

BEFORE THE BOARD OF COUNTY COMMISSIONERS FOR
MULTNOMAH COUNTY, OREGON

In the Matter of Adoption by the)
Board of Commissioners of the)
Amended Deferred Compensation Plan))
for Multnomah County, Oregon)

RESOLUTION 90-210

WHEREAS, The Board of County Commissioners approved the adoption of Multnomah County Deferred Compensation Plan and the appointment of a Deferred Compensation Committee to administer the plan on February 28, 1980, amended July 16, 1981; November 7, 1985; June 30, 1987; March 8, 1989; and March 26, 1990,

WHEREAS, The Deferred Compensation Committee has approved amendments to the plan necessary for purposes of conforming to Section 457, as amended, of the Internal Revenue Code.

BE IT RESOLVED that the Deferred Compensation Plan as amended, and attached and marked Exhibit A is adopted as the Compensation Plan for Multnomah County.

DATED this 13th day of December, 1990.

(SEAL)



REVIEWED:

Sandra Duffy

Laurence Kressel, County Counsel
for Multnomah County, Oregon

By

Gladys McCoy
Gladys McCoy, Chair
MULTNOMAH COUNTY, OREGON

857F/IK/1b

**MULTNOMAH COUNTY, OREGON
EMPLOYEE'S DEFERRED COMPENSATION PLAN
As Amended**

ARTICLE I
INTRODUCTION

Multnomah County, Oregon ("County") hereby amends the Multnomah County, Oregon Employee's Deferred Compensation Plan ("Plan") that was established February 15, 1980, pursuant to Section 457 of the Internal Revenue Code, as amended ("Code"). The purpose of the Plan is to attract and retain eligible employees by permitting them to enter into agreements with the County which will provide for the payment of deferred compensation on retirement or separation from service as well as death benefits in the event of death before or after retirement.

Nothing contained in this Plan shall be deemed to constitute an employment agreement for services between the Participant and the County nor shall it be deemed to give a Participant any right to be retained in the employ of the County. Nothing herein shall be construed to modify the terms of any employment agreement for services between a Participant and the County as this Plan is intended to be a supplement hereto.

ARTICLE II
DEFINITIONS

- 2.00 *Approved Institution:* Any organization that has been approved by the Committee to provide services or Investment Product(s) to the County under the Plan. The Committee is to procure services according to Public Bid laws and County rules.
- 2.01 *Beneficiary:* Beneficiary or Beneficiaries of certain benefits of the Plan designated by the Participant in the Participation Agreement. Nothing herein shall prevent the Participant from designating more than one Beneficiary or primary or secondary Beneficiaries or changing the designation of a Beneficiary. If two or more, or fewer than all designated Beneficiaries survive the Participant, payments shall be made equally to all such Beneficiaries, unless otherwise provided in the Beneficiary designation. Elections made by a Participant in the Participation Agreement shall be binding on any such Beneficiary or Beneficiaries except for the right of a Beneficiary as provided in Section 6.05.
- 2.02 *Committee:* Deferred Compensation Committee appointed pursuant to Article III, 3.01 of this plan.
- 2.03 *Compensation:* The total annual remuneration for employment payable by the County that would be included in the federal gross income of the Participant's election to participate in the Plan.
- 2.04 *Deferred Compensation:* The amount of Compensation not yet earned, as designated in the Participation Agreement which is made a part hereof, which the Participant and the County mutually agree shall be deferred in accordance with the provision on this Plan, subject to the following limitations:

- (a) *Normal Limitation:* The maximum amount that may be deferred under this Plan for a Participant's taxable year (except as provided in paragraph 2.04(b)) is the lesser of \$7,500 or 33-1/3% of the Participant's Includible Compensation. The minimum shall be \$25.00 per pay period.

For a Participant in more than one 457 plan, the maximum amount that may be deferred for such Participant's taxable year is \$7,500 (as modified by 2.04(b)). In applying this limit, a reduction must be made for any amounts excluded under 403(b) for the year and salary deferrals for the year under a 401(k) plan or a simplified pension plan.

- (b) *Catch-up Limitation:* For each one of the Participant's last three taxable years ending prior to but not including the year of such Participant's Normal Retirement Age, as elected by the Participant pursuant to or otherwise defined in Section 2.10, the limitation set forth in paragraph 2.04(a) shall be the lesser of:

(1) \$15,000; or

(2) the sum of the Normal Limitation set forth in paragraph 2.04(a), plus so much of the Normal Limitation which has been underutilized in all prior taxable Plan Years since the plan inception date.

- (c) For purposes of paragraph b., a prior taxable Plan Year can be taken into account: (1) if the Participant was eligible to participate in the Plan or any similar prior plan of another employer during any portion of any prior taxable year since January 1, 1979; and (2) if the compensation deferred under such plan during such prior taxable years was subject to a maximum deferral limitation as required by Section 457 of the Code.

2.05 *Designated Institution:* As designated by a Participant in the Participation Agreement, any Approved Institution whose Investment Product is used for purposes of measuring the benefits due that Participant pursuant to the Plan.

2.06 *Eligible Employee(s):* Any individual who is an elected official of the County or an individual who occupies a budgeted position with the County, who performs services for the County for which compensation is paid for six continuous months and who meets the criteria set forth in Section 4.01. An exempt employee shall become eligible after completing 30 days of continuing service. An employee who terminates and later starts a new period of employment must again satisfy the six months/30 day requirement. Employees transferring from another plan shall become eligible immediately.

A leave of absence approved by the County shall not constitute a termination of employment. If the leave is with pay or is less than six months, eligibility shall not be effected. If the leave is without pay, and exceeds six months eligibility shall cease and the employee shall again be eligible immediately after resumption of actual employment.

- 2.07 *Employment:* Agreement between the County and an individual who occupies a budgeted position with the County and who performs services for which compensation is paid.
- 2.08 *Includible Compensation:* The amount of Compensation includible in the Participant's federal gross income, reduced both by amounts of Compensation deferred under this Plan pursuant to Section 457 of the Code or otherwise and by amounts contributed by the County to an annuity contract described in Section 403(b) of the Code, without regard to any community property laws.
- 2.09 *Investment Product:* Any product issued by or obtained from an Approved Institution for the purpose of satisfying the County's obligations under the Plan.
- 2.10 *Normal Retirement Age:* The Normal Retirement Age shall be as described in Section 2.10(a) below subject to the alternative provision of 2.10(b) as elected in writing by the Participant or pursuant to the automatic provision of 2.10(c):
- (a) Age 70-1/2; or
 - (b) Any of the following as elected by the Participant at any time prior to Separation from Service or prior to the use of Catch-up Limitation provision described in Section 2.04(b) by the execution of a revised Participant Agreement.
 - (1) Any age which is (1) not earlier than the earliest age at which the Participant has the right to retire and receive unreduced retirement benefits under the Oregon Public Employees Retirement System (PERS) and (2) not later than the date the Participant attains age 70-1/2; or
 - (2) For a Participant who continues in the service of the County after the Normal Retirement Age provided in Section 2.10(a) or after the age selected pursuant to 2.10(b) (1), such Normal Retirement Age may be a later age as elected by the Participant; provided however, such age may not be later than the Participant's actual date of Separation from Service with the County.
 - (c) If a Participant continues to provide services for the County either (a) after age 70-1/2 without having previously elected an alternative Normal Retirement Age as provided in Section 2.10(b) or (b) after such age as elected pursuant to Section 2.10(b), such Participant's Normal Retirement Age shall automatically be the Participant's actual date of Separation from Service.
- 2.11 *Participant:* Any Eligible Employee who executes a participation agreement.
- 2.12 *Participation Agreement:* A written agreement between the County and a Participant setting forth certain provisions and elections relative to the Plan, establishing the amount of Deferred Compensation and the manner and methods of paying benefits under the Plan, incorporating

the terms and conditions of the Plan and establishing the Participant's participation in the Plan.

- 2.13 *Plan Year:* The calendar year.
- 2.14 *Retirement:* The severance of the Participant's employment with the County on or after attainment of the Participant's Normal Retirement Age.
- 2.15 *Separation from Service:* The severance of the Participant's employment with the County for any reason.

ARTICLE III

ADMINISTRATION

- 3.01 This Plan shall be administered by a Deferred Compensation Committee ("Committee"). The Committee shall consist of the County's Finance Director, Finance Division's Deferred Compensation Administrator, and three members, who are employees of the County appointed by the County Chair with the approval of the Board of County Commissioners. The County may remove a Committee member for any reason by giving such member ten (10) days written notice and may thereafter fill any vacancy thus created. The Committee shall represent the County in all matters concerning the administration of this Plan.
- 3.02 The Committee shall have full power and authority: to adopt rules and regulations for the administration of the Plan, provided they are consistent with the provisions of this Plan and/or Section 457 of the Code and any Treasury regulations promulgated thereunder; to interpret, alter, amend, or revoke any rules and regulations so adopted; to enter contracts on behalf of the County with respect to this Plan; to make discretionary decisions under this Plan such as called for in Article VII; to demand satisfactory proof of the occurrence of any event that is a condition precedent to the commencement of any payment or discharge of any obligation under the Plan; and to perform any and all administrative duties under this Plan.
- 3.03 A Committee member shall be eligible to participate in the Plan, but such person shall not be entitled to participate in discretionary decisions under Article VII relating to such person's own participation in the Plan.
- 3.04 The Committee acting on behalf of the County may contract with an Approved Institution (a) to issue to the County an Investment product as described in Article V of the Plan or (b) to provide services under the Plan to the County including, but not limited to, the enrollment of Eligible Employees as Participants on behalf of the County, the maintenance of individual or other accounts and other records, the making of periodic reports and the disbursement of benefits to Participants and Beneficiaries. In selecting an Approved

Institution, the Committee must adhere to Public Bid laws and County rules.

ARTICLE IV

PARTICIPATION IN THE PLAN

4.01 *Eligibility:* Any Eligible Employee who performs services for the County for which Compensation is paid and who executes a Participation Agreement with the County is eligible to participate in the Plan.

4.02 *Enrollment in the Plan:*

- (a) An Eligible Employee may become a Participant and agree to defer Compensation not yet earned by entering into a Participation Agreement not later than 30 days prior to the first day of the calendar month in which it is to become effective.
- (b) At the time of entering into or modifying the Participation Agreement hereunder to defer Compensation or at the time of re-entry following a withdrawal under Article VII, a Participant must agree to defer a minimum amount of \$650.00 annually.
- (c) A Participant may modify the participation agreement no more than 6 times per plan year, except as provided in Article VII hereof with respect to withdrawals. Notice of such modifications must be given prior to the first day of the calendar month for which such modification is to be effective.
- (d) A Participant may at any time revoke the Participation Agreement to defer Compensation with respect to Compensation not yet earned. The revocation is effective and the Participant's full Compensation will be restored in the month subsequent to the month such revocation is approved. Amounts previously deferred shall be paid only as provided in this Plan.
- (e) A Participant who has withdrawn from the Plan, as set forth in Article VII, or has revoked the Participation Agreement, as set forth in subsequent (d), above, or who returns to perform services for the County after a Separation from Service, may again become a Participant in the Plan and agree to defer Compensation not yet earned by entering into a new Participation Agreement prior to the first day of the calendar month for which it is to become effective.
- (f) Pursuant to procedures determined by the Committee, a Participant may request that the County change the designation of the Designated Institution utilized by the County; provided however, such a request, whether executed or not, shall in no way interfere with the status of the County as the legal owner of any assets or contracts acquired by the County to support its obligation under this Plan.

ARTICLE V

CALCULATION OF BENEFITS

- 5.01 The amount of any benefit payment to a Participant or Beneficiary made pursuant to this Plan shall be determined by the value at the time of such payment of the Investment Product(s) described below in accordance with elections in the Participation Agreement and the provisions of the Plan:
- An amount equal to the amount which would have been payable to the Employer under either an annuity contract or individual savings account issued to the County by an Approved Institution selected by the Participant as the Designated Institution according to the terms and conditions of the Participation Agreement. The amount shall further be determined as if -
 - the Participant is the annuitant under the annuity contract or the insured under the life policy or both,
 - the manner and method of payment is as specified in the Participation Agreement, and,
 - the premium is equal to the Participant's Deferred Compensation as if such Deferred Compensation had been applied as a premium to such annuity contract or life insurance policy within a reasonable time subsequent to the reduction in the Participant's Compensation as authorized and as specified in the Participant's Agreement.
- 5.02 The County at its discretion may acquire an Investment product and invest amounts of Deferred Compensation in an Investment Product in order to provide a fund from which it can satisfy its obligation to make benefit payments pursuant to this Plan. Any Investment Product so acquired by the County shall be the sole and exclusive property of the County with the County named as owner and beneficiary; provided further, such Investment Product shall not be held in trust or collateral security for the benefit of any Participant or Beneficiary.
- 5.03 All amounts of Compensation deferred under this Plan, all property and rights which may be purchased by the County with such amounts and all income attributable to such amounts, property or rights to property shall remain the sole property and rights of the County without being restricted by the provisions of this Plan subject only to the claims of the County's general creditors. The obligation of the County under this Plan is purely contractual and shall not be funded or secured in any way.
- 5.04 The County shall be liable to pay benefits under this Plan only to the extent of amounts that would have been available under the Investment Product as measured by elections made in the Participation Agreement, and the County shall not be responsible for the investment or performance results of such Investment Product. Furthermore, if an Investment Product is so acquired to measure benefits payable

under this Plan, the value of any benefit shall be determined by the actual cash value of the Investment Product at the time of benefit payment, unaffected by any independent or arbitrary standard of calculation with respect to such Investment Product.

ARTICLE VI

BENEFITS

6.01 *General Benefit Terms:*

a(i) Benefit payments to a Participant or Beneficiary shall be made according to the manner and method of payment as elected in the Settlement Agreement, which election may be changed by a Participant or a Beneficiary as appropriate and as allowed by the Plan at any time more than thirty (30) days prior to the commencement of such benefit payments pursuant to the Participation Agreement.

(ii) Subject to the restrictions on choice of benefit contained in paragraphs 6.01 b., 601 c., 604, and 6.05, the options available for selection by the Participant or Beneficiary as the manner and method of payment are:

- 1) Lump sum;
- 2) periodic payments for a designated period;
- 3) periodic payments for life;
- 4) periodic payments for life with a guaranteed minimum number of payments;
- 5) periodic payments for the life of the Participant with continuation of the payments or a percentage of the payments for the lifetime of the Participant's spouse;
- 6) such other option as the County may, in its sole discretion, offer to the Participant prior to the commencement of benefits.

Periodic payment may be monthly, quarterly, semiannually, or annually. The amount of each payment may be fixed or fluctuate with the performance of the Investment Product.

- 7) The County shall cash out any account under \$2,500 at any time after separation of service.

b. In the absence of an election in the Participation Agreement as to the manner and method of such benefit payments as provided in Section 6.01 a. (ii), the County shall make periodic payments to the Participant or Beneficiary as a distribution of the account in equal percentages over ten years; provided further, in no

event shall payments to a Beneficiary exceed (i) the life expectancy of a Beneficiary where such Beneficiary is the surviving spouse of the Participant or (ii) a period of fifteen (15) years or, if less, the life expectancy of the Beneficiary where such Beneficiary is not the surviving spouse of the Participant.

- c. In determining the amount of benefit payments, the minimum distribution incidental death benefit rule must be satisfied. This rule will be similar to the one contained in IRS Proposed Regulation 1.401 (a) (9)-2. To the extent that the payment required under this rule is greater than the amount determined under 6.01 f., the greater amount must be paid.
- d. Benefit payments to a Participant or Beneficiary shall commence at the time provided in the Plan, subject to an irrevocable election by the Participant or Beneficiary as appropriate prior to the time such benefits first become payable to defer the beginning of such payments or a portion of such payments to a later date as allowed by the Plan and pursuant to the Participation Agreement.
- e. In no event may benefit payments to the Participant or any Beneficiary commence more than 60 days after the close of the Plan Year after the later of (1) the date of Separation from Service or (2) the date the Participant attains (or would have attained) Normal Retirement Age.
- f. Benefits under the Plan must either (i) be distributed by April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2 or retires, whichever occurs later, or (ii) commence no later than April 1 of such calendar year and be made over the life of the Participant (or the lives of the Participant and the Participant and the Participant's Beneficiary) or over a period not exceeding the life expectancy of the Participant (or the life expectancies of the Participant and his or her Beneficiary).
- g. Distributions payable over a period of more than one year must be paid in substantially non-increasing amounts (not less frequently than annually).
- h. For purposes of interpreting the provisions of the Plan, the Committee shall only consider a Participation Agreement signed by the Participant or Beneficiary, as appropriate, and submitted to the Committee.

6.03 *Benefits Upon Separation From Service:* If Separation from Service occurs prior to attainment of the Normal Retirement Age, the County shall begin benefit payments no earlier than thirty (30) days and no later, than ninety (90) days following such Separation from Service; provided however, the Participant may irrevocably elect, within 90 days after Separation from Service, to defer the beginning of such payments, or any portion of payments, to a later date not later than Normal Retirement Age as provided in the Participation Agreement.

This provision shall only apply if the Participant retires prior to attaining age 70-1/2. For Participant retiring on or after attaining age 70-1/2, the County shall begin benefit payments on April 1 of the calendar year following the calendar year in which the Participant retires or 60 days after the close of the Plan Year following Retirement, whichever is earlier, in accordance with the provisions of Section 6.01 f. and g. and with the election made by the Participant in the Participation Agreement.

6.04 *Benefits Upon Death After Commencement of Benefits*

- (a) Should the Participant die at any time after benefit payments have commenced, the County shall commence payment to the Beneficiary of the balance remaining of such payments no earlier than thirty (30) days following the death of the Participant but in no event no later than ninety (90) days following the Participant's death. Payments to the Beneficiary shall continue under the option selected by the Participant in the Participation Agreement.
- (b) If no Beneficiary is designated as provided in Section 2.01 or if no Beneficiary survives the Participant for a period of thirty (30) days, then the County shall pay to the estate of the Participant a single lump sum amount equal to the current cash value of such remaining payments. If a Beneficiary does not survive the period after the Participant's death during which such payments to the Beneficiary are to be made, the County shall pay to the estate of that Beneficiary a single lump sum amount equal to the current value of such remaining payments to that Beneficiary.

6.05 *Benefits Upon Death Prior to Commencement of Benefits:*

- (a) Should the Participant die at any time before benefit payments have commenced, the County shall commence benefit payments to the Beneficiary no earlier than thirty (30) days following the Participant's death and no later than ninety (90) days following the Participant's death. Such payments shall be made according to the manner and method provided in the Participation Agreement or as selected by the Beneficiary pursuant to a revised Participation agreement submitted to the County more than thirty (30) days prior to the commencement of such benefit payments over a period not to exceed:
 - 1. the life expectancy of the Beneficiary if the Beneficiary is the Participant's surviving spouse, or
 - 2. a period not in excess of fifteen (15) years or, if less, the life or life expectancy of the Beneficiary if the Beneficiary is not the Participant's surviving spouse.
- (b) However, the Beneficiary may irrevocably elect within the sixty (60) day period subsequent to the Participant's death to defer the beginning of such payments as described below. Subject to the limitations provided under Section 6.05 a., the Beneficiary

may also elect to change the manner and method of benefit payments as allowed under the Plan if such election is made more than thirty (30) days prior to the date when such deferred benefits are to commence pursuant to Section 6.05 b. of the Plan.

The maximum deferral period is five years from the Participant's date of death or the date the Participant would have attained Normal Retirement Age, whichever date is earlier. Provided that, if the deferral of benefits extends beyond one year from the Participant's date of death, the manner of payout elected must assure that the entire amount payable is distributed within five years of the Participant's date of death. Notwithstanding the foregoing, if the Participant's spouse is the Beneficiary, the beginning of such payments can be deferred until the date the Participant would have attained age 70-1/2 or the date the Participant would have attained Normal Retirement Age, whichever date is earlier.

- (c) If no Beneficiary is designated as provided in Section 2.01 or if no Beneficiary survives the Participant for a period of thirty (30) days, the County shall pay to the estate of the Participant a single lump sum amount equal to the current cash value of any remaining payments. If a Beneficiary does not survive the period after the Participant's death during which such payments to the Beneficiary are to be made, then the Employer shall pay to the estate of that Beneficiary a single lump sum amount equal to the current cash value of such remaining payments to that Beneficiary.

ARTICLE VII

WITHDRAWALS

- 7.01 In the case of an unforeseeable emergency prior or subsequent to the commencement of benefit payments, a Participant may apply to the Committee for withdrawal of an amount reasonably necessary to satisfy the emergency need. If such application for withdrawal is approved by the Committee the withdrawal will be effective at the later of the date specified in the Participant's application or the date of approval by the Committee. The approved amount shall be payable in a lump sum within thirty (30) days of such effective date or in some other manner consistent with the emergency need as determined by the Committee.
- 7.02 For the purposes of this Plan, the term "unforeseeable emergency" means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Withdrawals for foreseeable expenditures normally budgetable, such as a down payment on a home or purchase of an auto or college expenses,

will not be permitted. The Committee shall not permit withdrawal for unforeseeable emergency to the extent that such hardship is or may be relieved:

- (a) through reimbursement of compensation by insurance or otherwise;
- (b) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or
- (c) by cessation of deferrals under the plan.

- 7.03 The Participant shall apply for withdrawal under procedures fixed by the Committee. The Committee may require a minimum advance notice and may limit the frequency of emergency withdrawals.
- 7.04 The Committee may require supporting documentation of the emergency and other equivalent deemed necessary by the Committee. This could include, but would not be limited to, tax returns, bank statements, hospital bills, and other financial statements as requested.
- 7.05 In no event shall the amount of a withdrawal for unforeseeable emergency exceed the amount of benefits which would have been available to the Participant at the time of withdrawal. Notwithstanding any other provision of this Plan, if a Participant makes a withdrawal hereunder, the value of benefits under the Plan shall be appropriately reduced to reflect such withdrawal, and the remainder of any benefits shall be payable in accordance with otherwise applicable provisions of the Plan.

ARTICLE VIII

NON-ASSIGNABILITY CLAUSE

Neither the Participant nor any other person shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights thereto are expressly declared to be unassignable and non-transferrable. Nor shall any unpaid benefits be subject to attachment, garnishment or execution for the payment of any debts, judgments, alimony or separate maintenance owned by the Participant or any other person or be transferrable by operation of law in the event of bankruptcy or insolvency of the Participant or any other person.

ARTICLE IX

AMENDMENT OR TERMINATION OF PLAN

- 9.01 The County may terminate this plan effective the first day of any month after notice to the participants. On termination the following shall apply except as provided in 9.02 and 9.03:
 - a. Amounts deferred through the last month before the effective

date of termination shall remain deferred and be credited to the accounts in accordance with the plan.

- b. Deferral elections shall terminate as of the effective date of termination and no further deferrals shall be allowed.
- c. Amounts in an account shall remain to the credit of the account, shall continue to be adjusted for investment results and shall be paid out in accordance with this plan, which shall continue for that purpose.

9.02 The County may elect any time after termination under 9.01 to distribute all accounts to participants as follows:

- a. The first of the second month after notice of the election to distribute shall be the payment date for all participants whose regular payment date is not earlier than that date.
- b. Distribution may be made in accordance with the payment options selected by the participants under 6.1.

9.03 If the Internal Revenue Service rules that any amounts deferred under this plan will be subject to current income tax all amounts to which the ruling is applicable shall be paid as soon as practicable to the participants. The Participant is responsible for any tax liability.

9.04 The plan may be amended as follows:

- a. The Committee is authorized to amend the plan if it determines the amendments are necessary to comply with IRC 457 and would not do any of the following:
 - (1) Affect investment options available to participants.
 - (2) Affect compliance of the plan with the Internal Revenue Code.
 - (3) Expose the County to potential liability.
- b. An amendment shall be effective the first day of any month by notice to the participants. An amendment may be retroactive except that the right of employees to defer compensation may not be reduced for any period before the first of the month after the notice is given. The Committee shall communicate to the County within six months any amendment it adopts.

ARTICLE X

CLAIMS PROCEDURE

10.01 A person claiming a benefit, requesting an interpretation or ruling under this plan, or requesting information under the plan shall

present the request in writing to the Committee, which shall respond in writing as soon as practicable.

- 10.02 If the claim or request is denied, the written notice of denial shall state:
- a. The reasons of denial, with specific reference to the plan provisions on which the denial is based.
 - b. A description of any additional material or information required and an explanation of why it is necessary.
- 10.03 Any person whose claim or request is denied or who has not received a response within 30 days may request review by notice in writing to the Committee. The original decision shall be reviewed by the Committee which may, but shall not be required to, grant the claimant a hearing. On review, whether or not there is a hearing, the claimant may have representation, examine pertinent documents and submit issues and comments in writing.
- 10.04 The decision on review shall ordinarily be made within 60 days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be so notified and the time limit shall be 120 days. The decision shall be in writing and shall state the reasons and the relevant plan provisions. All decisions on review shall be final and bind all parties concerned.

ARTICLE XI

PLAN-TO-PLAN TRANSFERS

- 11.01 This Plan shall accept for transfer amounts of Compensation previously deferred pursuant to another "eligible" plan of deferred compensation established pursuant to Section 457 of the Code maintained by another employer.
- 11.02 If the Participant separates from service to accept employment with another employer which maintains an "eligible" plan of deferred compensation pursuant to Section 457 of the Code, the amounts deferred under this Plan shall, at the Participant's election, be transferred to such other "eligible" plan, provided such other plan provides or is able to provide for the acceptance of such amounts. The Participant's election to transfer must be made prior to the date benefits would otherwise become payable pursuant to the terms of this Plan.

ARTICLE XII

GENERAL PROVISIONS

- 12.01 Any notice under this plan shall be in writing and shall be effective when actually delivered or, if mailed, when deposited postage prepaid

directed to the County at the appropriate County office or to a participant or beneficiary at the last address shown in the records of the County or the committee. Notices to the Committee shall be sent to the County's address.

- 12.02 Except for the limited provisions for death benefits, no interest of a participant or any beneficiary or representative or a participant may be directly or indirectly transferred, encumbered, seized by legal process or in any other way subjected to the claims of any creditor. Subject to this limitation, this plan shall insure to the benefit of and be binding on all participants and their beneficiaries, successors and personal representatives.
- 12.03 Following separation of service, a participant shall not be an employee of the County for any purpose. Payments under this plan shall not constitute salary or wages paid as compensation for performance of any substantial services.
- 12.04 The Committee may decide that because of the mental or physical condition of a person entitled to payments, or because of other relevant factors, it is in the person's best interest to make payments to others for the benefit of the person entitled to payment. In that event the committee may in its discretion direct that payments be made as follows:
- a. To a parent or spouse or a child of legal age;
 - b. To a legal guardian; or
 - c. To one furnishing maintenance, support, or hospitalization.
- 12.05 This plan shall be construed under the laws of the State of Oregon.
- 12.06 This plan shall not give any person the right of continued employment with the County.
- 12.07 The County and the Committee shall have no liability for action taken in good faith under this plan. The County shall indemnify and defend any Committee member from any claim or liability that:
- a. Arises from any action or inaction in the administration of this plan absent willful misconduct or bad faith; and
 - b. Is not covered by insurance.
- 12.08 The Committee shall determine the costs of administration of this plan for deferrals, investments, distributions and other matters. The County may elect to pay any or all costs. Otherwise the costs shall be deducted ratably by the Committee from amounts deferred by all participants.
- 12.09 The Deferred Compensation Plan and Agreement is to comply with and be administered in a manner consistent with Section 457, as amended, of the Internal Revenue Code, and any Treasury regulations issued thereunder.

ARTICLE XIII

EFFECTIVE DATE

This Plan was effective February 15, 1980. The plan was adopted June 5, 1980 by resolution of the Board of County Commissioners; amended July 16, 1981, November 7, 1985, June 30, 1987, March 8, 1989, March 26, 1990, and October _ , 1990.

APPLICABLE LAW

The Plan shall be construed under the laws of the State of Oregon.

IT WITNESS WHEREOF, the Employer has caused this Plan to be signed and attested by its duly authorized officers on the _____ day of _____, 19 ____.

WITNESS:

Title

Title

667F/Rev. 11/02/90
/IK/js