

EDUCATIONAL SERVICE UNIT #8 403(B) PLAN

PLAN DESCRIPTION

01/01/2019

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INTRODUCTION

Your Employer, Educational Service Unit #8 (the Company), has established this 403(b) retirement plan, Educational Service Unit #8 403(b) Plan (the Plan) to assist you and other Employees in saving for retirement. The Plan is governed by the Plan document, which is a complex legal contract that contains all of the provisions required by the Internal Revenue Service (IRS) that the Company must follow when administering the Plan. This document follows specific federal laws and regulations that apply to retirement plans. The Plan document may change when new laws or regulations take effect. The Company also has the right to modify certain Plan features from time to time. When these changes occur, you will be notified about any changes that affect your rights under the Plan.

This document is a Plan Description (PD). It summarizes the important features of the Plan document, including your benefits and obligations under the Plan. If you want more detailed information about specific plan features or have questions about any of the information in the PD, you should contact your Employer via the methods outlined in this PD. You can also request a copy of the Plan document from your Employer.

You will notice that certain terms in the PD are capitalized. These are important terms to understand and they are defined in more detail in the DEFINITIONS section of the PD. Although the purpose of this document is to summarize the more significant provisions of the Plan, the Plan document will prevail in the event of any inconsistency. In addition, the terms of the Plan cannot be modified by written or oral statements made to you by the Plan Administrator or other personnel.

The Plan was originally effective 09/01/2008. This PD describes the Plan as restated effective 01/01/2019. This PD supersedes all previous PDs.

ELIGIBILITY FOR PARTICIPATION

The Plan document has been amended and/or restated into a new Plan document. If you were eligible to participate in the prior Plan, you will continue to be eligible to participate in this Plan without satisfying any additional age or service requirements.

Am I eligible to make Elective Deferrals and Roth Elective Deferrals?

Once you meet the eligibility requirements below, you will be eligible to make Elective Deferrals.

What eligibility requirements do I have to meet to make Elective Deferrals?

You will be eligible to make Elective Deferrals immediately upon your hire date.

CONTRIBUTIONS - EMPLOYEE

Does the Plan allow me to make Elective Deferrals?

Yes. Provided you have met the eligibility requirements and passed the entry date as specified in the section titled "Eligibility for Participation" you may contribute Elective Deferrals to the Plan.

Do I pay taxes on any Elective Deferrals I make?

You will have the option to have the Elective Deferrals you make taken out of your pay either before or after taxes are withheld. For those Elective Deferrals you choose to have taken out pre-tax, you will generally pay taxes on this amount when you take it out of the Plan.

For those Elective Deferrals you choose to have taken out after-tax (Roth Elective Deferrals), you will pay taxes on this amount when you contribute them to the Plan. However, provided the distribution is "qualified" the earnings on these amounts will not be taxed when they are removed from the Plan. A Roth Elective Deferral distribution is qualified when (1) it has been at least 5 years since the first Roth Elective Deferrals were contributed to the Plan and (2) you are at least 59 1/2 year of age, become disabled, or have died. Roth Contributions are made in the same manner as pre-tax Elective Deferrals. You must designate how much you would like to contribute on a pre-tax basis (normal 403(b) contribution) and how much you would like to contribute as an after-tax Roth Contribution. You are not required to make any Roth Contributions. You may designate all of your Elective Deferrals as pre-tax contributions.

How do I make or change the amount of the Elective Deferrals being withheld?

You may make or change your deferral election by returning a deferral election form to the Plan Administrator.

Once I make a deferral election, how often can I change, stop, or re-start the election?

You may change or re-start your deferral election once each pay period. You may stop your deferrals at any time.

What are the limits on Elective Deferrals?

Your Elective Deferrals are subject to the following limits:

- Federal law limits the amount you may elect to defer under this Plan and any other retirement plan permitting Elective Deferrals (including both other 403(b) and 401(k) plans). You are limited to contributing \$19,000 (for 2019) during any calendar year.
- If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution", of up to \$6,000 (for 2019).
- The maximum amount you can defer is 100% of your compensation.

The Plan Administrator may establish additional rules you will need to follow when making your deferral election. Your deferral election is only effective for compensation you have not received yet. The Plan Administrator may also reduce or totally suspend your election if they determine that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

CONTRIBUTIONS - EMPLOYER**Can the Company make Qualified Non-Elective Contributions?**

Yes. The Company has the discretion to make a Qualified Non-Elective Contributions. The Plan Administrator will determine each Plan Year if this contribution will be made, how much it will be and which Participants are eligible to receive the Qualified Non-Elective Contributions. If you are eligible to receive this contribution you will receive a pro rata portion of the allocation based on your Compensation. This means that all eligible Participants will get an equal share of the Qualified Non-Elective Contributions as a percentage of their

Compensation. For example if your Compensation is equal to 3% of all Compensation earned by all Participants eligible for the Qualified Non-Elective Contributions for that Plan Year you will receive 3% of the Qualified Non-Elective Contributions for that year.

Can the Company make any other type of contributions to the Plan?

Yes. The Company may have the discretion to reallocate any forfeitures and to make other contributions as necessary to comply with the IRS' non-discrimination requirements.

What are the limits on total contributions?

Your total contributions are subject to the following limits:

- The total amount that may be contributed to the Plan on your behalf in any year may not exceed the lesser of 100% of your compensation or \$56,000 (for 2019).

Can I move money I have in another retirement plan to this Plan?

Yes. If you are All employees of the Company you can rollover the money you have in other plans into the Plan. While the Plan Administrator may establish procedures that relate to the requirements for Rollover Contributions, in general rollovers will be accepted from any plan that is eligible to be rolled into the Plan. While there are exceptions this generally includes rollovers from a qualified retirement plan (i.e., 401(k), defined benefit), another 403(b) plan, a governmental 457(b) plan and pre-tax assets held in a traditional IRA.

Will I receive contributions when I am not working at the Company due to my performing qualified military service?

If you are re-employed by the Company after performing qualified military service you may be able to make up missed employee contributions and to receive make-up employer contributions. Additionally, if you meet all of the requirements the time you spend on qualified military service may count as Years of Service under the Plan. You can receive more information about your rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA) from the Plan Administrator.

What happens if I die or become disabled while performing qualified military service?

If you die or become disabled while performing qualified military service the Company will treat you as if you returned to work on the day before you died or became disabled and then terminated on the date of death or disability when determining any of your benefits under the Plan including contributions.

VESTING

Do I need to work a certain amount of time to keep my Elective Deferrals?

No. You will always be immediately 100% vested in your Elective Deferrals.

How is my service with the Company measured to earn a Year of Vesting Service?

You will earn a year of vesting service when you are still employed on the day before the anniversary of the date you first performed service for the Company (your hire date).

DISTRIBUTIONS - AFTER TERMINATION FROM SERVICE

Can I take a distribution of my account balance after my employment terminates?

Yes. You can take a distribution of your account balance immediately after your employment terminates.

What form can my distribution after termination from service be taken in?

You can take your distribution after termination from service as a cash distribution.

Your distribution can be taken in a lump sum distribution and as a continuous right of withdrawal.

How soon after my death does my Beneficiary have to take distributions?

Your Beneficiary must take distributions as required by the IRS.

What form can the distributions after my death be taken in?

Your beneficiaries can take distributions as a cash distribution.

Your beneficiary's distribution can be taken in a lump sum distribution and as a continuous right of withdrawal.

Who gets my assets in the Plan if I don't designate a beneficiary?

If you die without designating a beneficiary, your Account will be payable to your spouse, or if you do not have a spouse, to your estate.

Can the Company ever force me to take a distribution from the Plan?

The Plan Administrator will force a distribution of your account balance when you reach your Required Beginning Date (see below for what your Required Beginning Date is).

Is there ever a time when I have to take a distribution from the Plan?

Yes. Once you reach your Required Beginning Date you must start taking distributions from the Plan. These distributions are called Required Minimum Distributions. Failure to take these payments can result in an IRS penalty tax of 50% of the amount that should have been distributed. Your Required Beginning Date is when you actually retire or age 70 1/2, whichever is later.

DISTRIBUTIONS - IN-SERVICE

Can I take a distribution of my account balance if I am still working when I reach normal retirement age?

Yes. You can take a distribution of all of your fully vested account balances when you reach normal retirement age (age 59.5) while you are still working.

Can I take a distribution of my account balance while still working if I become disabled (as defined in the Plan)?

Yes. You can take a distribution of your fully vested account balances if you become disabled (as defined in the Plan).

Can I take a distribution of my Elective Deferrals while still working if I am called to active duty?

Yes. You can take a distribution of your Elective Deferrals while still working if you are called to active military duty for at least 30 days. However, if you are not called to active duty for at least 180 days, you will not be able to have Elective Deferrals withheld from your pay for 6 months from the date of the distribution.

Can I take my pre-tax assets in the Plan and convert them to Roth assets (In-Plan Roth Rollover)?

Yes. You can convert your fully vested pre-tax assets in the Plan to Roth assets at any time.

When can I take a distribution of my In-Plan Roth Rollover account balances?

You can take a distribution of your In-Plan Roth Rollover account balances at any time.

Can I use my assets in the Plan to purchase service credit in another plan?

Yes. You can request to have your assets transferred to another plan to purchase service credit under that plan.

Can I take a loan from the Plan?

No, loans are not available under the Plan.

What form can my in-service distribution be taken in?

You can take your in-service distribution as a cash distribution.

Your in-service distribution can be taken in a lump sum distribution and as a continuous right of withdrawal.

INVESTMENTS

Can I direct how my account balances will be invested?

No, the Plan Administrator will direct how your account balances will be invested.

What type of accounts can my account balance be invested in?

Your account balance can be invested in annuity contracts and custodial accounts.

How often does the Plan Administrator determine how much my benefit in the Plan is worth?

The Plan Administrator will determine the value of each Participant's benefit under the Plan on each business day. The Plan Administrator may also choose other dates to determine the value of each Participant's benefit under the Plan.

MISCELLANEOUS

Domestic Relations Orders

Under certain circumstances, a court may issue a domestic relations order assigning a portion of your benefits under the Plan to a spouse, former spouse, child or other dependent. The Plan Administrator will determine whether the order is a qualified domestic relations order ("QDRO"). If the Plan Administrator determines that the order is a QDRO, it will implement the terms of the QDRO and divide your Account accordingly. You may obtain, without charge, a copy of the Plan's QDRO procedures from the Plan

Administrator.

Insurance

The Plan is not insured by the Pension Benefit Guaranty Corporation (PBGC) because it is not a defined benefit pension plan.

Administrator Discretion

The Plan Administrator has the authority to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects and resolve ambiguities in the Plan and to supply omissions to the Plan. Any construction, interpretation or application of the Plan by the Plan Administrator is final, conclusive and binding.

Plan is Not a Contract of Employment

The Plan does not constitute, and is not to be deemed to constitute, an employment contract between the Company and any employee or an inducement or condition of employment of any employee. Nothing in the Plan is to be deemed to give any employee the right to be retained in the Company's service or to interfere with the Company's right to discharge any employee at any time.

Waiver

Any failure by the Plan or the Plan Administrator to insist upon compliance with any of the Plan's provisions at any time or under any set of circumstances does not operate to waive or modify the provision or in any other manner render it unenforceable as to any other time or as to any other occurrence, whether the circumstances are the same or different. No waiver of any term or condition of the Plan is valid or of any force or effect unless it is expressed in writing and signed by a person authorized by the Plan Administrator to grant a waiver.

Errors

Any clerical or similar error by the Plan Administrator cannot give coverage under the Plan to any individual who otherwise does not qualify for coverage under the Plan. An error cannot give a benefit to an individual who is not actually entitled to the benefit.

ADMINISTRATIVE INFORMATION**Plan Sponsor**

The Plan Sponsor is Educational Service Unit #8.

- Employer Identification Number: 47-0521112
- Address: 302 Main Street, Box 89, Neligh, NE 68756
- Phone number: 402-887-5041
- Fax number: 402-887-4604

Plan Administrator

The Plan Administrator is a committee appointed by Educational Service Unit #8.

- Address: 302 Main Street, Box 89, Neligh, NE 68756
- Phone number: 402-887-5041
- Fax number: 402-887-4604

- Email: bmowinkel@esu8.org

Plan Assets

Assets of the Plan are held in annuity contracts and custodial accounts.

Agent for Legal Service

The agent for legal service for the Plan is As determined by the Board.

- Address: 302 Main Street, Box 89, Neligh, NE 68756
- Phone number: 402-887-5041
- Fax number: 402-887-4604

Plan Number

The Plan is a 403(b) plan. The Plan number is 001.

Plan and Fiscal Year

The Company's fiscal year ends on 08/31 and the Plan Year ends on 12/31.

DEFINITIONS**Account**

Your Account is the sum of all of your amounts in each of your different contribution accounts.

Beneficiary

Your Beneficiary is the individual who will get your benefit under the Plan upon your death. You have the right to designate one or more primary and one or more secondary beneficiary.

Compensation

Compensation is your wages from the Company that are shown as taxable wages on your IRS Form W-2 measured over the Plan Year. For any self-employed individual, Compensation will mean earned income.

For purposes of Elective Deferrals, Compensation will include any amount you elect to defer on a tax-preferred basis to any benefit plan of the Company.

For purposes of Elective Deferrals, Compensation will include payments of unused accrued bona fide sick, vacation, or certain other leave that are paid to you after you terminate employment.

Compensation will include wages paid during any period in which you are performing service in the uniformed services while on active duty for a period of more than 30 days that represents all or a portion of the wages you would have received if you were performing service for the Company.

For purposes of Elective Deferrals, Compensation will exclude all of the following items (even if includible in your income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits.

Disability

You will be considered Disabled when you suffer from a physical or mental impairment that results in the inability to engage in any occupation comparable to that in which you were engaged at the time of your disability. The permanence and degree of your impairment must be supported by medical evidence.

Elective Deferrals

Elective Deferrals are the amount of your Compensation that you chose to deposit into the Plan under a salary reduction agreement you complete with the Company.

Elective Deferrals can be contributed either on a pre-tax basis or an after-tax basis. After-tax Elective Deferrals are referred to as Roth Elective Deferrals.

Normal Retirement Age

Normal Retirement Age (NRA) is age 59.5.

Plan Year

The Plan Year is the 12 month period ending on 12/31.

Rollover Contributions

Rollover contributions are the assets that you moved (rolled over) from another retirement plan to the Plan.

Termination from Employment

You will be considered to have a Termination from Employment from the Company when you are no longer employed by the Company or on the day when the Company is no longer eligible to sponsor the Plan.

Transfer Contributions

Transfer Contributions are contributions that were transferred over to the Plan from another eligible retirement plan. This is typically done at the Company's discretion as part of a merger or related transaction.

VENDOR APPENDIX

Approved Vendors

An approved vendor is an organization who accepts ongoing Plan contributions directly from the Company. Subject to procedures established by the Plan Administrator you may be able to move your Plan assets between the approved vendors listed below:

- Matrix Trust Company
- Vendors approved by School Board

FEES APPENDIX

Your Account may be charged for some or all of the costs and expenses of operating the Plan. Such expenses include the following:

- The Plan may charge all Participants for the expenses of receiving a distribution following termination of employment (if applicable to the Participant) in the following manner: an amount disclosed in the 404(a)(5) participant fee disclosure.

- The Plan may charge all Participants for the expenses of determining required minimum distributions (if applicable to the Participant) in the following manner: an amount disclosed in the 404(a)(5) participant fee disclosure.
- The Plan may charge all Participants for the expenses of receiving a hardship withdrawal (if applicable to the Participant) in the following manner: an amount disclosed in the 404(a)(5) participant fee disclosure.
- The Plan may charge all Participants for the expenses of receiving an in-service withdrawal other than hardship (if applicable to the Participant) in the following manner: an amount disclosed in the 404(a)(5) participant fee disclosure.
- The Plan may charge all Participants for the expenses of processing a domestic relations order (if applicable to the Participant) in the following manner: an amount disclosed in the 404(a)(5) participant fee disclosure.
- The Plan may charge all Participants for the expenses of operating the Plan in the following manner: an amount disclosed in the 404(a)(5) participant fee disclosure.

Fees listed above are subject to change. Please check with the Plan Administrator to be sure you have a current fee listing.