

ABOUT YOUR PLAN AMENDMENT

GALVESTON COUNTY EMPLOYEES' SOCIAL SECURITY REPLACEMENT PLAN

**WI971618
May 15, 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 Two has an effective date of **May 20, 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 change:

- Substantially equal installment payments will be expanded to allow participant's the ability to prospectively accelerate, decelerate, or stop the payments at any time as long as their new election is otherwise consistent with the terms of the plan and does not violate the Internal Revenue Code.

Please note: The above change expands the installment distribution provisions currently available in your adoption agreement. However, the Basic Plan Document (BPD) does not allow installment payments to be decelerated or stopped after they have begun. It is unclear whether the IRS agrees that installments can be decelerated or stopped once begun.

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

EFFECTIVE DATE: MAY 20, 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:

31. **FORM OF DISTRIBUTIONS** (Plan Sections 6.5 and 6.6)

Distributions under the Plan may be made in (select all that apply; must select at least one):

- a. ☒ lump-sums
- b. ☐ substantially equal installments
- c. ☒ partial withdrawals, provided the minimum withdrawal is \$ _____ (leave blank if no minimum)
- d. ☐ installments are only permitted for Participants or Beneficiaries who must receive required minimum distributions under Code §401(a)(9) except for the following (leave blank if no exceptions):
 - 1. ☐ Only Participants (and not Beneficiaries) may elect installments
 - 2. ☐ Other: _____ (e.g., installments are not permitted for death benefits.
Must be definitely determinable and not subject to Employer discretion.)
- e. ☐ annuity: _____ (describe the form of annuity or annuities)
- f. ☒ other: 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. (must be definitely determinable and not subject to Employer discretion)

NOTE: Regardless of the above, a Participant is not required to request a withdrawal of his or her total Account for an in-service distribution, a hardship distribution, or a distribution from the Participant's Rollover Account.

Cash or property. Distributions may be made in:

- g. ☒ cash only, except for annuity contracts, insurance contracts or, as permitted by the Plan's loan procedures, Participant loans.
- h. ☐ cash or property, except that the following limitation(s) apply: (leave blank if there are no limitations on property distributions):
 - 1. ☐ _____ (must be definitely determinable and not subject to Employer discretion)

Joint and Survivor Annuity provisions. (Plan Sections 6.5(e), 6.5(f), and 6.6(f)) The Joint and Survivor Annuity provisions do not apply to the Plan unless selected below (choose if applicable)

- i. ☐ **Joint and Survivor Annuity applicable as normal form of distribution.** The Joint and Survivor annuity rules set forth in Plan Sections 6.5(e) and 6.5(f) apply to all Participants (if selected, then annuities are a form of distribution under the Plan even if e. above is not selected)
- j. ☐ **Joint and Survivor Annuity rules apply based on Participant election.** Plan Section 6.5(f) will apply and the joint and survivor rules of Code §§401(a)(11) and 417 (as set forth in Plan Sections 6.5(e) and 6.6(f) will apply only if an annuity form of distribution is selected by a Participant.)

AND, if i. or j. is selected above, the one-year marriage rule does not apply unless selected below (choose if applicable).

- 1. ☐ The one-year marriage rule applies.

Spousal consent requirements. Spousal consent is not required for any Plan provisions (except as otherwise elected in i. above for the joint and survivor annuity rules) unless selected below (choose if applicable)

- k. ☐ **Required for all distributions.** A Spouse must consent to all distributions (other than required minimum distributions).
- l. ☐ **Beneficiary designations.** A married Participant's Spouse will be the Beneficiary of the entire death benefit unless the Spouse consents to an alternate Beneficiary.

AND, if k. or l. is selected, the one-year marriage rule does not apply unless selected below (choose if applicable).

- 1. ☐ The one-year marriage rule applies.

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: **County Judge Henry**_____

Date: **July 7, 2025**_____

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, 3rd Floor
Galveston, Texas 77550