

ABOUT YOUR PLAN AMENDMENT

GALVESTON COUNTY EMPLOYEES' SOCIAL SECURITY REPLACEMENT PLAN WI971618 January 29, 2025

This amendment makes changes to the way your plan should be administered. The employer and the plan administrator have an obligation to understand the terms of the plan and to follow the terms in operation. The companies of OneAmerica FinancialSM make every attempt to ensure the amendment is drafted consistent with your operational intent. As the employer, you have the ultimate responsibility to make certain that your plan is operated in accordance with the written plan document.

OneAmerica Financial does not render legal advice; therefore, it is very important that you review this amendment carefully with your legal counsel before signing it.

*If you determine that changes to the amendment are necessary, **DO NOT SIGN** the amendment. Please notify OneAmerica Financial of the changes being requested to the amendment. The requested changes will be reviewed, and if needed, a new amendment may be provided to you for your signature.*

Please refer to the Fee Disclosures, as applicable, for the most current plan and participant expenses.

Amendment Number One has an effective date of **January 31, 2025**. The terms contained in the amendment will become effective on the later of (i) the stated effective date of the amendment or (ii) the signature date of the amendment.

The amendment includes the following changes:

- Participant consent will not be required for distributions of vested account balances of \$1,000 or less.
- In determining the \$1,000 distribution threshold, rollover contributions must be included.

AMENDMENT NUMBER ONE
TO THE
GALVESTON COUNTY EMPLOYEES' SOCIAL SECURITY REPLACEMENT PLAN

EFFECTIVE DATE: JANUARY 31, 2025

The plan document for the Galveston County Employees' Social Security Replacement Plan, which was effective January 3, 2025, is hereby amended as follows:

The plan document is amended to read:

32. **CONDITIONS FOR DISTRIBUTIONS UPON SEVERANCE OF EMPLOYMENT.** Distributions upon severance of employment pursuant to Plan Section 6.4(a) will not be made unless the following conditions have been satisfied:
- A. Accounts in excess of \$5,000**
- a. ☒ Distributions may be made as soon as administratively feasible following severance of employment.
 - b. ☐ Distributions may be made as soon as administratively feasible after the last day of the Plan Year coincident with or next following severance of employment.
 - c. ☐ Distributions may be made as soon as administratively feasible after the last day of the Plan Year quarter coincident with or next following severance of employment.
 - d. ☐ Distributions may be made as soon as administratively feasible after the Valuation Date coincident with or next following severance of employment.
 - e. ☐ Distributions may be made as soon as administratively feasible after _____ months have elapsed following severance of employment.
 - f. ☐ No distributions may be made until a Participant has reached Early or Normal Retirement Date.
 - g. ☐ Other: _____ (must be objective conditions which are ascertainable and may not exceed the limits as set forth in Plan Section 6.7, unless Plan Section 6.7 is disregarded in Appendix A of this Adoption Agreement)
- B. Accounts of \$5,000 or less**
- h. ☒ Same as above
 - i. ☐ Distributions may be made as soon as administratively feasible following severance of employment.
 - j. ☐ Distributions may be made as soon as administratively feasible after the last day of the Plan Year coincident with or next following severance of employment.
 - k. ☐ Other: _____ (must be objective conditions which are ascertainable and may not exceed the limits of as set forth in Plan Section 6.7, unless Plan Section 6.7 is disregarded in Appendix A of this Adoption Agreement)
- C. Timing after initial distributable event.** If a distribution is not made in accordance with the above provisions upon the occurrence of the distributable event, then a Participant may elect a subsequent distribution at any time after the time the amount was first distributable (assuming the amount is still distributable), unless otherwise selected below (may not be selected with 32.f. and 32.h.):
- l. ☐ Other: _____ (e.g., a subsequent distribution request may only be made in accordance with j. above (i.e., the last day of another Plan Year); must be objective conditions which are ascertainable and may not exceed the limits of as set forth in Plan Section 6.7, unless Plan Section 6.7 is disregarded in Appendix A of this Adoption Agreement)
- D. Participant consent (i.e., involuntary cash-outs).** Should Vested Account balances less than a certain dollar threshold be automatically distributed without Participant consent (mandatory distributions)?
- NOTE:** The Plan provides that distributions of amounts of \$5,000 or less are only paid as lump-sums.
- m. ☐ No, Participant consent is required for all distributions.
 - n. ☒ Yes, Participant consent is required only if the distribution is over:
 - 1. ☐ \$5,000
 - 2. ☒ \$1,000
 - 3. ☐ \$_____ (e.g., \$3,500)
- NOTE:** If the amount selected is \$1,000 or less, rollovers will be included in determining the threshold for Participant consent.

Automatic IRA rollover. With respect to mandatory distributions of amounts that are \$1,000 or less, if a Participant makes no election, the amount will be distributed as a lump-sum unless selected below.

4. ☐ If a Participant makes no election, then the amount will be automatically rolled over to an IRA provided the amount is at least \$_____ (e.g., \$200).

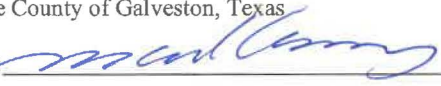
- E. **Rollovers in determination of \$5,000 threshold.** Unless otherwise elected below, amounts attributable to rollover contributions (if any) will be **included** in determining the \$5,000 threshold for timing of distributions, form of distributions, or consent rules.
- o. ☐ Exclude rollovers (rollover contributions will be **excluded** in determining the \$5,000 threshold)

NOTE: Regardless of the above election, if the Participant consent threshold is \$1,000 or less, then the Administrator must include amounts attributable to rollovers for such purpose. In such case, an election to exclude rollovers above will apply for purposes of the timing and form of distributions.

- F. **Mandatory distribution at Normal Retirement Age.** Regardless of the above elections other than any mandatory distributions provided for in n. above, unless otherwise selected below, a Participant who has severed employment may elect to delay a distribution beyond the later of age 62 or the Participant's Normal Retirement Age (subject to Plan Section 6.8).
- p. ☐ A Participant who has severed employment may not elect to delay a distribution beyond the later of age 62 or the Participant's Normal Retirement Age.

Any provisions not included in this amendment remain in full force and effect as stated in current plan documents. The County of Galveston, Texas has caused its name to be signed by its duly authorized officer to evidence adoption of this plan amendment as of the date designated below.

Employer/Plan Administrator
The County of Galveston, Texas

By:  _____

Title: **Mark Henry, County Judge** _____

Date: **February 17, 2025** _____

SUMMARY OF MATERIAL MODIFICATION FOR THE GALVESTON COUNTY EMPLOYEES' SOCIAL SECURITY REPLACEMENT PLAN

Due to the recent amendment of the above-referenced Plan, changes have been made that could affect your rights under the Plan. This Summary of Material Modifications (SMM) describes the recent Plan amendment and how that amendment may affect you. This SMM overrides any inconsistent information included in the Plan's Summary Plan Description (SPD) or other Plan forms.

The modifications described in this SMM are effective as of **January 31, 2025**. All other provisions are effective as described in the SPD.

What happens if I terminate employment before death, disability or retirement?

You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. However, if the value of your vested account balance does not exceed \$1,000, then a distribution will be made to you regardless of whether you consent to receive it. (See the question entitled "How will my benefits be paid to me?" for additional information.)

Treatment of rollovers for consent to distribution. In determining if the value of your vested account balance exceeds the \$1,000 threshold described above used to determine whether you must consent to a distribution, your rollover account will be considered as part of your benefit.

How will my benefits be paid to me?

Forms of distribution. If your vested account balance does not exceed \$5,000, then your vested account balance may only be distributed to you in a single lump-sum payment. In determining whether your vested account balance exceeds the \$5,000 threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

In addition, if your vested account balance exceeds \$1,000, you must consent to any distribution before it may be made. If your vested account balance exceeds \$5,000, you may elect to receive a distribution of your vested account balance in:

- a single lump-sum payment
- installments over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary)
- partial withdrawals

Delaying distributions. You may delay the distribution of your vested account balance unless a distribution is required to be made, as explained earlier, because your vested account balance does not exceed \$1,000. However, if you elect to delay the distribution of your vested account balance, there are rules that require that certain minimum distributions be made from the Plan. Distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or retire.

Medium of payment. Benefits under the Plan will generally be paid to you in cash only except for insurance contracts or annuity contracts.

What happens if I become disabled?

If you become disabled while an employee, you will be entitled to your vested account balance under the Plan. Payment of your disability benefits will be made to you as if you had retired. However, if you are terminated and the value of your vested account balance does not exceed \$1,000, then a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it. (See the Article entitled "Benefits and Distributions Upon Termination of Employment" for a further explanation of how benefits are paid from the Plan.)

ADDITIONAL INFORMATION

If you have any questions about the modifications described in this SMM or about the Plan in general, or if you would like a copy of the SPD or other Plan documents, you may contact:

The County of Galveston, Texas
722 Moody Avenue, 3rd Floor
Galveston, Texas 77550