

**AMENDMENT ONE TO THE STATE OF SOUTH CAROLINA  
SALARY DEFERRAL [401(K)] AND SAVINGS PROFIT SHARING  
PLAN AND TRUST**

WHEREAS, the Board of Directors of the South Carolina Public Employee Benefit Authority ("Board") has the responsibility and authority to modify or amend in whole or in part any or all of the provisions of the State of South Carolina Salary Deferral [401(k)] and Savings Profit Sharing Plan and Trust ("Plan"); and,

WHEREAS, the Plan was last amended and restated effective January 1, 2013; and,

WHEREAS, the Board adopted amendments to the Plan at its meeting on December 17, 2014, to be effective January 1, 2015, and directed that the Plan document be amended and authorized the Chairman of the Board to execute the amendment to the Plan on its behalf.

NOW, THEREFORE, BE IT RESOLVED that the Plan, effective January 1, 2015, shall be amended as follows:

Part I. In-Plan Roth Rollovers

A. Subsection (c) of Section 5.2, regarding Direct Rollovers, is amended to be and read as follows:

(c) Direct Rollovers. Notwithstanding Section 15.1, a Direct Rollover of a distribution from a Roth Elective Deferral Contribution Account under the Plan will only be made to another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

Notwithstanding Sections 15.2 and 15.5, the Plan will only accept a Rollover Contribution to a Roth Elective Deferral Rollover Account only if it is a Direct Rollover from another Roth elective deferral contribution account under an applicable retirement plan described in Code Section 402A(e)(1), and only to the extent the rollover is permitted under the rules of Code Section 402(c). A separate Roth account or subaccount may also be maintained to reflect any Direct Rollover to the Plan of an eligible Roth rollover as herein provided.

B. Section 15.5, In-plan Roth Rollover, shall be added to be and read as follows:

15.5 In-plan Roth Rollover.

(a) Any vested amount held in an Account for a Participant (other than an amount held in a Roth Elective Deferral Rollover Account under Section 2.44) is eligible for direct rollover to the Participant's Roth Elective Deferral Rollover Account under the Plan, even if the vested amount is not otherwise distributable (pursuant to Code Section

402A(c)(4)(E)) under Article XV of the Plan, and the transfer shall be treated as a qualified rollover contribution (within the meaning of Code Section 408A(e)) to such Account.

(b) A Participant's election under this Section 15.5, shall be subject to the reasonable administrative procedures established by the Plan Administrator, Code Section 402A(c)(4) and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.

(c) The taxable portion of the Participant's Accounts transferred to a Roth Elective Deferral Rollover Account under this Section 15.5 shall be included in the Participant's gross income in the tax year in which the transfer occurs.

(d) The Plan shall provide written information regarding In-plan Roth Rollovers under this Section 15.5, for amounts that are otherwise distributable under Article XV to the extent required by Section 402(f) of the Code.

## Part II. Loans

A. Subsection (a) of Section 11.2, regarding Loans to Participants, is amended to be and read as follows:

(a) The Plan Administrator may make loans to any Participant. Each loan shall be made to the Participant in a manner approved by the Commission and shall be subject to the approval of the Plan Administrator. A Participant is not eligible for a loan unless repayments will be made by payroll deduction as provided in Section 11.2(e). A Participant shall be permitted no more than one outstanding loan from this Plan and the State of South Carolina 457 Deferred Compensation Plan and Trust at any time. The Administrator may require a waiting period of up to thirty (30) days after repayment of a loan before issuance of another loan.

(i) Loans Issued Prior to January 1, 2015. Any outstanding loan made to a Participant prior to January 1, 2015, shall be subject to the terms and conditions for such loans as of the date the loan was issued, including, but not limited to, all terms and conditions regarding the issuance and repayment of the loan. In addition, notwithstanding Section 11.2(a), if a Participant has two outstanding loans from this Plan and/or the State of South Carolina 457 Deferred Compensation Plan and Trust as of December 31, 2014, the Participant may continue to repay both loans under the terms and conditions for the loans as of the dates the loans were issued, provided, however, that the provisions of Section 11.2(a) shall apply to any new loans issued on or after January 1, 2015.

B. Subsection (e) of Section 11.2, regarding Loans to Participants, is amended to be and read as follows:

(e) Withholding and Application of Loan Payments. Principal and interest payments for a loan issued on or after January 1, 2015, shall be made by payroll deduction from the

Participant's Compensation from his or her Employer while the Participant is an Employee. If, after the issuance of a loan, a Participant becomes no longer eligible to make payments by payroll deduction, the Participant may make principal and interest payments in a method approved by the Plan Administrator. A Participant may continue to repay a loan during the period he is receiving installment payments under Subsection 9.8(b) of the Plan. Principal and interest payments shall be credited in accordance with procedures established by the Commission and invested as otherwise provided in the Plan.

Part III. Remittance of Contributions

A. Subsection (f) of Section 5.1, regarding Salary Deferral Contributions, is amended to be and read as follows:

(f) All Salary Deferral Contributions shall be forwarded by the Participating Employer to the Administrator or its designee on behalf of the Trustee as soon as administratively practicable after the contributions have been withheld but in no event later than fifteen (15) days (or within a shorter period if prescribed by regulations issued by the Secretary of the Treasury) after the time such amounts would have otherwise been payable to the Participant as salary. The Commission shall have no duty to determine whether the funds paid to it by the Participating Employer are correct, nor to collect or enforce such payment.

B. Subsection (e) of Section 5.2, regarding Roth Elective Deferrals, is amended to be and read as follows:

(e) Payment of Roth Elective Deferral Contributions. A Participating Employer shall remit the Roth Elective Deferral Contributions to the Administrator or its designee on behalf of the Trustee as soon as administratively practicable after the contributions have been withheld but in no event later than fifteen (15) days (or within a shorter period if prescribed by regulations issued by the Secretary of the Treasury) after the time such amounts would have otherwise been payable to the Participant as salary. The Commission shall have no duty to determine whether the funds paid to him by the Participating Employer are correct, nor to collect or enforce such payment.

Part IV. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this 17<sup>th</sup> day of December, 2014.

By:



Arthur M. Bjontegard, Jr., Chairman

South Carolina Public Employee Benefit Authority Board of Directors