

**OAKLAND UNIFIED
SCHOOL DISTRICT
SUPPLEMENTAL
ANNUITY PLAN FOR
CLASSIFIED
EMPLOYEES**

**As Amended and Restated
Effective July 1, 2013**

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**OAKLAND UNIFIED SCHOOL DISTRICT
SUPPLEMENTAL ANNUITY PLAN
FOR CLASSIFIED EMPLOYEES**

(As Amended and Restated Effective July 1, 2013)

INTRODUCTION

The OAKLAND UNIFIED SCHOOL DISTRICT SUPPLEMENTAL ANNUITY PLAN FOR CLASSIFIED EMPLOYEES was established on June 29, 1971, effective July 1, 1970, to provide retirement and other benefits for certain Employees of the Oakland Unified School District. The Plan was subsequently amended many times. This plan document restates the Plan and is intended to qualify as a money purchase plan under Section 401(a) of the Internal Revenue Code. This Plan is a governmental plan as defined in Section 414(d) of the Internal Revenue Code.

The provisions of the Plan, as amended and restated as set forth herein, are intended to comply with the following laws as of their effective dates:

- Employee Retirement Income Security Act of 1974 (ERISA)
- Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)
- Deficit Reduction Act of 1984 (DEFRA)
- Retirement Equity Act of 1984 (REA)
- Tax Reform Act of 1986 (TRA '86)
- Omnibus Budget Reconciliation Act of 1986 (OBRA '86)
- Omnibus Budget Reconciliation Act of 1987 (OBRA '87)
- Technical and Miscellaneous Revenue Act of 1988 (TMRA '88)
- Omnibus Budget Reconciliation Act of 1989 (OBRA '89)
- Revenue Reconciliation Act of 1993 (RRA '93)
- Unemployment Compensation Act of 1992 (UCA)
- Family and Medical Leave Act of 1993 (FMLA)
- Uruguay Round Agreements Act (GATT)
- Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)
- Small Business Job Protection Act of 1996 (SBJPA)
- Taxpayer Relief Act of 1997 (TRA '97)
- Restructuring and Reform Act of 1998 (RRA '98)
- Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA)
- Pension Protection Act of 2006 (PPA)
- Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART)
- Worker, Retiree, and Employer Recovery Act of 2008 (WRERA)

DEFINITIONS

- 1.1 **“Adjusted Net Worth”** means the total fair market value of the Trust Fund as of a Valuation Date, as the Trustees determine, less the sum of District Contributions paid into the Trust on behalf of the period ending on the Valuation Date.
- 1.2 **“Beneficiary”** is a person designated by a Participant to receive all or a portion of a Participant’s benefits in the event of a Participant’s death before the Participant has terminated employment and received a distribution of his or her benefits.
- 1.3 **“Classified Employee” or “Employee”** means an individual employed by the District in a permanent or probationary classified status.
- 1.4 **“Code”** means the Internal Revenue Code of 1986 as amended.
- 1.5 **“Collective Bargaining Agreement”** means any written agreement between the Union and the District
- 1.6 **“Compensation”** means total of compensation of a Participant for all classified assignments, excluding overtime. Compensation only includes compensation actually paid while a Classified Employee. In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the annual compensation of each employee taken into account under the Plan shall not exceed the annual compensation limit under Section 401(a)(17) of the Code.
- 1.7 **“Disability Retirement”** refers to a Participant who terminates employment due to permanent and total disability in accordance with criteria established by the Oakland Unified School District.
- 1.8 **“District”** means the Oakland Unified School District.
- 1.9 **“District Account”** means all benefits in the name of a Participant or former Participant which are derived entirely from District Contributions, forfeitures, and earnings thereon.
- 1.10 **“District Contributions”** are contributions paid by the District into the Trust on behalf of Plan Participants in accordance with the Collective Bargaining Agreement.
- 1.11 **“Effective Date”** means July 1, 1970.
- 1.12 **“Participant”** is an Employee who has met the eligibility requirements specified in the Plan.
- 1.13 **“Plan”** means this Oakland Unified School District Supplemental Annuity Plan for Classified Employees.
- 1.14 **“Plan Year”** means the period July 1 through the following June 30.
- 1.15 **“Separation from Service”** means the first day of the month next following the person’s quit, discharge, retirement, or such other event as may be specified in the applicable

DEFINITIONS

provisions of the California Education Code which results in the cessation of employment with the School District.

- 1.16 **“Trust Fund” or “Trust”** means all assets held under the Plan by the Trustees.
- 1.17 **“Trustees” or “Board of Trustees”** means the members of the Board of Trustees of the Oakland Unified School District Supplemental Annuity Plan for Classified Employees designated pursuant to the Trust Agreement to administer the Supplemental Annuity Plan.
- 1.18 **“Union”** means any labor organization or employee organization which has been recognized by the School District as a recognized employee organization and which has a Memorandum of Understanding or a contract with the District providing contributions to the Trust Fund.
- 1.19 **“Valuation Date”** is June 30, 1995, and thereafter the last day of each successive calendar quarter.

ELIGIBILITY AND PARTICIPATION

- 2.1 **Eligibility** – All Classified Employees are eligible to participate in the Plan.
- 2.2 **Participation** – A Classified Employee will become a Participant in the Plan on the date he or she satisfies the requirements for Plan participation as set forth in the applicable Collective Bargaining Agreement.
- 2.3 **Termination of Participation** – Once a Participant has received the entire balance of his Participant Account, participation shall cease.

DISTRICT CONTRIBUTIONS

- 3.1 **District Contributions** – The District shall make monthly contributions to this Plan in accordance with the terms of the Collective Bargaining Agreement.
- 3.2 **Participant Contributions** – Participant contributions to the Plan are not permitted. In addition, this Plan does not accept rollover contributions that are an eligible rollover distribution from an eligible retirement plan, as those terms are defined in Section 5.13.
- 3.3 **Overcontribution as a Result of a Mistake of Fact** – In the case of a contribution made by a mistake of fact, the contribution may be returned to the District within one year after the payment of the contribution.

PARTICIPANT ACCOUNT VALUATION

- 4.1 **Participant Accounts** – The District shall maintain a separate account for each Participant. This account will reflect the Participant’s share of District Contributions and the income gain/loss, appreciation, or depreciation attributable to the account.
- 4.2 **Account Valuation** – As of each Valuation Date, the Trustees shall:
- (a) First, charge to each account all payments or distributions from that account that occurred since the previous Valuation Date and have not already been charged.
 - (b) Second, increase or decrease for income gain or loss and appreciation or depreciation each account, in proportion to the value of the account (after adjustment in (a) above) so that the total value of the accounts after adjustment in this paragraph (b) equals the Adjusted Net Worth of the Trust.
 - (c) Third, allocate and credit District Contributions that are due or are to be allocated as of the Valuation Date in accordance with the terms of this Plan. These contributions shall be credited to the Employer Account.
- 4.3 **Participants to Whom District Contributions will be Allocated** – The District’s Contributions for any month, which arose under the Plan during that month, will be allocated among the District Accounts of Employees who are Participants on the Valuation Date.
- 4.4 **Limitations on Allocations**
- (a) Effective for limitation years beginning on or after July 1, 2007, benefits and contributions (“annual additions”) under the Plan with respect to a Participant may not exceed the maximum benefits specified under Section 415 of the Internal Revenue Code (and the Treasury Regulations thereunder) for governmental plans. The applicable provisions of Code Section 415 and Treasury Regulations thereunder are incorporated herein by reference.
 - (b) For limitation years beginning on or after July 1, 2007, in no event shall the total annual additions credited with respect to any Participant for a limitation year exceed the limits determined in accordance with Section 415 of the Code and the Treasury Regulations thereunder (the “maximum annual addition”). If a Participant’s total annual additions for a limitation year would exceed the maximum annual addition for that limitation year, annual additions with respect to the Participant shall be frozen or reduced so that the annual additions for such Participant do not exceed the maximum annual addition for that limitation year. The dollar limitation set forth in Code Section 415(c)(1)(A) shall be increased automatically as permitted by Code Section 415(d) to reflect cost-of-living adjustments.

If aggregate annual additions in any limitation year by a Participant exceeds the limits under Section 415 of the Code and the Treasury Regulations thereunder as a result of mandatory aggregation of annual additions under this Plan and another plan sponsored by the District, the annual additions under such other plan shall be reduced

PARTICIPANT ACCOUNT VALUATION

to the extent necessary to comply with Section 415 of the Code and the Treasury Regulations thereunder.

- (c) For purposes of the Section, compensation shall mean compensation as defined in Treasury Regulations Section 1.415(c)-2(d)(4), and the Plan Year shall be utilized as the limitation year. In order to be taken into account for a limitation year, compensation must be actually paid or made available to an Employee within the limitation year. For this purpose, compensation is treated as paid on a date or if would have paid on that date but for an election under Section 125, 132(f)(4), 401(k), 403(b), 408(k), 408(p)(2)(A)(i), or 457(b) of the Code.

In order to be taken into account for a limitation year, compensation must be paid or treated as paid to the Employee prior to a severance from employment; however, wages and other regular pay (including overtime, commissions, bonuses other similar payments), as well as vacation and sick leave payments, are compensation if received by a Participant within the later of 2 ½ months after the Participant's severance from employment or the end of the limitation year in which severance from employment occurred, but only to the extent such payments would have been paid to the Participant (or for leave payments if the Participant would have been able to use the leave) if he or she continued employment with the District.

- 4.5 **Military Service** – Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u). The term “Qualified Military Service” means a Participant's qualified military or other uniformed service period under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), 38 U.S.C. Chapter 43.

If a Participant dies on or after January 1, 2007 while performing qualified military service (as defined in Code Section 414(u)(5)), the Plan shall provide vesting service and any other benefits required in accordance with Code Section 401(a)(37), but the provisions of Code Section 414(u)(9) shall not apply to this Plan.

PLAN BENEFITS AND DISTRIBUTIONS

- 5.1 **Fully Vested Benefits** – A Participant shall at all times be fully vested in his District Account.
- 5.2 **Eligibility for Distributions** – A Participant's Account under the Plan is distributable only upon the Participant's
- (a) Death,
 - (b) Disability Retirement (as defined in Section 1.7),
 - (c) Separation from Service, or
 - (d) Plan Termination.
- 5.3 **Election of Form of Distribution** – A Participant may elect to have his or her benefit under the Plan distributed in
- (a) A lump sum,
 - (b) A series of substantially equal installments over a period certain not to exceed the life or life expectancy of the Participant or the joint life or life expectancy of the Participant and his or her designated beneficiary,
 - (c) The form of straight life annuity contract, or
 - (d) In the form of a Joint and Survivor Annuity contract.
- A Participant may make an election as to the form of his or her distribution under the Plan at any time prior to the date distribution of the Participant's benefits is scheduled to be made or commence.
- Distributions payable in the form of an annuity contract, as described in (c) and (d) above shall be provided by the purchase of an irrevocable annuity from an insurance company. The purchase of the annuity shall discharge the Board of Trustee's obligations to the Participant, spouse or Beneficiary, as applicable, and thereafter payment of benefits under the annuity shall be the sole responsibility of the insurance company.
- 5.4 **Failure to Elect a Form of Distribution** – If a Participant has failed to elect a form of distribution under Section 5.3, distribution shall be made in a lump sum.
- 5.5 **Time and Amount of Distribution** – A Participant's benefit under the Plan shall be distributed at such time as the Participant shall elect; provided that no distribution shall be made prior to the earliest of the Participant's Separation from Service, Disability Retirement, death or termination of the Plan. A Participant may elect to defer distribution of his or her Account to a later date provided such election does not postpone distribution beyond that required in Section 5.7.

PLAN BENEFITS AND DISTRIBUTIONS

The value of the distribution shall be based on the value of the Participant's Account as the Valuation Date immediately preceding the date of distribution plus District Contributions allocated to the Participant's Account since such Valuation Date. Effective July 1, 2003, a Participant may elect a one-time partial distribution of benefits; provided that the value of the Participant's Account is not less than \$5,000 and the partial distribution requested is not more than 50% of the value of the Participant's Account. A Participant may only elect one partial distribution. After a Participant has received a partial distribution, the Plan shall distribute the full amount remaining in the Participant's Account at such time as the Participant shall elect subject to the provisions of the Plan.

Subject to the provisions of the Plan, effective March 1, 2005 a Participant may elect a one-time monthly distribution of benefits provided that the value of the Participant's Account is not less than \$12,000 and the monthly distribution amount elected is at least \$500 a month.

- 5.6 **Designation of Beneficiary** – Each Participant may designate, from time to time, one or more Beneficiaries. A Beneficiary designation is not effective unless it is made in writing, on a form provided by the Trustees and it is filed with the Trustees. A Beneficiary is a person who receives a Participant's vested benefits under the Plan if the Participant dies before these benefits are fully distributed. The Participant may designate one or more Beneficiaries to receive benefits concurrently, contingently or successively. The last Beneficiary designation executed by a Participant supersedes and revokes all prior Beneficiary designations.

If no designated Beneficiary is alive at the time any benefits are payable as a result of Participant's death or if the Participant fails to designate a Beneficiary, then benefits will be paid to one or more of the surviving relatives of the deceased Participant, in the following order of succession: lawful spouse, children in equal shares, parents in equal shares, siblings in equal shares, or if none of the above is living, then to the estate of the deceased Participant.

- 5.7 **Required Beginning Date of Distribution** – Distributions to a Participant or former Participant must commence as soon as administratively practicable after the Participant submits an application for benefits and is approved to receive said benefits based upon the eligibility provisions of the Plan, but no later than the Participant's required beginning date. The term "required beginning date" means April 1 of the calendar year following the later of the calendar year in which the Participant or former Participant attains age 70 ½, or the calendar year in which the Participant or former Participant incurs Separation from Service

PLAN BENEFITS AND DISTRIBUTIONS**5.8 Minimum Distribution Requirements****5.8.1. General Rules**

- 5.8.1.1. **Effective Date** – The provisions of this article will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- 5.8.1.2. **Precedence** – The requirements of this section 5.8 will take precedence over any inconsistent provisions of the plan.
- 5.8.1.3. **Requirements of the Treasury Regulations Incorporated** – All distributions required under this section will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.
- 5.8.1.4. **TEFRA Section 242(b)(2) Elections** – Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that relate to section 242(b)(2) of TEFRA.

5.8.2. Time and Manner of Distribution.

- 5.8.2.1. **Required Beginning Date** – The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date, as defined in Section 5.7 of the Plan.
- 5.8.2.2. **Death of Participant Before Distributions Begin** – If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed no later than as follows:
 - (a) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later, unless an election is made under subsection 6.1 below.
 - (b) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, unless an election is made under subsection 6.1 below.

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- (c) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (d) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subsection 2.2, other than subsection 2.2(a), will apply as if the surviving spouse were the Participant.

For purposes of this subsection 2.2 and subsection 4, unless subsection 2.2(d) applies, distributions are considered to begin on the Participant's required beginning date. If section 2.2(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under section 2.2(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under section 2.2(a)), the date distributions are considered to begin is the date distributions actually commence.

- 5.8.2.3. **Forms of Distribution** – Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with subsections 3 and 4 of this section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations.

5.8.3. Required Minimum Distributions During a Participant's Lifetime.

- 5.8.3.1. **Amount of Required Minimum Distribution For Each Distribution Calendar Year** – During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
- (a) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

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- (b) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtain by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

5.8.3.2. **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death** – Required minimum distributions will be determined under this subsection 3 beginning with the first distribution calendar year and up to and including the distribution calendar that includes the Participant's date of death.

5.8.4. **Required Minimum Distributions After Participant's Death.**

5.8.4.1. **Death On or After Date Distributions Begin**

- (a) **Participant Survived by Designated Beneficiary** – If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:
 - (1) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (2) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (3) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the

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beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

- (b) **No Designated Beneficiary** – If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

5.8.4.2. **Death Before Date Distributions Begin**

- (a) **Participant Survived by Designated Beneficiary** – If the Participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in subsection 4.1.
- (b) **No Designated Beneficiary** – If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (c) **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin** – If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection 2.2(a), this subsection 4.2 will apply as if the surviving spouse were a Participant.

5.8.5. **Definitions.**

- 5.8.5.1. **Designated Beneficiary** – The individual who is designated as the beneficiary under Section 5.6 of the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.

PLAN BENEFITS AND DISTRIBUTIONS

- 5.8.5.2. **Distribution Calendar Year** – A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection 2.2. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.
- 5.8.5.3. **Life Expectancy** – Life expectancy as computed by the use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.
- 5.8.5.4. **Participant's Account Balance** – The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.
- 5.8.5.5. **Required Beginning Date** – The date specified in Section 5.7 of the Plan.
- 5.8.6. **Election to Apply 5-Year Rule**
- 5.8.6.1. **Election to Apply 5-Year Rule to Distributions to Designated Beneficiaries** – If the Participant dies before distributions begin and there is a designated beneficiary, distribution to the designated beneficiary is not required to begin by the date specified in subsection 2.2, but the Participant's entire interest will be distributed to the designated beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death. If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to either the Participant or the surviving spouse begin, this election will apply as if the surviving spouse were the Participant. This election will apply to all distributions.

PLAN BENEFITS AND DISTRIBUTIONS

- 5.8.6.2. **Election to Allow Participants or Beneficiaries to Elect 5-Year Rule** – Participants or beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in subsection 2.2 and 4.2 applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under subsection 2.2, or by September 30 of the calendar year which contains the fifth Anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor beneficiary makes an election under this paragraph, distributions will be made in accordance with subsections 2.2 and 4.2 and, if applicable, the elections in subsection 6.1 above.
- 5.8.7 **Treatment of 2009 Required Minimum Distributions** – Amounts that would have been 2009 required minimum distributions under the Plan in the absence of Code Section 401(a)(9)(H), as added by the Worker, Retiree, and Employer Recovery Act of 2008, including amounts that would have been first required minimum distributions payable in 2010, were paid as scheduled for 2009.
- 5.9 **Small Account Cash Outs** — Notwithstanding any other provision of the Plan, if the value of a Participant's Account does not exceed \$5,000 at the time of his or her benefit becomes payable, such benefits will be distributed to the Participant or to his or her Beneficiary as soon as administratively feasible in a lump sum, but only after the Participant or his or her Beneficiary files an application for benefits, subject to the provisions of Section 5.12.
- 5.10 **Missing Participants or Beneficiaries** – Each Participant and each designated Beneficiary must file with the Trustees from time to time in writing his or her post office address and each change of post office address. Any communication, statement, or notice addressed to a Participant or Beneficiary at his or her last post office address filed with the Trustees or if no address is filed with the Trustees, then at the last post office address as shown on the District's records, will be binding on the Participant and his or her Beneficiary for all purposes of the Plan.
- 5.11 **Payments to Minors and Others** – If a Participant, a Participant's spouse or Beneficiary is declared incompetent and a conservator, or other person legally charged with the care of the person or of his her estate is appointed, any benefits to which this Participant or other Beneficiary is entitled shall be paid to the conservator or person legally charged with the care of the incompetent person or his or her estate. If an amount is to be paid to a minor, the Trustee may pay that amount to the minor's legally appointed guardian. Alternatively, the Trustee may pay the amount to a trust which has been established for the benefit of the minor.
- 5.12 **Failure to Apply for Participant Account** – If a Participant dies or Separates from Service, and an application for payment or an election of payment deferral of his or her Participant Account is not received within three months from the date of such event, the Board of Trustees shall place the Employee's Participant Account in inactive status at the end of the

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three-month period. Participant Accounts in inactive status continue to be included in all Account Valuations as described in Section 1V.

In the event that there have been no District Contributions to a Participant Account for a period of five years and the Participant cannot be located after reasonable efforts to do so, or if benefits have remained due for such period but have not been claimed by a Participant or Beneficiary, the amount in the Participant Account, or the benefits due as the case may be, shall be used to defray the non-investment expenses of the Fund in accordance with Section 4.2. However, if such Participant or Beneficiary subsequently makes claim for the forfeited amount or benefit, the amount or benefit shall become payable to the claimant in the amount accumulated or due, as of the end of the five-year period.

5.13 Direct Rollovers

- (a) **Direct Rollovers** – Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Trustees, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (b) **Eligible Rollover Distribution** – An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (c) **Eligible Retirement Plan** – An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, a governmental 457 or 403(b) plan, or a qualified trust described in Section 401(a) of the Code.

Effective for distributions made after December 31, 2007, an Eligible Retirement Plan shall also include a Roth IRA described in Code Section 408A, subject to restrictions that currently apply to rollovers from a traditional IRA into a Roth IRA.

In the case of an Eligible Rollover Distribution to a designated Beneficiary other than a spouse or former spouse, an Eligible Retirement Plan is only an individual retirement account described in Code Section 408(a) or an individual retirement

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annuity described in Code Section 408(b) that is treated as an inherited IRA in accordance with the provisions of Code Section 402(c)(11).

- (d) **Distributee** – A Distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's designated Beneficiary and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, with regard to the interest of the spouse or former spouse, are Distributees.
- (e) **Direct Rollover** – A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

TRUSTEES

- 6.1 **General** — The Trustees shall receive, hold, invest, administer and distribute the Trust Fund as provided in this Plan and the Trust Agreement. The Trustees may designate an administrator to conduct the administrative functions of the Plan.
- 6.2 **Records and Trusts** – The Trustees shall be responsible for providing accurate and detailed records and accounts of all Plan transactions. The Trustees shall allow inspections or audits of these records during reasonable business hours, by any person designated by the District, or any other person to the extent required by law.
- 6.3 **District Records** - The Trustees may rely without further inquiry, on written information furnished to them by the District and the Trustees shall not be liable for the effect of misinformation (in written form) provided by the District or administrator, on which they relied in good faith.
- 6.4 **Accounting for Trust Fund** – The Trustees may account for the Trust Fund on a cash basis, accrual basis, or modified cash basis, as the Trustees selected.
- 6.5 **Investment of the Trust Fund** – Except as otherwise provided in the Plan or Trust Agreement, the net income and profits of the Trust Fund shall be accumulated and added to the principal of the Trust Fund. Pursuant to investment guidelines adopted by the Trustees as provided in the Trust Agreement, the Trustees are authorized to invest the assets of the Trust Fund in insurance companies, custodial accounts, and as otherwise provided in the Trust Agreement. The Trustees, in their discretion, may hold in cash the portion of the Trust Fund as is reasonable under the circumstances, pending investment or payment of expenses or distribution of benefits.
- 6.6 **Consultation With Counsel** – The Trustees may consult with legal counsel, with respect to any of its rights, duties or obligations hereunder.
- 6.7 **Compensation and Expenses** – All reasonable costs, charges and expenses incurred by the Board of Trustees in connection with its administration of the Trust Fund, including fees for legal services rendered to the Trustees shall be paid from the Trust Fund.

ADMINISTRATION

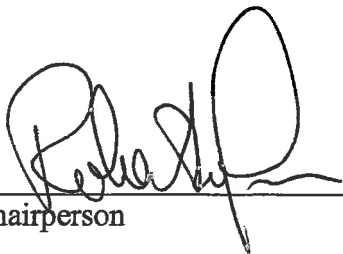
- 7.1 **Trustee Action** – Except as may be specifically provided, any action required or permitted to be taken by the Board of Trustees may be taken by the chairman and co-chairman of the Board.
- 7.2 **No Guarantee of Interests** – None of the Trustees in any way guarantees the Trust Fund from loss or depreciation, nor do they guarantee any payment to any person. The liability of the Trustees and the District to make any payments is limited to the available assets of the Trust Fund.
- 7.3 **Employment Rights** – The Plan is not a contract of employment and participation in the Plan will not give any Participant the right to be retained in the District's employ, nor any right or claim to any benefit under the Plan, unless the right or claim has specifically accrued under the Plan.
- 7.4 **Interpretation and Adjustments** - To the extent permitted by law, an interpretation of the Plan and a decision of any matter within the Trustees' discretion, made in good faith, is binding on all persons. A misstatement or other mistake of fact shall be corrected when it becomes known and the person responsible shall make the adjustment as he or she considers equitable and practicable. In the event of any conflict between provisions of this Plan and the terms of any policy of contract issues thereunder, the provisions of this Plan shall control.
- 7.5 **Uniform Rules** – In the administration of the Plan, uniform rules will be applied to all Participants similarly situated.
- 7.6 **Gender** – Where the context admits, words in the masculine gender include the feminine and neuter genders, the plural includes the singular, and the singular includes the plural.
- 7.7 **Controlling Law** - The law of the State of California shall be the controlling state law in all matters relating to the Plan and Trust and shall apply to the extent that the law is not preempted by the laws of the United States of America.
- 7.8 **Claims** – The Trustees shall make each claim determination in a uniform and nondiscriminatory manner.
- 7.9 **Exclusive Benefit** – The Trust Fund shall be held and administered for the exclusive purpose of providing benefits to Participants and Beneficiaries and defraying reasonable expenses of the Plan. Prior to the satisfaction of all liabilities to Participants and Beneficiaries, no part of the Trust Fund shall be used for or diverted to purposes other than for the exclusive benefit of Participants or Beneficiaries.
- 7.10 **Limitation on Assignment** — No benefits under this Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempts to do so shall be void. Notwithstanding the foregoing, benefits may be paid to an alternate payee as provided in a qualified domestic relations order, as defined in Code Section 414(p), and in accordance with Code Section 401(a)(13), as such applies to governmental plans.

AMENDMENT OR TERMINATION**8.1 Amendment or Termination**

- (a) The Board of Trustees may amend this Plan and Trust at any time. All amendments the Board makes must be adopted in writing.
- (b) All Participants and Beneficiaries are bound by an amendment according to its terms, upon execution. However, no amendment shall:
 - (1) deprive any Participant or Beneficiary of any of the benefits to which he or she is entitled with respect to contributions previously made, nor shall any amendment or change decrease the balance in any Participant's District Account;
 - (2) provide for the use of any portion of the Trust Fund other than for the benefit of Participants and Beneficiaries or that any portion of the Trust Fund shall ever revert to or be used or enjoyed by the District; or
 - (3) increase the duties or liabilities of the District or Trustees without their written consent.

- 8.2 Retroactive Amendments** – No amendment to the Plan or Trust may be effective retroactively to a day prior to the beginning of the Plan Year in which it is adopted, unless the Trustees, by written instrument, shall state that retroactive effect is necessary to establish or maintain the Plan and Trust without interrupting the Plan's qualified status. Any such retroactive amendments must be adopted within the applicable remedial amendment cycle in accordance with Revenue Procedure 2007-44, and the Internal Revenue Service makes the final determination in all cases as to whether an amendment was adopted with the good faith intention of being qualified.

Adopted and accepted on behalf of the Trustees of Oakland Unified School District
Supplemental Annuity Plan for Classified Employees this 23rd day of January, 2014 by:



Chairperson

Co-Chairperson