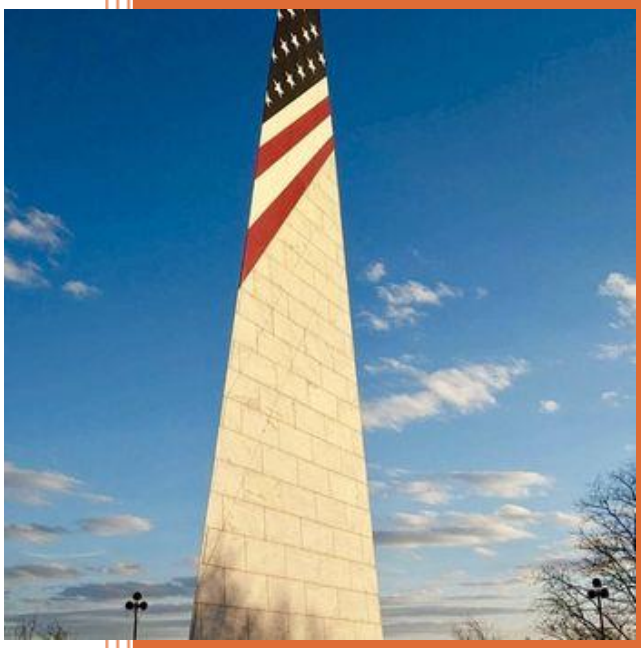
THE SUFFOLK COUNTY 401(a) TERMINAL PAY PLAN

Plan Summary



Revised 12/4/2019

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INTRODUCTION

The County of Suffolk ("County") established the Suffolk County 401(a) Terminal Pay Plan ("Plan") effective on or about January 1, 2015.

This booklet is the summary plan description of the Plan, and is intended to provide participants with a general understanding of the Plan. This booklet does not state all of the terms and conditions of the Plan. The detailed Plan provisions are contained in an official Plan document. If there is any conflict between this booklet and the Plan document, the Plan document will prevail.

The Plan is a governed by Section 401(a) of the Internal Revenue Code ("Code"), which allows the County to help build your retirement income by making contributions to Plan accounts established in your name. Plan contributions are held in a trust fund under the supervision of the Plan's trustee. As a participant, you may direct the investment of the funds in your Plan accounts.

The Suffolk County 401(a) Terminal Pay Plan Board ("Board") consists of ten (10) voting representatives. There are five (5) representatives from each union that has negotiated the Plan into its collective bargaining agreement and has executed a Memorandum of Agreement with the County and five (5) County Executive designees. There is also a Plan Administrator appointed by the County Executive's Office who is a non-voting member.

PLAN DATA

Plan Name: The Suffolk County 401(a) Terminal Pay Plan

Plan Sponsor's Name and Address:
Suffolk County 401(a) Terminal Pay Plan
c/o Suffolk County Executive's Budget Office
100 Veterans Memorial Highway, 10th Floor
Hauppauge, New York 11788

Plan Year: January 1 through December 31

Plan Number: 008

Plan Trustee:
Charles Schwab Bank

Plan Investment Provider/Vendor:
BENCOR, Inc.
One Sarasota Tower, Suite 602
2 North Tamiami Trail
Sarasota, Florida 34236

Suffolk County 401(a) Terminal Pay Plan Summary

Plan Basics

The Plan is established pursuant to Section 401(a) of the Federal tax law. It is offered by the County through an Administrative Services provider (Provider) to help the County and their employees save up to 7.65% of Social Security and Medicare taxes and to defer income taxes for employees on eligible Plan contributions. Income taxes are not imposed until money is withdrawn from the Plan. Social Security and Medicare tax savings are permanent, because these taxes are not imposed on withdrawals from the Plan.

Eligibility

You are eligible to participate in the Plan if you are an employee of one of the County's unions that has negotiated this benefit in a collective bargaining agreement with the County and you retire. However, members of Detective Investigators PBA are eligible regardless of reason for separation from County service.

Please note that you are not eligible to participate if you are a non-bargaining unit employee or a bargaining unit employee who is a member of the Correction Officers Association or Deputy Sheriffs PBA.

Participation

Participation is limited to Suffolk County retiring/separated employees whose bargaining units have negotiated the Plan into a bargaining agreement, as well as a Memorandum of Agreement, and who meet the requirements for eligibility. *For the above mentioned, participation is* ***mandatory and cannot be waived****.*

Contributions to the Plan

Contributions to the Plan consist of that part of Separation Pay (also called "SCAT Pay") consisting of accumulated Sick, Personal, Vacation and Veterans Leave that otherwise would be paid to plan participants in cash at retirement. The contribution amount is referred to as "Special Pay". For 2020, the tax law limited the dollar amount of the contribution to a 401(a) plan on behalf of any participant to $57,000. The IRS adjusts this annual dollar limit periodically to reflect cost-of-living increases.

Once you separate from service you *cannot contribute (with the exception of your initial SCAT contribution) or roll money into the Plan* but you can change your existing allocations. You may also choose to withdraw all your money or rollover to a different plan. Be sure to consult with your tax advisor to help you understand the impact taxes and/or penalties can have in making the choices that are available to you.

Contributions are not to be permitted until you completely separate from County service.

An account is established automatically for you from information the County provides to the Plan on the pay period following your retirement/separation date. Any time after that date, you may go to the provider's website and follow the prompts to create your personalized user ID and password for access to your account information.

NOTE: There will not be an account balance until after your SCAT pay has been audited, authorized and monies forwarded to the provider.

Vesting

Your Plan accounts are always 100% vested. They are non-forfeitable at all times. Of course, the amount in your Plan accounts will fluctuate due to the performance of the investment options that you have selected, as well as any fees and Plan expenses charged to your Plan accounts.

Statements

Participants will receive quarterly statements of account activity from the provider. Such statements shall include information of all transactions occurring within the participant's account during the time frame of the statement. You may enroll in e-statements online to save mail time, paper and ink.

Investing in the Plan

The Plan offers several investment options. You will have access to information that can assist you in making investment decisions under the Plan including descriptions of the investment alternatives available and the risk and return characteristics of each investment alternative when you log on to your account via the provider's website or call them directly. As you review this information, remember that each of the funds has its own degree of growth potential and risk.

If you do not choose investment options, your account will be invested automatically in the default option which is currently the Prudential Guaranteed Long-Term Fund.

Investment fund choices may be added or changed in the future.

Fees – Each of the investment funds made available through the Plan has certain operating expenses, such as fund management fees, brokerage commissions, transfer taxes and other expenses. Each fund's expenses are, in general, deducted from the assets of the fund and are, therefore, reflected in each fund's unit price. As a result, each fund's expenses are borne by the participants investing in that fund. Not all funds have the same type or amount of expenses. Please check the provider's website for more information.

Prior to making any decisions regarding your Plan investments, withdrawals, and/or rollovers from your account, consult a professional tax advisor. In addition to taxes, you could be subject to penalties.

Distributions/Withdrawals

The balance of your account is available for withdrawal at any time after your retirement or other eligible separation from employment. In the case of your death, the beneficiary or beneficiaries you have named under the Plan will be able to withdraw your account balance. Funds may be withdrawn in one or more cash distributions, which are subject to income tax for the year of withdrawal, or in the form of a direct rollover to an Individual Retirement Account or Annuity (IRA) or other eligible retirement plan, which results in continued deferral of your income tax obligation. To request a distribution, please contact the provider via the website or the toll-free phone number. A distribution

of your account will begin as soon as administratively feasible following the provider's receipt of your completed documents.

Please remember that distributions/withdrawals are not permitted until you completely separate from County service. If you retire/separate from one position and take another position in any County department, whether it be full time, part time, seasonally, or in any other capacity you may not have separated from County service for Plan purposes. If you have any questions please call the Plan Administrator or your Board Member.

Your account is subject to the IRS' Required Minimum Distribution (RMD) rules after you reach age 70½ or retire, whichever is later, or following your death, if earlier.

Death Benefits - If you die before you begin to receive distributions, your account will be payable to your designated beneficiaries as delineated in the official Plan Document. It is important to always keep an updated beneficiary or beneficiaries on the forms provided by the Plan's provider.

Other Distributions - There are no loans or unforeseeable emergency withdrawals allowed in this plan.

Rollovers from the Plan - Notwithstanding any contrary provision of the Plan that otherwise would limit a Participant's distribution election under the Plan, a Participant may elect at the time and in the manner prescribed by the provider, to have any portion of an eligible rollover distribution paid as a direct rollover to an eligible retirement plan specified by the Participant.

In-Service Distributions – Since Plan contributions are not permitted until retirement or other negotiated separation, no distribution from the Plan shall be made to a Participant (or any Participant's Beneficiary) prior to the Participant's retirement or separation.

Name and Address Changes

If you move, change your marital status or change your name, it is your responsibility to keep the provider up to date by notifying them directly or by downloading the provider's form from the Plan's website.

Beneficiary Options

You may designate a beneficiary or beneficiaries online by going to the provider's home tab and clicking on the "Beneficiaries" link or you may call the provider and ask for a paper form. For changes to your primary or contingent beneficiary, contact the provider.

Divorce

If you are going through a divorce, and if it is related to this 401(a) Plan, you should contact your Board Representative or the Plan Administrator for the Plan's Qualified Domestic Relations Order (QDRO) guidelines.

Questions

If you have any additional questions you may call the Provider, your Board Representative, or the Plan Administrator.