

**AMENDMENT NUMBER ONE  
TO THE  
ALTERNATE PLAN FOR GALVESTON COUNTY EMPLOYEES  
  
IN-PLAN ROTH ROLLOVERS**

**ARTICLE I  
PREAMBLE**

- 1.1 **Effective date of Amendment.** The Employer adopts this Amendment to the Plan to permit In-Plan Roth Rollovers, as set forth herein. This Amendment is effective as of the Effective Date specified below.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 **Construction.** Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section or other numbering designations.
- 1.4 **Effect of restatement of Plan.** If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these In-Plan Roth Rollover provisions).

**ARTICLE II  
ADOPTION AGREEMENT ELECTIONS**

The Employer adopts this Amendment to the Plan to permit participants to rollover part or all of a non-Roth account to a Roth account in the Plan, in accordance with the provisions of this Amendment. This is an In-Plan Roth Rollover.

- 2.1 **Effective Date.** This Amendment is effective: January 3, 2025.  
(Enter date not earlier than January 1, 2011.)

2.2 **In-Plan Roth Rollovers.**

**Eligibility and Type of Rollover.** Any Participant may elect an In-Plan Roth Rollover by direct rollover except that, if elected below, a Participant must also be an Employee at the time of the In-Plan Roth Rollover.(select all that apply)

- a.  **In-service distribution only.** Only Participants who are Employees may elect an In-Plan Roth Rollover.
- b.  **No transfer of loans.** Loans may not be distributed as part of an In-Plan Roth Rollover.  
(If not selected, any loans may be transferred.)

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**In-service distribution provisions.** The Employer elects the following regarding in-service distributions from the Plan **solely** for purposes of making an In-Plan Roth Rollover (*choose either c. or d.*):

- c.  **N/A. Existing in-service distribution provisions apply.** The Plan's existing in-service distribution provisions apply. (*May only be elected if Plan permits in-service distributions – if selected, the remaining Options in this Section 2.2 do not apply.*)
- d.  **In-service distribution provisions.** The Employer elects to permit in-service distributions when the Participant has attained age \_\_\_\_\_ **solely** for purposes of making an In-Plan Roth Rollover. (*May not be less than age 70½.*)

**Source of In-Plan Roth Rollover.** The Plan permits a direct rollover from any qualifying source.

**Other limitations on direct In-Plan Roth Rollover** (*select one or more of 1. through 3; leave blank if not applicable*):

1.  The minimum amount that may be rolled over is \$ \_\_\_\_\_ (may not exceed \$1,000).
2.  Distributions may only be made from accounts which are fully Vested.

*Note: If an In-Plan Roth Rollover is made from a partially-vested account, then the formula at Amendment Section 3.5.4 will apply).*

3.  In-service distributions may be made subject to the following provisions: (describe): \_\_\_\_\_ (must be definitely determinable and not subject to discretion).

**Additional distribution for withholding.** If the Plan does not permit an actual distribution upon the event triggering the right to elect the In-Plan Roth Rollover, then a Participant may not elect to have an amount distributed for tax withholding purposes unless elected below:

4.  **Distribution for withholding also permitted.** A Participant may elect to take a distribution solely for purposes of federal or State income tax withholding related to the In-Plan Roth Rollover.

**ARTICLE III  
AMENDMENT PROVISIONS**

- 3.1 **Right to elect In-Plan Roth Rollover.** A Participant may elect to roll over a distribution directly to an In-Plan Roth Rollover Contribution Account in accordance with the provisions of the Plan and this Amendment. In-Plan Roth Rollover Contributions will be subject to the Plan rules related to designated Roth accounts.
- 3.2 **Eligibility for distribution and rollover.** A Participant must be eligible for a distribution in order to roll over a distribution to an In-Plan Roth Rollover Account in accordance with this Article III. A Participant may not make an In-Plan Roth Rollover with regard to an amount which is not an eligible rollover distribution.
- 3.3 **Form of rollover.** The Plan Administrator may permit an In-Plan Roth Rollover either by converting to cash any non-cash investments prior to rolling over the Participant's distribution election amount to the In-Plan Roth Rollover Account, or by rolling over the Participant's current

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investments to the In-Plan Roth Rollover Account. A plan loan so transferred in a direct rollover (if such transfer is permitted) without changing the repayment schedule is not treated as a new loan.

### **3.4 Treatment of In-Plan Roth Rollovers**

**3.4.1 Amount of In-Plan Roth Rollover.** A Participant may take an in-service distribution as permitted under Amendment Section 2.2(d) only for purposes of electing a direct rollover to an In-Plan Roth Rollover Account, or, if elected in Section 2.2(d)(4), such amount plus, at the Participant's election, an additional distribution, subject to 100% federal or State income tax withholding, made solely for purposes of satisfying the Participant's anticipated tax obligations regarding the amount includible in the Participant's gross income by reason of the In-Plan Roth Rollover (and the additional withholding distribution). The Plan Administrator may limit the amount of the additional 100% withholding distribution to the amount the Plan Administrator reasonably determines is sufficient to satisfy the Participant's federal and/or State income tax liability relating to the Plan distribution.

**3.4.2 Withdrawal of In-Plan Roth Rollover Contributions.** A Participant may withdraw amounts from the Participant's In-Plan Roth Rollover Contribution Account only when the Participant is eligible for a distribution from the Plan account that is the source of the In-Plan Roth Rollover.

This Amendment does not expand (except, if elected, for distributions for withholding) or eliminate any distribution rights on amounts that a Participant elects to treat as an In-Plan Roth Rollover.

### **3.5 Definitions and other rules**

**3.5.1 In-Plan Roth Rollover Contribution.** An In-Plan Roth Rollover Contribution means a rollover contribution to the Plan that consists of a distribution from a Participant's Plan account, other than a designated Roth account, that the Participant rolls over to the Participant's designated In-Plan Roth Rollover Contribution Account in the Plan, in accordance with Code §402(c)(4). An In-Plan Roth Rollover Contribution may occur only by a direct rollover.

**3.5.2 In-Plan Roth Rollover Contribution Account.** An In-Plan Roth Rollover Contribution Account is a sub-account the Plan Administrator establishes for the purpose of separately accounting for a Participant's rollover contributions attributable to the Participant's In-Plan Roth Rollover Contributions. The Plan Administrator has authority to establish such a sub-account, and to the extent necessary, may establish sub-accounts based on the source of the In-Plan Roth Rollover Contribution. The Plan Administrator will administer an In-Plan Roth Rollover Contribution Account as provided by IRS guidance and the Plan provisions, including the provisions of this Amendment.

**3.5.3 Participant includes spousal beneficiary/alternate payee.** For purposes of eligibility for an In-Plan Roth Rollover, the Plan will treat a Participant's surviving spouse beneficiary or alternate payee spouse or former spouse as a Participant (unless the right to elect an In-Plan Roth Rollover is limited to Employees). A non-spouse beneficiary may not make an In-Plan Roth Rollover.

**3.5.4 Distribution from partially Vested account.** If an In-Plan Roth Rollover distribution is made to a Participant who has not severed employment and who is not fully Vested in the Participant's Account, and the Participant may increase the Vested percentage in such account, then at any relevant time the Participant's Vested portion of the account will be equal to an amount ("X") determined by the formula:

$$X \text{ equals } P \text{ (AB plus D) - D}$$

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For purposes of applying the formula: P is the Vested percentage at the relevant time, AB is the account balance at the relevant time, D is the amount of distribution, and the relevant time is the time at which, under the Plan, the Vested percentage in the account cannot increase.

\* \* \* \* \*

This Amendment has been executed on January 6, 2025.

Name of Plan: The Alternate Plan for Galveston County Employees

Name of Employer: The County of Galveston, Texas

By:   
EMPLOYER **Mark Henry,**  
**County Judge**

**AMENDMENT NUMBER TWO  
TO THE  
ALTERNATE PLAN FOR GALVESTON COUNTY EMPLOYEES**

**IN-PLAN ROTH TRANSFERS**

**ARTICLE I  
PREAMBLE**

- 1.1 **Effective date of Amendment.** The Employer adopts this Amendment to the Plan to permit In-Plan Roth Transfers, as set forth herein. This Amendment is effective as of the Effective Date specified below.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 **Construction.** Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section or other numbering designations.
- 1.4 **Effect of restatement of Plan.** If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these In-Plan Roth Transfer provisions).

**ARTICLE II  
ELECTIONS**

The Employer adopts this Amendment to the Plan to permit participants to transfer part or all of a non-Roth account to a Roth account in the Plan, in accordance with the provisions of this Amendment.

- 2.1 **Effective Date.** This Amendment is effective: January 3, 2025 (enter date not earlier than January 1, 2013)
- 2.2 **In-Plan Roth Transfers.** Any Participant may elect an In-Plan Roth Transfer as elected below:

**Source of In-Plan Roth Transfer.** The Plan permits a transfer from the following qualifying sources:

- a.  The Vested portion of any Account
- b.  Only from the Vested portion of the following accounts (select one or more):
1.  Pre-Tax Elective Deferral Account.
  2.  Account(s) attributable to Employer matching contributions.
  3.  Account attributable to Employer profit sharing contributions.
  4.  Rollover Account.
  5.  Other Account(s) attributable to Voluntary contributions (specify account(s) and conditions in a manner that is definitely determinable and not subject to Employer discretion (e.g., a Participant's Pre-tax Deferral Account or Matching Contribution Account, but not the Participant's Nonelective Contribution Account))

**Other limitations on In-Plan Roth Transfer:**

- c.  No other limitations.
- d.  The following limitations apply (select one or more):
1.  The minimum amount that may be transferred is \$ \_\_\_\_\_ (may not exceed \$1,000).
  2.  Transfers may only be made from accounts which are fully Vested. (Note: If this option is not elected and an In-Plan Roth Transfer is made from a partially-vested account, then the formula at Amendment Section 3.4.4 will apply).
  3.  No more than \_\_\_\_\_ transfer(s) may be made during a Plan Year.
  4.  Only Participants who are Employees may elect an In-Plan Roth Transfer.
  5.  Transfers may be made subject to the following provisions (describe):  
\_\_\_\_\_  
(must be definitely determinable and not subject to Employer or Administrator discretion).

**ARTICLE III  
AMENDMENT PROVISIONS**

- 3.1 Right to elect In-Plan Roth Transfer.** A Participant may elect to transfer amounts to an In-Plan Roth Transfer Account in accordance with the provisions of the Plan and this Amendment. In-Plan Roth Transfers will be subject to the taxation provisions and separate accounting requirements that apply to designated Roth accounts. Furthermore, the Participant shall be fully Vested in the portion of his her account attributable to the In-Plan Roth Transfer.
- 3.2 Form of transfer.** The Plan will transfer investments to the Participant's In-Plan Roth Transfer Account in accordance with the Plan terms and procedures governing Plan investments. A Participant loan that is transferred to a Participant's In-Plan Roth Transfer Account (if such transfer is permitted) without changing the repayment schedule is not treated as a new loan.
- 3.3 Treatment of In-Plan Roth Transfers**
- 3.3.1 No distribution treatment.** An In-Plan Roth Transfer is not a Plan distribution. Accordingly, the Plan may not withhold or distribute any amounts for income tax withholding, unless a distribution of other amounts is permitted pursuant to the terms of the Plan.
- 3.3.2 Withdrawal of In-Plan Roth Transfers.** A Participant may withdraw amounts from the Participant's In-Plan Roth Transfer Account only when the Participant is eligible for a distribution from the Plan account that is the source of the In-Plan Roth Transfer. This Amendment does not expand or eliminate any distribution rights or restrictions on amounts that a Participant elects to treat as an In-Plan Roth Transfer.
- 3.4 Definitions and other rules**
- 3.4.1 In-Plan Roth Transfer.** An In-Plan Roth Transfer means an amount that a Participant elects to transfer from a Plan Account, other than a designated Roth Account, into an In-Plan Roth Transfer Account, in accordance with Code §402A(c)(4)(E) and this Amendment. An In-Plan Roth Transfer may only be made with respect to amounts that are not distributable under the terms of the Plan.
- 3.4.2 In-Plan Roth Transfer Account.** An In-Plan Roth Transfer Account is a sub-account the Plan Administrator establishes for the purpose of separately accounting for a Participant's Transfers attributable to the Participant's In-Plan Roth Transfers. The Plan Administrator has authority to establish such a sub-account, and to the extent necessary, may establish sub-accounts based on the source of the In-Plan Roth Transfer. The Plan Administrator will administer an In-Plan Roth Transfer Account as provided by IRS guidance and the Plan provisions, including the provisions of this Amendment.
- 3.4.3 Participant includes certain alternate payees.** For purposes of eligibility for an In-Plan Roth Transfer, the Plan will treat a Participant's alternate payee spouse or former spouse who is not an Employee as a Participant (unless the right to elect an In-Plan Roth Transfer is limited to Employees).
- 3.4.4 Distribution from partially Vested account.** Transfers (i.e., the source of the In-Plan Roth Transfer amounts) are permitted only from Vested amounts allocated to a qualifying source as identified in Amendment Section 2.2. If a transfer is made by a Participant who has not severed employment and who is not fully Vested in the Participant's Account from which the transfer is to be made, and the Participant may increase the Vested percentage in such account, then at any relevant time the Participant's Vested portion of the account will be equal to an amount ("X") determined by the formula:

$$X \text{ equals } P \text{ (AB plus D) - D}$$

For purposes of applying the formula: P is the Vested percentage at the relevant time, AB is the account balance at the relevant time, D is the amount of the transfer, and the relevant time is the time at which, under the Plan, the Vested percentage in the account cannot increase.

**In Plan Roth Transfer Amendment for 457(b) Governmental Plans**

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This Amendment has been executed on January 6, 2025.

Name of Plan: The Alternate Plan for Galveston County Employees

Name of Employer: The County of Galveston, Texas

By:   
EMPLOYER **Mark Henry, County Judge**

**SUMMARY OF MATERIAL MODIFICATION  
FOR THE  
THE ALTERNATE PLAN FOR  
GALVESTON COUNTY EMPLOYEES**

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 3, 2025**. All other provisions are effective as described in the SPD.

- A Participant can take an in-service distribution from the Plan at age 59 ½. The amount of the distribution will be limited to the Participant's vested accrued benefit or account balance, and will be subject to all restrictions, procedures, and plan provisions which otherwise apply to in-service distributions.
- All in-service distributions will be limited to their pre-tax, Roth and voluntary employee contributions.

**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