

Este documento contiene un resumen en inglés de sus derechos y beneficios bajo el plan de jubilación patrocinado por su empleador. Si tiene dificultad para comprender cualquier parte de este documento, contacte al administrador del plan o a un representante de recursos humanos.

This document contains a summary in English of your rights and benefits under your employer sponsored retirement plan. If you have difficulty understanding any part of this document contact the Plan Administrator or human resources representative.

## **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 **May 20, 2025**. All other provisions are effective as described in the SPD.

### **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
- partial withdrawals
- substantially equal installments over a period of not more than a Participant's assumed life expectancy (or the assumed life expectancies of a Participant and the Participant's beneficiary). Once installment payments have begun, a Participant may change their election at any time as long as their new election is otherwise consistent with the terms of the Plan and does not otherwise violate the Internal Revenue Code.

**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.

**How will the death benefit be paid to my beneficiary?**

**Form of distribution.** If the death benefit payable to a beneficiary does not exceed \$5,000, then the benefit may only be paid as a lump-sum. If the death benefit exceeds \$5,000, your beneficiary may elect to have the death benefit paid in:

- a single lump-sum payment
- partial withdrawals
- substantially equal installments over a period of not more than a Participant's assumed life expectancy (or the assumed life expectancies of a Participant and the Participant's beneficiary). Once installment payments have begun, a Participant may change their election at any time as long as their new election is otherwise consistent with the terms of the Plan and does not otherwise violate the Internal Revenue Code.

**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, 3<sup>rd</sup> Floor  
Galveston, Texas 77550