



The Variable Annuity Life Insurance Company  
P.O. Box 15648  
Amarillo, TX 79105

October 06, 2009

Bert Palmer, Risk Manager  
School Board of Sarasota County  
1960 Landings Blvd  
Sarasota, Florida 34231-3331

Re: School Board of Sarasota County Exclusive Benefit Governmental 401(a) Nontrusteed Retirement Plan; GA 01562

Dear Mr. Palmer:

We are aware that your above Plan has terminated. According to the Internal Revenue Service, a plan is not terminated as long as there are assets remaining; therefore, all assets should be distributed within 12 months from the termination effective date. In addition, any legislative changes implemented prior to the liquidation of assets must be reflected in the Plan Document.

In line with your request and this requirement, we have prepared the enclosed amendment and board resolution to reflect the termination of your Plan, along with a Legislative Amendment that enables you to comply in form with the Pension Protection Act of 2006 and other law changes that are effective in 2006, 2007, 2008 and 2009. Please note that we have made default elections throughout the Legislative Amendment. If your current operation is not in line with these defaults, please make the appropriate elections.

In addition, the enclosed termination amendment allows you to distribute account balances when Participants do not make an affirmative election to receive a distribution. Amounts less than \$1,000 may be distributed in cash to Participants and amounts greater than \$1,000 must be rolled into an IRA.

The amendments and board resolution should be signed as soon as possible to avoid any adverse consequences. Please review the following document(s):

- Board Resolution Authorizing Plan Termination (Requires execution)
- Termination Amendment (Requires execution)
- Legislative Amendment for Terminating Plans (Requires execution)

Please return one signed copy of the Board Resolution and Amendments to the address below:

VALIC, Implementation  
2929 Allen Parkway, L11-40  
Houston, Texas 77019

You should retain a signed copy of the Board Resolution and Amendments with your Plan records. Should you have any questions please do not hesitate to contact your Account Manager or contact your VALIC Financial Advisor.

Thank You.

VALIC, Plan Document Team

# RESOLUTION AUTHORIZING PLAN TERMINATION

"WHEREAS, SCHOOL BOARD OF SARASOTA COUNTY (hereinafter, "the Employer"), established the SCHOOL BOARD OF SARASOTA COUNTY EXCLUSIVE BENEFIT GOVERNMENTAL 401(A) NONTRUSTEED RETIREMENT PLAN (hereinafter, "the Plan"), for the exclusive benefit of its employees and their beneficiaries; and

RESOLVED, that the Employer hereby retains the right, from time to time, to amend, modify or discontinue all or any portion of said retirement plan without the consent of the employees participating in said plan, or the beneficiaries of any employees participating in said plan; and;

NOW THEREFORE, the Employer hereby resolves to exercise the right to terminate the Plan, effective October 6, 2009. "

\*\*\*\*\*

I, \_\_\_\_\_, do hereby certify that the above and foregoing was adopted by the governing body of the Employer at the meeting held at Sarasota, Florida on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature

WITNESS:  
\_\_\_\_\_

# AMENDMENT

## TO

### SCHOOL BOARD OF SARASOTA COUNTY EXCLUSIVE BENEFIT GOVERNMENTAL 401(A) NONTRUSTEED RETIREMENT PLAN

WHEREAS SCHOOL BOARD OF SARASOTA COUNTY (hereinafter, "the Employer"), desires in conformity with the resolution of its governing body to amend the SCHOOL BOARD OF SARASOTA COUNTY EXCLUSIVE BENEFIT GOVERNMENTAL 401(A) NONTRUSTEED RETIREMENT PLAN (hereinafter, "the Plan"), to the extent and in the manner hereinafter set out; and,

NOW, THEREFORE, the Employer, duly authorized by the aforesaid resolution does hereby amend the Plan, effective October 6, 2009 in the following particulars:

The Employer has terminated the Plan. As a result, Employee Salary Reduction Contributions and/or Employer Contributions shall not be permitted after such date. Employee Salary Reduction Contributions and/or Employer Contributions made prior to that date will be distributed in accordance with the provisions of the Basic Document.

Notwithstanding anything in the Plan to the contrary, the following shall apply with respect to any distribution made from the Plan after the effective date of this amendment or, if later, the date this amendment is adopted:

- (a) The Administrator shall distribute to each Participant, Former Participant, or Participant's Beneficiary any amount to which he is entitled under the Plan in one lump sum payment in cash.
- (b) No consent shall be required for any such distribution under the Plan.
- (c) Participants, Former Participants, and Participant's Beneficiaries shall be prohibited from electing benefits in the form of an annuity.
- (d) The Beneficiary of any death benefit under the Plan shall hereafter be the Participant's spouse; or, in the event there is no surviving spouse or the surviving spouse has already made a qualified election to waive the benefit, the Participant's designated Beneficiary.
- (e) Notwithstanding the above, if a distribution greater than \$1,000.00 is made to a Participant or Former Participant, and if the Participant or Former Participant does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the Participant or Former Participant in a direct rollover (in accordance with the direct rollover provisions of the Plan) or to receive the distribution directly, then the Administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed by its duly authorized officer on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**SCHOOL BOARD OF SARASOTA COUNTY**

\_\_\_\_\_

Witness

By \_\_\_\_\_

\_\_\_\_\_

(Print Name)

\_\_\_\_\_

(Print Name)

Title \_\_\_\_\_

## AMENDMENT FOR TERMINATING DEFINED CONTRIBUTION PLAN

SCHOOL BOARD OF SARASOTA COUNTY, as Employer sponsor ("Employer"), adopts this Amendment to the SCHOOL BOARD OF SARASOTA COUNTY EXCLUSIVE BENEFIT GOVERNMENTAL 401(a) NONTRUSTEED RETIREMENT PLAN ("Plan").

### RECITALS

The Employer has decided to terminate the Plan.

Recent law changes, including the Pension Protection Act of 2006 ("PPA"), affect the Plan.

The Plan gives the Employer the authority to make amendments to the Plan, and the law requires that the Plan be updated for all laws in effect as of the Plan's termination date.

The Employer therefore amends the Plan by adding the following provisions to the Plan:

### ARTICLE I PREAMBLE

- 1.1 **Adoption and effective date of Amendment.** The Employer adopts this Amendment to the Plan to reflect recent law changes. This Amendment is effective as indicated below for the respective provisions.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 **Employer's election.** The Employer adopts all Articles of this Amendment, except those Articles which the Employer specifically elects at the end of the Article not to adopt.
- 1.4 **Construction.** Any "Section" reference in this Amendment refers only to this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to the Plan article, section or other numbering designations.

### ARTICLE II PARTICIPANT DISTRIBUTION NOTIFICATION

- 2.1 **180-day notification period.** For any distribution notice issued in plan years beginning after December 31, 2006, any reference to the 90-day maximum notice period prior to distribution in applying the notice requirements of Code §402(f) (the rollover notice) will become 180 days.

### ARTICLE III DOMESTIC RELATIONS ORDERS

- 3.1 **Permissible DROs.** Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a domestic relations order ("DRO") will not fail to be a DRO: (i) solely because the order is issued after, or revises, another domestic relations order or DRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the participant's death.
- 3.2 **Other DRO requirements apply.** A domestic relations order described in Section 3.1 is subject to the same requirements and protections that apply to DROs.

### ARTICLE IV ROLLOVER OF AFTER-TAX/ROTH AMOUNTS

- 4.1 **Direct rollover to qualified plan/403(b) plan.** For taxable years beginning after December 31, 2006, a participant may elect to transfer employee (after-tax) or Roth elective deferral contributions by means of a direct rollover to a qualified plan or to a 403(b) plan that agrees to account separately for amounts so transferred, including accounting separately for the portion of such distribution which is includible in gross income and the portion of such distribution which is not includible in gross income.

### ARTICLE V DIRECT ROLLOVER OF NON-SPOUSAL DISTRIBUTION

- 5.1 **Non-spouse beneficiary rollover right.** For distributions after December 31, 2006, a non-spouse beneficiary who is a "designated beneficiary" under Code §401(a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his/her distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

- 5.2 **Certain requirements not applicable.** Although a non-spouse beneficiary may roll over directly a distribution as provided in Section 5.1, the distribution is not subject to the direct rollover requirements of Code §401(a)(31) (including the automatic rollover provisions of Code §401(a)(31)(B)), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.
- 5.3 **Trust beneficiary.** If the participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).
- 5.4 **Required minimum distributions not eligible for rollover.** A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the participant dies before his/her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

**Article V is not adopted.**

#### ARTICLE VI PRE-RETIREMENT PENSION IN-SERVICE DISTRIBUTIONS

- 6.1 **Age 62 distributions.** For plan years beginning after December 31, 2006, if the Plan is a money purchase pension plan or a target benefit plan (or is any other defined contribution plan that has received a transfer of assets from a pension plan), a participant who has attained age 62 and who is not separated from employment may elect to receive a distribution of his/her Vested Account Balance (or in case of a transferee plan, of the transferred Account Balance).

**Article VI is not adopted.**

#### ARTICLE VII DISTRIBUTION BASED ON BENEFICIARY HARDSHIP

- 7.1 **Beneficiary-based distribution.** Beginning August 17, 2006, or such later date as elected below, a participant's hardship event, for purposes of the Plan's safe harbor hardship distribution provisions, includes an immediate and heavy financial need of the participant's primary beneficiary under the Plan, that would constitute a hardship event if it occurred with respect to the participant's spouse or dependent as defined under Code §152 (such hardship events being limited to educational expenses, funeral expenses and certain medical expenses). For purposes of this Article VI, a participant's "primary beneficiary under the Plan" is an individual who is named as a beneficiary under the Plan and has an unconditional right to all or a portion of the participant's account balance under the Plan upon the participant's death.

**Article VII is not adopted.**

#### ARTICLE VIII DIRECT ROLLOVER TO ROTH IRA

- 8.1 **Roth IRA rollover.** For distributions made after December 31, 2007, a Participant or beneficiary may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b). For this purpose, the term "eligible rollover distribution" includes a rollover distribution described in Article IV, if applicable.

#### ARTICLE IX HEART ACT PROVISIONS

- 9.1 **Death benefits.** In the case of a death occurring on or after January 1, 2007, if a participant dies while performing qualified military service (as defined in Code § 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the participant had resumed and then terminated employment on account of death.
- 9.2 **[N/A] Benefit accrual.** If the Employer elects to apply this Section 9.2, then for benefit accrual purposes, the Plan treats an individual who, on or after January 12, 2007, dies or becomes disabled (as defined under the terms of the plan) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

- a. Determination of benefits.** The Plan will determine the amount of employee contributions and the amount of elective deferrals of an individual treated as reemployed under this Section 9.2 for purposes of applying paragraph Code §414(u)(8)(C) on the basis of the individual's average actual employee contributions or elective deferrals for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) if service with the Employer is less than such 12-month period, the actual length of continuous service with the Employer.

- 9.3 **Differential wage payments.** For years beginning after December 31, 2008, (i) an individual receiving a differential wage payment, as defined by Code §3401(h)(2), shall be treated as an employee of the employer making the payment; (ii) the differential wage payment shall be treated as compensation and (iii) the plan shall not be treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

**ARTICLE X  
WAIVER OF 2009 REQUIRED DISTRIBUTIONS**

- 10.1 **General 2009 waiver.** The requirements of Code §401(a)(9) and the provisions of the Plan relating thereto, except as the Employer elects in Section 10.4, will not apply for the distribution calendar year 2009.
- 10.2 **Special rule regarding waiver period.** For purposes of Code §401(a)(9) and the provisions of the Plan relating thereto: (a) the required beginning date with respect to any individual will be determined without regard to this Article X for purposes of applying Code §401(a)(9) for distribution calendar years other than 2009; and (b) if the 5-year rule of Code §401(a)(9)(B)(ii) applies, the 5-year period described therein shall be determined without regard to calendar year 2009.
- 10.3 **Eligible rollover distributions.** If all or any portion of a distribution during 2009 is treated as an eligible rollover distribution but would not be so treated if the minimum distribution requirements under Code §401(a)(9) had applied during 2009, then the Plan will not treat such distribution as an eligible rollover distribution for purposes of the direct rollover rules of Code §401(a)(31), the notice requirements of Code §402(f), or the 20% withholding requirement of Code §3405(c).
- 10.4 **Employer's election.** For the distribution calendar year 2009, the Employer makes the following election. This election affects Participants who otherwise would receive an installment ("the 2009 RMD") equal or substantially similar to the amount Code §401(a)(9) would require the Plan to distribute for the 2009 distribution calendar year in the absence of this provision. This election does not affect lump sum distributions or other distributions determined without regard to Code §401(a)(9). For purposes of this Section 10.4, references to a Participant include alternate payees of a Participant and beneficiaries of a deceased Participant.

**a.  Distribution per prior election/plan provision.** The Plan, in accordance with the Participant's prior election and/or Plan provisions, will distribute to each affected Participant the 2009 RMD, without regard to whether the distribution is required under Code §401(a)(9).

**b.  Participant may elect.** The Plan will permit an affected Participant to elect whether to receive for 2009: (i) no distribution; (ii) the 2009 RMD; or (iii) any amount other than the 2009 RMD. However, if the Participant fails to make an election, the Plan (*choose (1) or (2) below*):

(1)  will distribute the 2009 RMD to the Participant.

(2)  will not distribute the 2009 RMD to the Participant.

**c.  Prospective application only.** This Section 10.4 applies only prospectively as of \_\_\_\_\_ (*enter a date during 2009, after January 1, 2009, as of which this provision applies*), and does not apply to any distribution the Plan made prior to the effective date.

Except as provided in this Amendment, the Plan remains unchanged and in full force and effect.

The Employer has executed this Amendment on this \_\_\_\_\_.

\_\_\_\_\_  
SCHOOL BOARD OF SARASOTA COUNTY  
Employer

By: \_\_\_\_\_

\_\_\_\_\_  
*[Print Name, Title]*