

**WILKES-BARRE AREA SCHOOL DISTRICT
IRC SECTION 403(b) POST SEVERANCE PLAN
FOR ELIGIBLE GROUPS AND ELIGIBLE EMPLOYEES**

IRC SECTION 403(b) POST SEVERANCE RETIREMENT PLAN DOCUMENT

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Table of Contents

Section		Page
N/A	Introduction	2
1	Definitions	2-5
2	Participation and Contributions	5-7
3	Limitations on Amounts Deferred	7-9
4	Loans	9
5	Benefits Distributions	9-11
6	Rollovers to the Plan and Transfers	11-15
7	Investment of Contributions	15
8	Amendments to the Plan	16
9	Miscellaneous	16-18
10	Roth 403(b) Contribution Provisions	18-20
11	Plan Year and Enrollment Periods	20
12	Plan Administration	20-21
13	Inclusion and Detracted Investment Vendors	21-22
14	Adoption	23
Appendix A	Authorized 403(b) Vendor List	24

**The Plan Document for Wilkes-Barre Area School District
ADOPTION AGREEMENT FOR THE 403(B) POST SEVERANCE PLAN
DOCUMENT FOR PUBLIC EDUCATION ORGANIZATIONS**

INTRODUCTION: This plan document includes all information, procedures and rules regarding Wilkes-Barre Area School District IRC Section 403(b) Post Severance Plan and language set forth in Rev. Proc. 2007-71. All features will include provisions of the IRS model language under Rev. Proc. 2007-71 and other legal aspects of this Plan and this Adoption Agreement. All terms of this Plan are incorporated into this plan document.

Section 1 - Definitions The following words and terms, when used in the Plan, have the meaning set forth below.

1.1 "Account": The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

1.2 "Account Balance": The value of the aggregate amount credited to each Participant's Account under all Accounts, including the Participant's Elective Deferrals, Roth 403(b) Contributions, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, if such contributions are authorized under the Adoption Agreement, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

1.3 "Administrator": Unless otherwise indicated in the Adoption Agreement, the Employer is the Administrator. Notwithstanding this appointment, the Administrator may delegate, by separate agreement, any administrative responsibilities hereunder to one or more persons, committees, Vendors, or other organizations.

1.4 "Annuity Contract": A nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in the state in which the Employer or Participant, as applicable, resides and that includes payment in the form of an annuity.

1.5 "Beneficiary": The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

1.6 "Custodial Account": The group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, and/or by each Participant individually, to hold assets of the Plan.

1.7 "Code": The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.8 "Compensation": All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, sick days, vacation days, personal days, compensatory time and overtime pay (if applicable), that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Section 2 made to reduce compensation in order to have Elective Deferrals under the Plan). NOTE: This Plan does accommodate any employee Elective Deferral over and above the Employer's contribution to an eligible retiree's account

1.9 "Disabled": The definition of disability provided in the applicable Individual Agreement.

1.10 "Elective Deferral": The Employee contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions.

1.11 "Employee": Each individual, whether appointed or elected, who is a common law employee of the Employer performing services for a public school as an employee of the Employer. This definition is not applicable unless the employee's Compensation for performing services for a public educational organization is paid by the Employer. Further, a person occupying an elective or appointive public office is not an employee performing services for a public educational organization unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government.

1.12 "Employer": The public educational organization identified in the Adoption Agreement as the Employer, or Wilkes-Barre Area School District (WBASD).

1.13 "Employer Contributions": Any contributions made to the Plan by the Employer as provided in the Adoption Agreement (if applicable). These types of contribution can also refer as "non-elective contribution".

1.14 "Funding Vehicles": The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by Employer for use under the Plan.

1.15 "Includible Compensation": An Employee's actual wages received by Employee for the most recent period of service that may be counted as a year of service under Section 403(b)(3) of the Code, and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community or District property laws.

1.16 "Individual Agreement": The agreements among Vendor, Employer and/or a Participant that constitute or govern a Custodial Account or an Annuity Contract.

1.17 "Participant": An individual for whom contributions permitted herein are currently being made, or for whom such contributions have previously been made, under the Plan and who has not received a distribution of his or her entire Account Balance under the Plan.

1.18 "Plan": Wilkes-Barre Area School District IRC Section 403(b) Post Severance Retirement Plan.

1.19 "Plan Year": The calendar year, or January 1 to December 31.

1.20 "Related Employer": The Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

1.21 "Roth 403(b) Contribution": Per this Adoption Agreement, any contribution made by a Participant which is designated as a Roth 403(b) Contribution in accordance with Section 10 of the Plan that qualifies as a Roth contribution under section 402A of the Code.

1.22 "Severance from Employment": For purpose of the Plan, Severance from Employment means Severance from Employment with the Employer and any Related Entity. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public educational organization, even though the Employee may continue to be employed by a Related Employer that is another District of the State or local government that is not a public school or in a capacity that is not employment with a public school (e.g., ceasing to be an employee performing services for a public educational organization continuing to work for the same State or local government employer).

1.23 "Vendor": The provider of an Annuity Contract or Custodial Account, or any organization expressly authorized by such provider to act on their behalf under this Plan.

1.24 "Valuation Date": Each business day of the Plan Year.

Section 2 - Participation and Contributions

2.1 Eligibility. Except as otherwise excluded in the Adoption Agreement, each Employee with this Professional Group classification shall be eligible to participate in the Plan and receive payments of his or her behalf hereunder immediately upon or in the general timeframe after becoming retiree by the Employer. A Professional Employee who is a student-teacher (i.e., a person providing service as an instructor's aid on a temporary basis while attending this organization) or a volunteer is not eligible to participate in the Plan. Eligible definition for this Plan is defined in the Employee collective bargaining agreement and is consistent to the eligibility under IRC Section 403(b) regulations for this Plan. Eligible retiree for this Plan has completed fifteen (15) years of service for the District and has a full-time professional of the District as a 12-Month professional or a 10-Month professional.

2.2 Contributions.

(a) **Elective Deferrals.** Using this Plan, an Employee will receive a contribution by executing a plan application and a vendor application on his or her behalf. This agreement provides that the Administrator and the Investment Vendor under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum contribution amount no higher than \$200, and may change such minimum to a lower amount from time to time. The participation election shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made. Any such election shall remain in effect until the payment balance of the agreement has been satisfied. Only an individual who performs services for the Employer as an Employee may reduce his or her Contribution under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. Except as otherwise indicated (especially if the issue of a Roth IRA), all contributions shall be made on a tax deferral basis. In this situation, the tax effect is a deferral of federal income tax. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the employee's election. This Plan does not accommodate Employee-Contribution Elective Deferrals with this Plan

(b) **Roth 403(b) Contributions.** Per this Adoption Agreement and if permitted under an Employee's Individual Agreement(s) with his/her Vendor, an Employee may elect to direct Roth 403(b) Contributions to the Plan in accordance with Section 10 of the Plan. The Participant's election to make Roth 403(b) Contributions shall be made on the agreement provided by the Administrator and shall also include designation of the Funding Vehicles and Accounts therein to which Elective Contributions are to be made. Any such election shall remain in effect until a new election is filed. The Administrator may establish an annual minimum Roth 403(b) Contribution amount of \$200 and may change such minimum to another amount from time to time.

(c) **Employer Contributions.** With this Adoption Agreement, the Employer will pay non-

elective Employer contributions to the Accounts of any eligible Employees. Under this Plan, the Employer (WBASD) contributes money into an account on behalf of the eligible retired employee. All eligible retirees associated with this employment classification and collective bargaining District with this Plan must participate in this Plan. It is not voluntary. If the associated retiree is eligible for the Plan, the amount payable to the retiree's account is a non-elective deferral. The amount of the Employer contribution is based on the collective bargaining agreement, the State of Pennsylvania and Board policy. Included sources of contributions to the Plan for an eligible retiree could include the following funding sources: the early retirement plan incentive, or a payment set forth from the definition of the early retirement plan policy, based on years of service for the District and correlated to the base salary or wages of the applicable employee in which the year that the employee's application is made; unused and accumulated sick leave time (if applicable), based upon a calculation derived by the group's collective bargaining agreement; and a superannuation payment (if applicable), less from any employer payments to a listed named beneficiary paid for up to three (3) or a maximum of five (5) years after retirement and up to the annual maximum allowed by the IRS. The value of each of the funding sources of these contributions is established by the collective bargaining agreement. Wilkes-Barre Area School District's annual contribution will correlate to the limit established by IRC Section 403(b) for post severance plans regulating by IRS.

2.3 Information Provided by the Employee. Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

2.4 Change in Elective Deferrals Election. Subject to the provisions of the applicable Individual Agreements, an Employee may not revise his or her participation election, including a change of the amount of his or her employer's contribution to reflect pre-tax deferrals or after-tax deferrals to the Roth 403(b) Contribution option and the designation of Funding Vehicles and Accounts, except in Section 1.22. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees.

2.5 Contributions Made Promptly. Elective Deferrals under the Plan shall be transferred to the applicable Funding Vehicle within 15 business days following the date of the Employer's contribution to an eligible retiree in which that the amount would otherwise have been paid to the Participant, unless an earlier date is required by applicable state law.

2.6 Leave of Absence. Unless an election is otherwise revised, if an Employee is absent from his or her regular home address or fails to communicate to the Plan Administrator and/or investment vendor by leave of absence, Elective Deferrals under the Plan shall continue to the extent that payment compensation continues, per Section 2.2 (a)(b)(c).

Section 3 - Limitations on Amounts Contributions/Deferrals

3.1 Basic Annual Limitation. Including as provided in Sections 3.2 and 3.3, the maximum amount of the Non-Elective Contributions/Elective Deferrals under the Plan for any plan year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Total Payment Compensation for the plan year and taxable year. The applicable dollar amount is the amount established under Section 402(g)(1)(B) of the Code and Section 403(b) for a employer-contributions toward this post retirement Section 403(b) Plan; that amount is \$50,000 for 2012 and is adjusted for a cost-of-living index after 2012 to the extent provided under Section 415(d) of the Code, less any Section 403(b) Salary Reduction Agreement contributions at the year of an employee's employment termination. The normal limit for employee-contribution (or, deferral) in a Salary Reduction Agreement is \$17,500 in 2013, or \$23,000 if the employee qualifies for the extra allowance for the Special Catch-Up Option, or \$5,500). Under the Salary Reduction Agreement, an eligible employee can defer an additional \$3,000 under the 15-Year Rule Option, or \$3,000. In all, an employee can defer a total of \$26,000 in 2013 as the maximum Salary Reduction Agreement contribution for 2013. As such, any deferral made to an employee's Salary Reduction Agreement in the last year of his/her employment will affect the maximum contribution limit of the Section 403(b) Post Retirement Plan in that year. If an eligible retiree who placed monies through payroll deduction into a Section 403(b) Salary Reduction Agreement account in the same plan year or tax year that such retiree receives a contribution into his/her Post Retirement Section 403(b) Plan account, such retiree's eligible contribution from his/her employer to the Plan will be the total amount of the Post Retirement Section 403(b) less the Salary Reduction Agreement contribution deferral in that year. The decrease in the eligible contribution from his/her employer to the Plan can defer to the next year, up to five (5) years from the inception of the Post Retirement Section 403(b) Plan for that retiree.

3.2 Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service. Per this Adoption Agreement, the applicable dollar amount under Section 3.1(a) for any "qualified employee" is increased of the normal limit, or basic allowance (to the extent provided in the Individual Agreements) by the least of:

- (a) \$3,000;
- (b) The excess of:
 - (1) \$17,500, over
 - (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
- (c) The excess of:
 - (1) \$5,500 multiplied by the number of years of service of the employee with the qualified organization, over
 - (2) The total Elective Deferrals and, if applicable, Roth 403(b) Contributions made for the employee by the qualified organization for prior years.

For purposes of this Section 3.2, a “qualified employee” means an employee who has completed at least 15 years of service taking into account only employment with the Employer.

3.3 Age 50 Catch-up Elective Deferral Contributions. An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals and Roth 403(b) Contributions, up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals and, if applicable, Roth 403(b) Contributions for a year is \$5,000 for 2013, and is adjusted for cost-of-living after 2008 to the extent provided under the Code.

3.4 Coordination. Per this Adoption Agreement, the Plan authorizes contributions under Section 3.2 of the Plan, amounts in excess of the limitation set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals and, if applicable, Roth 403(b) Contributions for a year be more than the Participant’s Includible Compensation for the year.

3.5 Special Rule for a Participant Covered by Another Section 403(b) Plan. For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a § 403(b) plan.

3.6 Correction of Excess Elective Deferrals. If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts contributed or deferred by the Participant under another plan of the employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Contribution/Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant in accordance with applicable IRS guidance. Notwithstanding the foregoing, any elected Roth 403(b) contributions and its excess correction of that Roth 403(b) contribution shall be made pursuant to Section 10.7.

3.7 Protection of Persons Who Serve in a Uniformed Service. An Retiree whose employment is interrupted by qualified military service, or who is retired from any employment under section 414(u) of the Code and is on a leave of absence for qualified military service under section 414(u) of the Code will receive any and all contributions pursuant to the regular Elective Contributions under this Plan as the same way that the Retiree was not serving in an Uniformed Service during, without an interruption of the Contribution sequence and without any reduced Elective Deferrals, during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of civilian life (or, if sooner, for a period equal to three times the period of the interruption or leave).

3.8 Annual Contribution Limits. The aggregate amount contributed into a Participant's 403(b) Account for any year shall not exceed the amount permitted under section 415(c) and section 403(b) code based on the Participant's most recent period of service determined under section 403(b)(3) of the Code.

Section 4 - Loans

4.1 Loans. Per this Adoption Agreement, loans shall not be permitted under the Plan to the extent permitted by and in accordance with the Individual Agreements controlling the Account assets and the associated Vendor from which the loan could be made and by which the loan could be secured. The exception of this provision is a loan established by a retiree who is a qualified military service person and has conformed to the requirements of the Uniformed Services Employment and Reemployment Rights Act.

4.2 Loan Repayments For Participants in Military Service. Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel may be suspended as permitted under section 404(u)(4) of the Code and the terms of any loan shall be modified to conform to the requirements of the Uniformed Services Employment and Reemployment Rights Act.

Section 5 - Benefit Distributions

5.1 Benefit Distributions or Other Distribution Event. Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.3 (relating to withdrawals of amounts rolled over into the Plan), Section 5.4 (relating to hardship), or Section 10.7 (relating to excess Roth 403(b) Contributions and/or excess Elective Deferrals) distributions from a Participant's Account can made at the date on which the Participation has a Severance from Employment, dies, becomes Disabled, or attains age 55. Notwithstanding the foregoing and in accordance with the terms of the Individual Agreements, the withdrawal restrictions described above do not apply to Elective Contributions/Deferrals made to an Annuity Contract and attributable earnings as of December 31, 1988. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

5.2 Minimum Distributions. Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of § 1.408-8 of the Income Tax Regulations, except as provided in Treas. Reg. § 1.403(b)-6(e).

5.3 In-Service Distributions From Rollover Account. If the Funding Vehicle in which a Participant's Account is invested and maintains a separate account attributable to rollover contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

5.4 Hardship Withdrawals. Per this Adoption Agreement:

(a) Hardship withdrawals shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. No Elective Deferrals shall be allowed under the Plan or any other Plan of the Employer during the 6-month period beginning on the date the Participant receives a distribution on account of hardship.

(b) The Individual Agreements shall provide for the exchange of information between the Employer and the Vendor to the extent necessary to implement the Individual Agreements. Notwithstanding any Individual Agreement, the Plan only permits hardship withdrawals that satisfy the "safe harbor" standards with respect to establishing an immediate and heavy financial need (under Treas. Reg. § 1.401(k)-1(d)(3)(iii)(B) and, except as the Vendor specifically agrees to administer under another permitted standard, satisfying the lack of other resources requirement (under Treas. Reg. 1.401(k)-1(d)(3)(iv)(E)) including the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals under the Plan or any other Plan of the Employer.

5.5 Rollover Distributions.

(a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

Section 6 - Rollovers to the Plan and Transfers

6.1 Eligible Rollover Contributions to the Plan.

(a) **Eligible Rollover Contributions.** To the extent provided in the Individual Agreements, a retiree who is a Participant and is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, unless Roth 403(b) Contributions are authorized under the Adoption Agreement, in no event does the Plan accept a rollover contribution from a Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code.

(b) **Eligible Rollover Distribution.** For purposes of Section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code, or corrective distribution of excess amounts in accordance with Sections 3.6 and 10.7. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) and 408A of the Code, an individual retirement annuity described in section 408(b) and 408A of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

(c) **Separate Accounts.** Unless otherwise provided by the terms of applicable Individual Agreements, Vendors shall provide separate accounting for any eligible rollover distribution paid to the Plan.

6.2 Plan-to-Plan Transfers to the Plan.

(a) Per this Adoption Agreement, the Administrator may permit a transfer of assets to the Plan as provided in this Section 6.2. Such a transfer is permitted only if the other plan

provides for the direct transfer of each person's entire interest therein to the Plan and the participant is an Employee or former Employee of the Employer. The Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. § 1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer. (c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Contribution/Deferral or, if applicable, Roth 403(b) Contribution by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

6.3 Plan-to-Plan Transfers from the Plan.

(a) Per this Adoption Agreement, Participants and Beneficiaries may elect to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with Treas. Reg. § 1.403(b)-10(b)(3). A transfer is permitted under this Section 6.3(a) only if the Participants or Beneficiaries are Employees or former Employees of the Employer under the receiving plan and the other 403(b) plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.

(b) The other 403(b) plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose 403(b) restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. § 1.403(b)-10(b)(3).

6.4 Contract and Custodial Account Exchanges.

(a) Per this Adoption Agreement, a Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, unless otherwise indicated on the Adoption Agreement, exchanges are not permitted to Vendors that are not eligible to receive contributions under Section 2. If the Adoption Agreement authorizes exchanges to a Vendor that is not eligible to receive contributions under Section 2, the conditions in paragraphs (b) through (d) of this Section 6.4 must be satisfied.

(b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both Section 403(b) contracts or custodial accounts immediately before the exchange).

(c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information: (1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including the following:

(1) Employer providing information as to whether the Participant's employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5.1);

(2) The Vendor notifying the Employer of any hardship withdrawal under Section 5.3 if the withdrawal results in a 6-month suspension of the Participant's right to make Elective Deferrals under the Plan; and

(3) The Vendor providing information to the Employer or other Vendors concerning the Participant's or Beneficiary's section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules of Section 5.3); and

(4) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following:

(i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under section 72(p)(1); and

(ii) information concerning the Participant's or Beneficiary's Roth Contributions and after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.

(e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Vendor shall enter into an information sharing agreement as described in Section 6.4(d) with the Employer if the Employer's existing contract with the Vendor does not provide for the exchange of information described in Section 6.4(d)(1) and (2).

6.5 Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.5(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under Section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

(c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

Section 7 - Investment of Contributions

7.1 Manner of Investment. All Elective Deferrals, Roth 403(b) Contributions, Employer Contributions or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers and exchanges among Annuity Contracts and Custodial Accounts may be made under this Section 7.2 to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations.

7.3 Current and Former Vendors. The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.2 or 6.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator, in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

Section 8 - Amendments to the Plan

8.1 Termination of Contributions. The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time after the collective bargaining agreement has concluded and the covered agreement associated to this Plan and the Plan's activities have ceased. Associated to this issue, the collective bargaining union can require the employer to desist this Plan after the collective bargaining agreement has concluded and the covered agreement associated to this Plan and the Plan's activities have ceased. After that time, the Employer may discontinue contributions under the Plan at any time if such agreement ceased, without any liability hereunder for any such discontinuance.

8.2 Amendment. The Employer reserves the authority to amend or terminate this Plan at any time, provided, however, that any amendment which reduces contractual rights or benefits under an Collective Agreement shall apply prospectively only except as required under the Code and applicable regulations promulgated thereunder.

8.3 Termination of Plan. The Employer reserves the authority to terminate this Plan at any time and for any reason or cause, provided that the affected Employees will receive a formal communication in writing from the Employer and their labor union. The final activity associated with this Plan will be 90 days from the date of the communication to the final day of activity with the Plan.

Section 9 - Miscellaneous

9.1 Non-Assignability. Except as provided in Section 9.2 and 9.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

9.2 Domestic Relation Orders. Notwithstanding Section 9.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any state ("domestic relations order"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

9.3 IRS Levy. Notwithstanding Section 9.1, the Administrator may direct payment from a Participant's or Beneficiary's Account the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

9.4 Tax Withholding. Contributions to the Plan are subject to applicable federal income tax (including, if applicable, Federal Insurance Contributions Act (FICA)) with respect to Roth 403(b) Contributions, which constitute wages under section 3121 of the Code). Any benefit payment made under the Post Retirement Section 403(b) Plan is subject to applicable, but deferred federal income tax (including section 3401 of the Code and the

Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator or Vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code. As such, a Participant who receives a Post Retirement Section 403(b) Plan contribution has the responsibility for any federal income tax. This is generally due when payments are distributed to the Participant or his or her beneficiary. Since the contributions are made directly from the Employer's general fund to the Plan, the retiree and the Participant do not require FICA tax withhold(s) from the contribution. Each individual State has its own law regarding any taxes with contributions to this Plan. The Commonwealth of Pennsylvania has no current tax law levy with Post Retirement Section 403(b) contributions to the Plan, nor distributions from the Plan.

9.5 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid in conformity with applicable Annuity Contracts or Custodial Accounts. If the applicable Annuity Contracts or Custodial Accounts do not address the issue of payments to minors and incompetents, then the Administrator shall direct payment of the benefit to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

9.6 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned to the party that made the contribution.

9.7 Procedure When Distributee Cannot Be Located. The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the records of the Employer or the Administrator, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Funding Vehicle shall continue to hold the benefits due such person.

9.8 Incorporation of Individual Agreements. The Plan, together with the Adoption Agreements and any Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Adoption Agreement and applicable Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with

the Plan or section 403(b) of the Code. In such event, the Individual Agreements shall be interpreted, to the extent possible, in a manner to conform to the Plan and applicable requirements, provided however that the Plan may not enlarge the rights of the Employer, the Administrator, or a Participant under the Individual Agreement

9.9 Governing Law. The Plan will be construed, administered and enforced according to the Code and the laws of the state in which the Employer has its principal place of business.

9.10 Headings. Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

9.11 Gender. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

9.12 No Employer Liability. Employer shall have no liability for the payment of benefits under the Plan provided that the providers of the applicable Annuity Contracts and Custodial Accounts receive written direction for the payment of benefits in accordance with Section 6. Each Participant shall look solely to the providers of applicable Annuity Contracts and Custodial Accounts for receipt of payments or benefits under the Plan.

Section 10 – Roth 403(b) Contribution Provisions

10.1 General Application. This Section applies only if the Employee or Retiree has elected a Roth Contributions to the Plan, as indicated on the Adoption Agreement.

10.2 Roth 403(b) Contributions. Participants may make Roth 403(b) Contributions to their Accounts under the Plan by the Employer per this Adoption Agreement. Unless otherwise provided, such contributions shall be treated as Elective Deferrals and are therefore subject to the requirements and limitations imposed by section 402(g) of the Code. A Participant's Roth 403(b) Contributions shall be allocated to a separate account maintained for such deferrals as described in Section 10.3.

10.3 Separate Accounting Requirements. Contributions and withdrawals of Roth 403(b) Contributions, and earnings or losses thereon, shall be credited and debited to each Participant's Account and shall be separately accounted for under each Employee's Account. Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis for each Employee's Roth 403(b) Contributions. Except as provided in Section 10.6, no contributions other than Roth 403(b) Contributions and properly attributable earnings may be credited to each Employee's Roth subaccount.

10.4 Deposit Requirements. Roth 403(b) Contributions shall be deposited with the applicable Funding Vehicles as soon as practicable in accordance with Section 2.5 of the Plan, unless an earlier date is required under state law.

10.5 Direct Roth Rollovers From the Plan. Notwithstanding Section 5.5 of the Plan, Participants may only make a direct rollover of a distribution of Roth 403(b) Contributions (and earnings thereon) to another 403(b) plan with Roth contribution features; to a 401(k) Plan with Roth contribution features, or to a Roth IRA described in section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

10.6 Roth Rollovers Into the Plan. Notwithstanding Section 6.1 of the Plan and unless otherwise indicated on the Adoption Agreement, direct rollovers of Roth 403(b) Contributions and Roth 401(k) contributions and earnings thereon from another 403(b) plan with Roth contribution features, or from a 401(k) Plan with Roth contribution features are permitted, provided that the Funding Vehicles selected by a Participant will accept such Roth Rollovers. Direct rollovers shall only be permitted if the transmitting plan satisfies the conditions set forth in section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

10.7 Correction of Excess Deferrals. Excess deferrals shall be corrected by first distributing Roth 403(b) Contributions (plus earnings thereon) made during the Plan Year and then by distributing a Participant's Elective Deferrals (plus earnings thereon). However, if a highly compensated employee (as defined in Section 414(q) of the Code) experiences an excess deferral in any Plan Year, he may designate the extent to which the excess amount is composed of Elective Deferrals and Roth 403(b) Contributions, provided that both types of contributions were made by the Employee during the applicable Plan Year. If the highly compensated employee does not designate which type of contributions are to be distributed, then Elective Deferrals shall be distributed first, followed by Roth 403(b) Contributions.

10.8 Definition of Roth 403(b) Contributions. A Roth 403(b) Contribution is an Employee contribution that is:

- (a) designated irrevocably by the Employee as such on his or her salary reduction/deduction form to be a Roth 403(b) Contribution; and
- (b) treated by the Employer as includible in the Employee's income.

10.9 Roth Caveat. Employer, Administrator and providers of Annuity Contracts and Custodial Accounts shall utilize good faith compliance efforts to conform to the requirements applicable to Roth 403(b) Contributions based on applicable IRS guidance related to such contributions. The Plan shall be administered and interpreted in the manner necessary to ensure compliance with such guidance. The Employer has evidenced its intent to adopt this Plan by executing the Adoption Agreement which is a part of this 403(b) Plan document. This Plan document, the Adoption Agreement, and any underlying Annuity Contracts and Custodial Accounts provided by the Vendors

authorized by the Employer, as well as necessary forms and administrative policies and procedures incorporated by the Employer, an Administrator or any Funding Vehicle shall constitute the entire Plan.

Section 11 – Plan Year and Enrollment Periods

The Plan Year of this Plan is January 1 to December 31. This Plan has established time periods in which an eligible retiree can establish, transfer and exchange, contributions or plan assets for the Plan Year. These time periods are termed, “Open Enrollment”. This Plan’s Open Enrollments will be when an eligible retiree is retiring and planning to commence retirement, through the Plan Year. In this way, eligible new retirees can establish a new Section 403(b) Post Severance Plan annuity or custodian account or to change, transfer, or exchange a retiree’s Plan agreement account. These periods are termed, “Wilkes-Barre Area School District Post Retirement Section 403(b) Enrollment Period”. This Plan’s Open Enrollment Period is when new retirees establish a new Section 403(b) Post Retirement Plan agreement or to change, transfer, or exchange, contributions or plan assets for the Plan Year. Full termination with a plan contribution of an eligible retiree will be commenced when the total Plan Contributions/Deferrals from all plan sources and such balance account will be zero, per Section 2.2(c)(1) of this document. Any exception to the Enrollment Period rules will be unforeseen circumstances, qualified changes in status, or in the best interest of the Plan and the Plan’s assets.

Section 12– Plan Administration

12.1 Wilkes-Barre Area School District. Responsibility for establishing the administration of this Plan rests with Wilkes-Barre Area School District. This Employer is the Fiduciary and Plan Sponsor of this Plan. The provisions that governs this is Internal Revenue Code Section 403(b) and its regulations and all affected Sections of this Code, state and local jurisdictions, regarding tax payroll rules and compliance associated to this Plan. The District maintains this Plan and requires no fees or costs from Participants of the Plan.

12.2 DeHEY McANDREW, LLC. Though the responsibility for administration of this Plan is with the Plan Sponsor, On September 1, 2010, the Plan Sponsor has contracted DeHEY McANDREW LLC, Scranton, PA 18504 to assist with the compliance and administration of the Plan. All responsibilities are defined in the contract between the Plan Sponsor and DeHEY McANDREW, LLC and have an Indemnification Clause between the two parties. All Salary Reduction Agreements, maximum annual contributions calculations, communications and other facets of the Plan are provided by DeHEY McANDREW, LLC. Employees are encouraged to contact DeHEY McANDREW, LLC regarding their Section 403(b) process. Contribution amounts that are excluded from Employee wages and are directed toward their Salary Reduction Agreements are remitted to DeHEY McANDREW and, in a timely manner, remitted to

the qualified Vendors.

Section 13 – Inclusion and Detracted Investment Vendors

13.1 Historical Inclusion. The Plan Sponsor establishes an Investment Vendor for this Plan. As an operational rule, the Plan Sponsor limits the inclusion of the new Investment Vendors by researching with the plan administrator and its collective bargaining District(s); historically, the Plan Sponsor (Wilkes-Barre Area School District) has established Kades-Margolis Corporation as the Plan's qualified Vendor. The vendors are qualified for a Section 403(b) Post Severance Plan (or, "Early Retirement Incentive Plan") under federal regulations under IRC Section 403(b) and registered as a qualified Section 403(b) fiduciary in the State of Pennsylvania. Though this vendor cannot administrate the process of a post severance plan under Section 403(b), Wilkes-Barre Area School District has the right to include an additional vendor(s) if: (i) the District believes the addition of a Vendor will be in the best interest of this Plan or to help to be in compliance with the regulations under IRC Section 403(b) in the future and (ii) has agreed with this with the collective bargaining unit(s) and the Wilkes-Barre Area School District . In this way, Wilkes-Barre Area School District and the collective bargaining unit reserves the right to determine the selection of investment vendors. Once the 403(b) account is established, qualified retired plan member can elect an investment with Kades-Margolis Corporation and its associate, Security Benefits Corporation, P.O. Box 75025, Topeka, KS 66675-9135. The retiree will contact the Investment Vendor and its representative for additional investment resources associated to his/her investment choice.

The Investment Vendor utilized by Wilkes-Barre Area School District could include a money market account interest-bearing fund or other eligible Section 403(b) investment options. The plan sponsor has encouraged retirees to obtain and read the Prospectus from the Kades-Margolis and Security Benefit Corp. A representative from this Vendor will provide the retiree a prospectus and other information to help the retiree with this decision. The retiree could require a fee to establish some fund or for any transfer or exchange of the retiree's account monies.

13.2 Qualified Investment Vendors. Per Reg. 1.403(b) (eff. 07-26-07), Investment Vendor will be considered with this Plan, when:

- (a) Investment Vendor signs an Informational Sharing Agreement and Hold Harmless clause;
- (b) Investment Vendor's Fees are reasonable and in the best interest of the Plan and its participants;
- (c) Investment Vendor's financial condition is stable and, as a part of the overall Plan, is in the best interest of the Plan and its participants.

13.3 Detracted Investment Vendors. Per Reg. 1. 403(b) (eff. 07-26-07), Investment Vendors will be detracted from this Plan, when:

- (a) Investment or Financial Institute Vendor will not sign a Sharing Agreement contract and Hold Harmless clause;
- (b) Investment or Financial Institute Vendor's Fees are unreasonable and not in the best interest of the Plan and its participants;
- (c) Investment or Financial Institute Vendor's financial condition is unstable and, as a part of the overall Plan, is not in the best interest of the Plan and its participants.
- (d) Investment or Financial Institute Vendor is not qualified for a Section 403(b) Salary Reduction Plan under federal regulations under IRC Section 403(b) and/or is not registered as a qualified Section 403(b) fiduciary in the State of Pennsylvania.
- (e) The Plan Sponsor determines to detract the Investment or Financial Institute Vendor when the Plan Sponsor believes that the detracting is the best interest of the Plan, its contributors and/or their beneficiaries.

When a Plan decides to detract an Investment Vendor, the Plan has the responsibility to contact the participant and inform him/her of this outcome. The Plan has the responsibility to counsel this participant with Plan financial avenues, including the usage of current and qualified Investment Vendors. In any case, the Plan and Plan Sponsor can and will terminate any Salary Reduction Agreement contribution to any detracted Investment Vendor with an unqualified contribution (under this Section 14.3 (a) (b) (c) (d) (e)).

13.4. Plan Sponsor's unilateral decision to include a Low-Fee or No-Fee Annuity or Custodian Vendor. Per Field Bulletin 2207-02, if the Plan Sponsor has failed to include one or more Low/No Fee annuity or custodian account Vendor in any Plan Year, the Plan Sponsor can and will search for a Vendor that can fulfill the federal mandate to include an investment option with a Fee lower than the average Fee with the Plan's current and qualified Vendors. This inclusion of a qualified Vendor that can fulfill the Low-Fee or No-Fee mandate can be established by the Plan Sponsor. The two Investment Vendors have No-Fee accounts. The qualified retiree has the responsibility to read the investment's prospectus and understand any fees associated to the retiree's investment before signing the investment's application(s).

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14. ADOPTION

IN WITNESS WHEREOF, the Employer has caused this Plan to be executed this ____ day of _____, _____.

Employer: Wilkes-Barre Area School District

By: _____

Title: _____

APPENDIX A –AUTHORIZED 403(b) VENDOR LIST

This list is intended to identify Vendor(s) that are available under the Plan on or after the effective date of the Appendix. This Vendor is subject to the requirements and the restrictions under the written plan:

(1) Kades-Margolis Corporation and its associate: Security Benefit Corporation