

**AMENDMENTS TO THE  
ALASKA DEFERRED COMPENSATION PLAN**

**Generally Effective August 30, 2021**

Pursuant to Article VII, that provides the Alaska Deferred Compensation Plan may be amended at any time, the Plan is hereby amended effective August 30, 2021:

**Article V, Section B, “Eligibility for Payment,” subsection 1,** A terminated Employee shall be eligible to elect distribution of his or her Account, in accordance with this Article V, subsequent to termination of employment, within an administratively feasible time in accordance with the business practices established by the Plan.

**Article V, Section B, “Eligibility for Payment,” subsection 2,** An employee age 59-½ shall be eligible to elect distribution of his or her Account, in accordance with this Article and Clause (i) of section 457(d)(1)(A) of the Internal Revenue Code of 1986.

- 3. The distribution of an Account can be made in whole or in part. Partial distributions cannot be requested more than two (2) times in a calendar year. Where a distribution of an Account involves a periodic payment, the periodic payment amount and/or frequency cannot be changed more than two (2) times in a calendar year. Where a distribution of an Account involves an annuity option, such annuity option cannot be changed once the benefit has commenced.**
- 4. If a Participant dies before benefits commence, a Beneficiary shall be immediately eligible to elect distribution of the deceased Participant’s Account, in accordance with the terms and conditions of this Article V.**
- 5. Notwithstanding the foregoing, in the event that a domestic relations order qualifying as such is received and approved by the Plan Administrator as specified in Paragraph G of Article VIII, benefits shall be payable to the Alternate Payee in accordance with the terms and conditions of such order, as that order has been accepted by the Plan.**

**Article V, Section D. “Distribution Requirements”, subsection 1, General Rule,** Notwithstanding any other provision of the Plan, distributions shall be determined and made in accordance with the applicable requirements of Code sections 401(a)(9) and 457(d) and proposed or final Treasury Regulations hereunder. These rules also apply to distributions to Beneficiaries or Alternate Payees.

**Article V, Section D. “Distribution Requirements”, subsection 2, Required Beginning Date,**

- 2. Required Beginning Date**

The entire interest of a Participant must be distributed or begin to be distributed no later than the Employee's required beginning date. The required beginning date of a Participant is the later of (i) the first day of April of the calendar year following the calendar year in which the Participant attains age 72 (age 70-1/2 if the Participant was born on or before June 30, 1949) or (ii) the date of actual retirement.

**Article 5, Section D, "Distribution Requirements", new subsection 3, Small Account Distribution under section 457(e)(9)(A), a Participant who has not had a Termination of Employment may elect to receive a one-time distribution of the Participant's entire Account, provided that (1) the Participant's Account is valued at \$5,000 or less, (2) the Participant has had no Deferred Compensation for the two-year period ending on the date of the distribution, and (3) the Participant has not previously received a distribution pursuant to this subsection 3.**

Article 5, Section E, "Benefit Commencement Date" subsection 1, Payments to a Participant or Beneficiary who meets the requirements of Paragraph B of this Article V shall commence as soon as administratively feasible following the benefit commencement date. The benefit commencement date is the first date on which one of the following occurs:

- a) A Participant or Beneficiary meets the requirements of Paragraph B of this Article V and has made a complete application for payment.
- b) A Participant attains age 72 (age 70-1/2 if the Participant was born on or before June 30, 1949) and has not made an application for payment.**
- c) A Beneficiary did not begin receiving payments by December 31 of the year following the Participant's death, and five years have elapsed since the Participant's death).
- d) A Participant requests a direct trustee-to-trustee transfer to another plan as permitted in Paragraph B of Article IV.

2. A Participant or Beneficiary may elect to defer receipt of payment to a date later than the date specified in Paragraph E(1) of this Article V in accordance with the following:

- a) A Participant may defer to any date up to April 1 of the year after attaining age 72 (age 70-1/2 if the Participant was born on or before June 30, 1949).**
- b) A spouse Beneficiary may defer to any date on or before December 31 of the year in which the Participant would have attained age 72 (age 70-1/2 if the Participant was born on or before June 30, 1949). Payments must be made over a period no longer than the life expectancy of the spouse.**

5. Notwithstanding any other provisions of this Article V, upon the death of a Participant on or after January 1, 2022, the following distribution provisions shall take effect; provided, however, that such provisions shall be subject to any regulations or other guidance issued under the SECURE Act:

- a) If the Participant dies before the distribution of his/her entire Account (regardless of whether any distributions had begun before the Participant's death) and the Participant has a Designated Beneficiary:
  - i) The entire Account shall be distributed to the Designated Beneficiary by December 31 of the calendar year containing the 10<sup>th</sup> anniversary of the Participant's death.
  - ii) Notwithstanding subparagraph (i), if the Designated Beneficiary is an Eligible Designated Beneficiary, then the Participant's Account shall be distributed beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the Eligible Designated Beneficiary or over a period not exceeding the life expectancy of the Eligible Designated Beneficiary. If the Eligible Designated Beneficiary is the Surviving Spouse, then 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, if later, by December 31 of the calendar year in which the Participant would have attained age seventy-two (72) (age seventy and one-half (70½) if the Participant was born on or before June 30, 1949).
  - iii) Upon either (1) the death of an Eligible Designated Beneficiary before distribution of the Participant's entire Account or (2) the attainment of the age of majority for an Eligible Designated Beneficiary who is a minor child, subparagraph (ii) shall no longer apply, and the remainder of the Account shall be distributed under paragraph (i).
- b) If the Participant dies before distributions of his/her Account begins and the Participant has no Designated Beneficiary, the Participant's Account under the Plan shall be distributed by December 31 of the calendar year containing the fifth (5th) anniversary of the Participant's death. If the Participant dies after distribution of his/her Account begins and the Participant has no Designated Beneficiary, any remaining portion of the Account shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death.
- c) For purposes of this subsection 5, an Eligible Designated Beneficiary means a Designated Beneficiary who, as of the date of the death of the Participant, is: (i) the Surviving Spouse of the Participant; (ii) a child of the Participant who has not reached the age of majority; (iii) disabled within the meaning of Code Section 72(m)(7); (iv) chronically ill within the meaning of Code Section 7702B(c)(2) (except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if

**there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature); or (v) any other individual who is not more than 10 years younger than the Participant. Notwithstanding the preceding, a child described in (ii) above shall cease to be an Eligible Designated Beneficiary as of the date he or she reaches the age of majority.**

The SECURE allows 457 plans to permit qualified birth or adoption distributions (up to \$5,000). This is an **optional** provision; if desired, **the Plan should be amended to include a new Article V, Section L as follows:**

**L. Qualified Birth or Adoption Distributions. For purposes of this subsection (L), the following provisions shall apply:**

**1) Definitions.**

**a) “Qualified Birth or Adoption Distribution” means a distribution made to a Participant within the one-year period beginning on the date on which a child of the Participant is born or on which the legal adoption by the Participant of an eligible adoptee is finalized.**

**b) “Eligible Adoptee” means an individual (other than the child of the Participant’s spouse) who has not attained age 18 or is physically or mentally incapable of self-support.**

**2) A Participant, regardless of whether he/she has had a Termination of Employment, may request to receive one or more Qualified Birth or Adoption Distributions from his/her Account subject to the provisions of this subsection L. Qualified Birth or Adoption Distributions made from this Plan and all other plans maintained by the Employer or a related Employer may not exceed \$5,000 per birth or adoption. A Participant shall certify that he or she satisfies the criteria to receive a Qualified Birth or Adoption Distribution.**