

GALVESTON COUNTY EMPLOYEES' SOCIAL SECURITY REPLACEMENT PLAN

DOMESTIC RELATIONS ORDER PROCEDURE

The following procedures have been adopted by the Plan Administrator for Galveston County Employees' Social Security Replacement Plan. These procedures are intended to be followed when the Plan Administrator receives any request for information involving a domestic relations dispute of a Participant. These procedures will also be followed when the Plan Administrator receives a domestic relations order (DRO) and must determine whether the DRO is a qualified domestic relations order (QDRO) within the meaning of Section 414(p) of the Internal Revenue Code and, if applicable, ERISA Section 206(d). Further, these procedures continue to apply to the Plan if it is subsequently renamed.

I. Suspension of Participant Distribution or Loans.

1. If the Plan Administrator is on notice (verbal or written) regarding a Participant's pending domestic relations action (e.g., a divorce) and has a reasonable belief the Participant's account may become subject to a QDRO, or is in receipt of a DRO, the Plan Administrator may suspend processing any distribution or loan request by the affected Participant pending resolution.
2. After placing a hold on the account, the Plan Administrator should notify the Participant of the hold on the account. In order to remove the hold, the Plan Administrator should request the Participant and Alternate Payee provide written confirmation that a court will not issue a QDRO with respect to the account; (e.g., a property settlement agreement awarding the entire account to the Participant). Alternatively, if the Plan Administrator does not receive a DRO relating to the Participant within 90 days of notification of the pending domestic relations action, the Plan Administrator will cancel the suspension without requiring the written confirmation. Notwithstanding the above, the hold will be removed at the end of the 18-month period beginning on the date the order would require the first payment.

II. Requests for Information. (This section applies if a request for information is received prior to receiving a DRO from a court.)

1. All requests for information must be directed to the Plan Administrator.
2. Before any information is released by the Plan to the proposed Alternate Payee or the attorney of the proposed Alternate Payee, the Participant must sign a written authorization.
3. The Plan will provide any requested information regarding a Participant's account balance as of the most recent valuation date.
4. A copy of the Plan or summary plan description (SPD) will be furnished upon request. The Plan may require the Participant and/or Alternate Payee to pay copying charges incurred in providing such documents.

III. Determination of Qualified Status of a DRO. (These procedures are to be followed after an order is received from a court.)

1. Upon receipt of a DRO, the Plan Administrator will notify the Participant and proposed Alternate Payee of the receipt of such order and furnish them with a copy of these procedures.
2. Within a reasonable time after receipt of the DRO (generally within 60 days), the Plan Administrator will determine whether the order is qualified pursuant to Section 414(p) of the Internal Revenue Code and, if applicable, ERISA Section 206(d).
3. The Plan Administrator may refer any DRO received by the Plan to legal counsel for purposes of determining whether the order is qualified. The Plan Administrator may rely on the advice of legal counsel for the Plan as to the status of a DRO.
4. During any period in which the issue of a DRO's qualified status is being determined, the Plan Administrator shall separately account for the amounts which may be payable to the proposed Alternate Payee under the DRO. If within 18 months of the date payment would first be due the Alternate Payee under the order, the DRO is determined not to be qualified and the qualified status of the order is no longer being disputed or the 18-month period expires without the Plan Administrator having received a revised DRO, the separately accounted for amounts will be paid to the Participant (if he/she is in pay status) or reallocated to the Participant's accounts under the Plan (if he/she is not in pay status). If the order is determined to be qualified, the separately accounted for amount will be payable to the Alternate Payee in accordance with the terms of the order. If the DRO is determined to be a QDRO after the 18-month period, the payment due from the Plan will be limited to the remaining balance of the Participant's accounts under the Plan.
5. The Plan Administrator will provide the Participant and the Alternate Payee or authorized representative with written notice of its determination of the status of the DRO. If the Plan Administrator determines that the order is qualified, but receives notice that a party is appealing the determination or has instituted legal proceedings regarding the determination, then no payments shall be made pursuant to the order until after such dispute is resolved.

6. As soon as administratively feasible following the determination that the DRO is qualified, a separate sub-account will be established for that Alternate Payee and the dollar amount or percentage of the Participant's account balance specified by the QDRO, determined as of the segregation date specified by the QDRO, shall be transferred to the Alternate Payee's sub-account. The amount transferred shall not include any earnings or losses from the segregation date until the establishment of the sub-account, unless the order provides for the inclusion of earnings or losses.

If the segregation date specified in the QDRO is not a valuation date under the Plan, the valuation date immediately prior to the segregation date will be deemed to be the segregation date. If account balance data is not available for the segregation date, the closest date with account balance data will be used.

Unless the order contains specific provisions on the handling of participant loans, the balance of any outstanding loans as of the segregation date will be included in the determination of the Participant's vested account balance. Further, any outstanding loans on the date the subaccount is established shall remain in the Participant's account. For example, Participant A has a plan account balance of \$100,000, which includes a participant loan with a balance of \$30,000. A QDRO awards 50% of the Participant's account balance to his ex-spouse. The amount awarded to the ex-spouse will be \$50,000. The distribution to the ex-spouse will be from non-loan assets in the Participant's account.

Except to the extent the Plan otherwise requires investment of all or part of a Participant's account in a particular investment fund, on and after the date on which all or part of the Participant's account balance is transferred to the Alternate Payee's sub-account, the Alternate Payee shall be entitled to exercise any right to direct investments that may be available to Participants under the Plan. Until the Alternate Payee exercises any such rights, the amount set aside for the Alternate Payee shall continue to be invested as previously directed by the Participant, but no future investment directions by the Participant shall be applied to the Alternate Payee's sub-account. When the Alternate Payee's sub-account is established, only assets in the Plan's designated investment alternatives will be transferred. If the Participant is invested in an individual directed brokerage account (IDA) and has insufficient assets in designated investment alternatives, assets from the IDA must be liquidated by the Participant and transferred to one or more of the Plan's designated investment alternatives before the Alternate Payee's sub-account can be established. If the Participant does not have an investment direction on file or has directed 100% of the account to an IDA, the Plan Administrator may direct the Alternate Payee's account to be invested in the Plan's default designated investment alternative.

The Plan Administrator will provide the Alternate Payee with statements of accounts and other information at the same time and in the same manner as provided to vested terminated Participants who have deferred distribution from the Plan. The establishment and maintenance of a separate sub-account for the Alternate Payee shall not enlarge or otherwise affect the rights or status of the Alternate Payee under the Plan.

7. The Alternate Payee has the right to designate one or more primary or secondary beneficiaries. If the Alternate Payee does not designate a beneficiary or none of the designated beneficiaries survive the Alternate Payee, the beneficiary will be determined in accordance with the Plan's provisions.
8. If the Plan Administrator determines that a DRO is not qualified, the notice may (but is not required to) state the reasons for such determination and include references to any relevant Plan or statutory provision.
9. The fees for determination of the DRO status will be paid entirely by the Participant, unless the DRO requires otherwise.

IV. Requirements to Qualify as a QDRO. (A DRO must meet all of the following requirements of ERISA Section 206(d) (if applicable) and Section 414(p) of the Internal Revenue Code in order to be considered a qualified order.)

1. The order must be a domestic relations order which creates, recognizes, or assigns to the designated Alternate Payee the right to receive all or a portion of the benefits otherwise payable to the Participant.
2. The DRO must be an order, judgment, or decree (including approval of a property settlement agreement incorporated in such order, judgment, or decree) which:
 - a. relates to the provision of child support, alimony payments or marital property rights of an Alternate Payee;
 - b. is made pursuant to a state domestic relations law; and
 - c. is issued by a court or a state agency with the authority to issue an order, judgment, or decree.
3. An Alternate Payee may only be a spouse, former spouse, child, or other dependent of the Participant.
4. The DRO must clearly specify the following facts:
 - a. the name and last known mailing addresses of the Participant and Alternate Payee;

- b. the amount or percentage of the Participant's account to be paid by the Plan to each Alternate Payee, or the manner in which such amount or percentage is to be determined (including what benefit, if any, is payable upon the death of either the Participant or Alternate Payee);
 - c. the number of payments or period to which such order applies; and
 - d. the name of the Plan to which the order applies.
5. The order cannot:
- a. require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan;
 - b. require the Plan to provide increased benefits; or
 - c. require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another DRO previously determined under the Plan to be a QDRO.

V. Timing of Payment.

A DRO cannot require that payment be made to an Alternate Payee before the Plan permits. Further, the Alternate Payee must request payment unless distribution is required by the Plan.

VI. Form of Payment.

Payment may be made to the Alternate Payee in any form available to Alternate Payees or Participants under the Plan.

VII. Treatment of Former Spouse as Surviving Spouse.

The DRO may require that the Alternate Payee who is a former spouse of the Participant be treated as the surviving spouse with respect to any survivor benefits payable under the Plan in the event of the Participant's death.

VIII. Administrative Information.

The Plan Administrator is The County of Galveston, Texas or their designated representative.

All communications should be addressed to the Plan Administrator or, if applicable, their designated representative. The Plan Administrator's address can be found in the SPD.

Any change in the name of the Plan or the name of the Plan Administrator shall not affect the qualified status of a DRO.

The Plan Administrator hereby causes these DRO Procedures to be executed on the date specified below:

By: 
Mark Henry, County Judge

Date Signed: January 6, 2025

SECURE 2.0 Checklist – for provisions effective prior to January 1, 2025

The SECURE 2.0 Act of 2022 (SECURE 2.0) was enacted on December 29, 2022, and contains provisions that affect retirement plans and participants. If you wish to have something other than the OneAmerica FinancialSM default you must complete the Non-Default Election column. OneAmerica Financial will provide a SECURE 2.0 legislative plan amendment in the future to document the decisions.

Provision	Description	Effective Date	Impacted Plan Types	OneAmerica Financial Default	Non-Default Election
Section 110: Employer matching contributions for student loan payments	Employer contributions made on behalf of employees with qualified student loan payments are treated as matching contributions. A student loan payment is not considered an elective deferral; however, the match is taken into account on the actual contribution percentage test. Participants who receive a match on student loan payments may be tested separately.	Effective for plan years beginning after December 31, 2023	401(k), 403(b), governmental 457(b) plans, and SIMPLE IRAs	Not to allow employer matching contributions for qualified student loan payments	<input type="checkbox"/> Employer matching contributions will apply to qualified student loan payments
Section 112: Military spouse retirement plan eligibility credit for small employers	Provides small employers (less than 100 employees) a tax credit with respect to their defined contribution plans if the following criteria is met: <ol style="list-style-type: none"> 1. Make military spouses immediately eligible for plan participation within two months of hire, 2. Upon plan eligibility, make the military spouse eligible for any matching or nonelective contribution, and 3. Make the military spouse 100% immediately vested in all employer contributions. 	Taxable years beginning after December 29, 2022	Defined contribution plans	Not to apply the special military spouse plan provisions	<input type="checkbox"/> The special military spouse plan provisions will be permitted.

Provision	Description	Effective Date	Impacted Plan Types	OneAmerica Financial Default	Non-Default Election
Section 115: Emergency expense withdrawals	Allows one penalty free withdrawal per year of up to \$1,000 for unforeseeable or immediate financial needs relating to personal or family emergency expenses. Withdrawal may be repaid within three years. No additional withdrawal is permitted during the three-year repayment period unless repayment occurs.	Effective for distributions made after December 31, 2023	401(a) (except pension plans), 403(b), and governmental 457(b) plans	Not to allow emergency expense withdrawals	<input type="checkbox"/> Allow emergency expense withdrawals
Section 125: Eligibility requirements for long-term part-time (LTPT) employees	SECURE 1.0, Section 112: LTPT employees who complete at least 500 hours of service in three consecutive plan years must become eligible to defer into a 401(k) plan. Service prior to January 1, 2021, is disregarded for 401(k) plans. Effective January 1, 2025, SECURE 2.0 applies to 401(k) and ERISA covered 403(b) plans and states employees who complete two consecutive years of service must become eligible to defer into the plan. Service prior to January 1, 2023, is disregarded for ERISA covered 403(b) plans.	Effective for plan years beginning after December 31, 2023.	401(k) and ERISA covered 403(b) plans	<ul style="list-style-type: none"> • Same entry date that applies to elective deferrals • Minimum age is 21 • Not eligible for employer contributions • Subject to automatic contributions arrangement if plan permits • Participants classified as union employees, nonresident aliens and any class of employees excluded from the plan not based on service will continue to be excluded. 	<input type="checkbox"/> I would like something other than the OneAmerica Financial default.
Section 304: Involuntary cash-out distributions	Increases the limit for involuntary cash-out distributions to \$7,000	Effective for distributions made after December 31, 2023	401(a), 403(b), and 457(b) plans	Plans that currently have a \$5,000 threshold will be increased to a \$7,000 threshold. Plans with any threshold other than \$5,000 will remain the same, unless you elect to increase the threshold to \$7,000.	<input type="checkbox"/> If current threshold is between \$1,000 and \$5,000, increase the limit for involuntary cash-out to \$7,000

Hold involuntary cashout limit at \$5,000 (excluding rollovers); allow distributions upon approval only.

Provision	Description	Effective Date	Impacted Plan Types	OneAmerica Financial Default	Non-Default Election
Section 306: Elimination of "First Day of the Month" Requirement	Prior to SECURE 2.0, participants in a governmental 457(b) plan could only modify deferral elections on the first of the month following the date they complete a salary reduction agreement. This provision removes the requirement and allows participants to change their deferral rate at any time.	Effective December 29, 2022	Governmental 457(b) plans	Keep prior deferral modification of the first of the month following the date the participant completes a salary reduction agreement	<input type="checkbox"/> Allow participants to change their deferral rate at any time
Section 308: Distributions for Firefighters	Extends the age 50 early withdrawal exception for qualified public safety employees to also apply to private sector firefighters receiving distributions from a qualified retirement plan.	Effective for distributions made after December 29, 2022	401(a) and 403(b) plans	Not to extend the age 50 early withdrawal exception for qualified private sector firefighters	<input type="checkbox"/> Extend the age 50 early withdrawal exception for qualified private sector firefighters
Section 314: Domestic violence victim withdrawals	Allows a penalty free withdrawal for victims of domestic abuse of up to the lesser of 1) \$10,000 (indexed for inflation) or 2) 50% of the participant's vested account balance. Withdrawal may be repaid within three years.	Effective for distributions made after December 31, 2023	401(a) (except pension plans), 403(b), and governmental 457(b) plans	Not to allow domestic violence victim withdrawals	<input type="checkbox"/> Allow domestic violence victim withdrawals
Section 331: Qualified Federally Declared Disasters	Allows a penalty free withdrawal of up to \$22,000 to a participant impacted by a qualified federally declared disaster (inclusion of income may be spread over a three-year period). Withdrawal may be repaid within three years. Provides loan relief to any qualified individual whose principal residence is in a disaster area and who sustains an economic loss because of the disaster. Allows the employer to provide for a larger loan available amount up to \$100,000 and a longer repayment period that is extended up to the lesser of the amount to allow for loans for the loan requirement.	Effective for disasters occurring on or after January 26, 2021	401(a), 403(b), and governmental 457(b) plans	Not to allow declared disaster withdrawals or loan relief	<input checked="" type="checkbox"/> Allow declared disaster withdrawals and loan relief - County limits to \$5,000 per incident.

Authorization Page

I elect all defaults listed in the SECURE 2.0 Checklist – for provisions effective prior to January 1, 2025.

Please note: if a non-default election is selected that is not applicable to your plan type, OneAmerica Financial will not incorporate that specific non-default election.

Please visit our SECURE 2.0 [website](#) or contact your OneAmerica Financial representative if you have any questions.

As the employer, you have the ultimate responsibility to make certain that your plan is operated in good faith with all SECURE 2.0 provisions including the elections made in this SECURE 2.0 Checklist – for provisions effective prior to January 1, 2025.

Employer Signature:  Date Signed: January 6, 2025
Mark Henry, County Judge
Galveston County Employee's Social Security
Plan Name: Replacement Plan Plan/Contract Number WI971618