

***Instructions for Providing Direction to Prudential Retirement to add
In-Plan Roth Rollovers of Distributable Amounts
To 401(k) or 403(b) Plans***

Note to Plan Sponsors— If you would like In-Plan Roth Rollovers of distributable amounts to be offered under your plan, please complete the attached “Administrative Directive for In-Plan Roth Rollovers of Distributable Amounts” (the “Directive”) and return it to Prudential Retirement (“Prudential”) as soon as possible so we can implement the appropriate changes to our recordkeeping system. If Prudential Retirement currently provides plan document services for your Plan, we will use the completed Directive to prepare a draft amendment to your Plan for your review and adoption. If we do not provide plan document services for your Plan, you are responsible for adopting the appropriate plan amendment. Once you have formally adopted the related Plan amendment, please provide us with a copy of the signed document for our files.

Prudential suggests that you discuss In-Plan Roth Rollovers, including the features and timing of any plan amendment, with your own legal counsel.

- 1. Please complete and return to Prudential the Directive concerning In-Plan Roth Rollovers of Distributable Amounts. Prudential suggests that you retain a copy of the completed Directive with your plan document. If you do not return the completed Directive, Prudential will assume that you are not planning to offer In-Plan Roth Rollovers of Distributable Amounts.*

- 2. To complete this Directive, you must:*
 - (a) Fill in the required information, and*

 - (b) Sign, date and return it to your Prudential Relationship Manager at least 30 business days prior to the intended Effective Date specified in Section 6 of the Directive, so that we may update our recordkeeping systems accordingly.*

Administrative Directive for In-Plan Roth Rollovers of Distributable Amounts

Plan Name: The School Board of Sarasota Schools 401(k) Plan (“Plan”)

Plan ID#: 007139

The Directive to Prudential is adopted to reflect the Plan Sponsor’s intention with respect to In-Plan Roth Rollovers of Distributable Amounts.

**SECTION 1
ROTH CONTRIBUTIONS**

Note – In order to allow In-Plan Roth Rollovers, the Plan must permit Participants to make ongoing designated Roth Contributions (“Roth Contributions”).

1. Please select one of the following choices (a choice is required):

- The Plan already accepts Roth Contributions.
- As of the Effective Date in Section 6, the Plan will accept Roth Contributions made on behalf of Participants, in accordance with a separately adopted plan amendment.

**SECTION 2
IN-PLAN ROTH ROLLOVERS OF DISTRIBUTABLE AMOUNTS**

Items 1-3 of this Section 2 describe the terms and conditions under which Prudential will offer plan recordkeeping services in support of In-Plan Roth Rollovers of Distributable Amounts.

- 1. Eligible Rollover Amounts.** All Contribution Sources and earnings thereon, except Roth Contributions and Roth Rollover Contributions, will be eligible for In-Plan Roth Rollovers in accordance with the standard in-service distribution and post-severance distribution provisions of the Plan. Any limitations on the number of in-service distributions allowed by the Plan shall not apply for purposes of In-Plan Roth Rollovers.
- 2. Tax Withholding.** Participants and Spousal Beneficiaries will be allowed to elect voluntary federal and state income tax withholding on direct In-Plan Roth Rollovers of distributable amounts. Withholding will be deducted from eligible amounts in advance of the In-Plan Roth Rollover. Elected withholding deductions will reduce a Participant’s account balance by liquidating Participant investments, including IncomeFlex and company stock, if applicable.
- 3. Investment Provisions.** Certain investment options such as self directed brokerage, life insurance and investments not recordkept by Prudential are not eligible for In-Plan Roth Rollover. In-Plan Roth Rollovers of distributable amounts will initially be invested in the same plan investment options in which they were invested prior to the In-Plan Roth Rollover (“like to like”), including IncomeFlex and company stock, if applicable. Eligible In-Plan Roth Rollovers of distributable amounts also will exclude amounts currently invested in Participant

loans (i.e., outstanding loan balances). If you have a question regarding whether investment options under your plan are eligible for In-Plan Roth Rollover, contact your Prudential Relationship Manager.

SECTION 3

Distributions of In-Plan Roth Rollover Amounts

In-service distributions of direct In-Plan Roth Rollovers of distributable amounts will be permitted at any time, and in accordance with applicable rules regarding types and forms of distribution and spousal consent requirements in place for the originating contribution source(s). In-service distributions of indirect In-Plan Roth Rollovers of distributable amounts will be permitted at any time without regard to forms of distribution or spousal consent requirements applicable to the original contribution source(s).

If the Plan currently allows for hardship distributions from Roth Contributions, Prudential will also permit hardship distributions from In-Plan Roth Rollovers. Prudential will insert the In-Plan Roth Rollover source into the distribution ordering hierarchy equivalent to the Roth Contribution source, resulting in distributions being taken pro rata from each Roth source.

Post-severance distributions of direct In-Plan Roth Rollovers of distributable amounts will be permitted in accordance with applicable rules regarding types and forms of distribution and spousal consent requirements in place for the originating contribution source(s). Post-severance distributions of indirect In-Plan Roth Rollovers of distributable amounts will be permitted without regard to forms of distribution or spousal consent requirements applicable to the original contribution source(s).

SECTION 4

Loans from In-Plan Roth Rollovers

If the Plan currently allows for Participant loan(s) from Roth Contributions, Prudential will also permit Participant loan(s) from In-Plan Roth Rollovers. Prudential will insert the In-Plan Roth Rollover source(s) into the distribution ordering hierarchy equivalent to the Roth Contribution source, resulting in distributions being taken pro rata from each Roth source.

SECTION 5

Rebalance Features for In-Plan Roth Rollovers

Any Participant rebalance feature (i.e., auto rebalance, on demand rebalance or GoalMaker rebalance) in place for Roth Contributions at the time of plan set-up will also be applied to In-Plan Roth Rollovers.

Unless the Participant or Spousal Beneficiary provides investment elections for the In-Plan Roth Rollover source, In-Plan Roth Rollover amounts will remain invested among the same plan investment options in which they were invested prior to the In-Plan Roth Rollover. Additionally, if a rebalance feature is applicable, Prudential will, upon rebalance, reinvest In-Plan Roth Rollover amounts pursuant to Participant investment elections in place on the date of the In-Plan Roth Rollover. Investment elections in place for Roth Contributions will be used, or, absent elections for

that contribution source, pursuant to investment elections in place for Elective Deferrals on the date of the rollover. To the extent provided by the Plan, Participants and Spousal Beneficiaries may change their investment elections for the In-Plan Roth Rollover source after the rollover has been completed. (Note - any restrictions on a Participant or Spousal Beneficiary's ability to direct the investment of employer contributions under the Plan shall no longer apply to such contributions if they are rolled over by a Participant or Spousal Beneficiary pursuant to an In-Plan Roth Rollover.)

SECTION 6
Effective Date

The Plan Sponsor directs Prudential to implement the In-Plan Roth Rollover of Distributable Amounts provisions noted above in providing services to the Plan effective August 1, 2018 (enter a current or future date¹).

Prudential will rely on the Directive to update records that it maintains on behalf of the Plan and Plan Sponsor and to process any Participant transactions in accordance with such records.

Prudential suggests that Plan Sponsors discuss these provisions with their own Legal counsel to the extent they deem appropriate.

By signing below, I acknowledge that I understand that the law does not currently permit "recharacterization" of In-Plan Roth Rollovers (i.e., reversal of the rollover) and as such a Participant election to process this rollover is irrevocable. I further understand that Prudential will require the approval of an authorized plan representative, via signature on each Participant request for an In-Plan Roth Rollover of Distributable Amounts.

EXECUTED AT (city) _____, (state) _____, this _____ day of _____, _____.

By: _____

Title: _____

¹ If you return the Directive and intend to make the elections effective immediately, please recognize that Prudential needs a reasonable amount of time (approximately four weeks) to make the required programming changes, but will implement the changes as soon as administratively feasible after the effective date you select.