

**New Jersey Defined Contribution Retirement Program
Document**

Adopted July 2, 2007

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1. Establishment of Program

1.1. Program established

This document states the provisions of the Defined Contribution Retirement Program (the “Program” or “DCRP”) established by P.L. 2007, c.92 (N.J.S.A. 43:15C-1 et seq.), and establishes a Trust for the assets comprising the Retirement Plan under the Program. The provisions of N.J.S.A. 43:15C-1, et seq. are incorporated into the Program as if fully set out in this document.

The Program consists of three benefits: the DCRP Retirement Plan, which is a defined contribution retirement plan intended to qualify for favorable federal income tax treatment under Internal Revenue Code (IRC) § 401(a), the DCRP Group Life Insurance Plan and the DCRP Group Disability Benefit Plan. Assets held in the Trust under the Program for the DCRP Retirement Plan shall not be available for the payment of premiums, benefits or administrative expenses with respect to the DCRP Group Life Insurance Plan and/or the DCRP Group Disability Benefit Plan.

1.2. Exclusive benefit

The Program, the Plans under the Program, and the Trust are established for the exclusive benefit of Participants and their Beneficiaries. Consistent with IRC § 401(a)(2), no amount held under the DCRP Retirement Plan will ever inure to the benefit of the Plan Sponsor, any Employer, the Plan Administrator, or any successor of any of them, and all Retirement Plan investments and amounts will be held for the exclusive purpose of providing Benefits to the Retirement Plan’s Participants and their Beneficiaries. Notwithstanding anything in this Plan document to the contrary, it shall be impossible at any time before the satisfaction of all liabilities to Participants, Beneficiaries, and Alternate Payees for any part of the Program assets to be used for or diverted to purposes other than for the exclusive benefit of Participants, Beneficiaries, and Alternate Payees, except that payment of taxes and administration expenses may be made from the Program assets as provided by the Program, an applicable Plan under the Program or as permitted by Applicable Law.

1.3. Program consists of three Plans

The DCRP consists of three Plans, as described herein.

1.3.1. DCRP Retirement Plan

The DCRP Retirement Plan (the “Retirement Plan”) is a plan of retirement benefits for the benefit of Eligible Employees and their Beneficiaries. The Retirement Plan is intended to be a tax-qualified defined contribution money purchase pension plan under IRC § 401(a) et seq., and is further intended to be a “governmental plan” within the meaning of IRC § 414(d). The Plan Administrator intends to maintain the Retirement Plan as a plan that qualifies for favorable income tax treatment under IRC § 401(a). Assets of the Trust with respect to the Retirement Plan shall be used solely for the purpose of providing benefits under the Retirement Plan, and for paying the administrative expenses of the Retirement Plan.

1.3.2. DCRP Group Life Insurance Plan

The DCRP Group Life Insurance Plan (the “Group Life Insurance Plan”) is a plan for the provision of group life insurance benefits for Eligible Employees as described herein. Premiums for such group life insurance coverage shall be paid from a special fund, hereby created, called the “Defined Contribution Retirement Program Group Life Insurance Premium Fund.”

1.3.3. DCRP Group Disability Benefit Plan

The DCRP Group Disability Plan (the “Group Disability Plan”) is a plan for the provision of group disability insurance benefits for Eligible Employees. Premiums for such group insurance coverage shall be paid from a special fund, hereby created, called the “Defined Contribution Retirement Program Group Disability Benefit Insurance Premium Fund.”

1.4. Individual account plan

The Retirement Plan is an individual account plan which provides for an individual Account for each Participant and for Benefits based solely upon the amount of Contributions, investment gains and losses, Fees, and expenses allocated to the Participant’s Account.

1.5. ERISA does not apply

The United States Code provisions created by Title I of the Employee Retirement Income Security Act of 1974 [“ERISA”] do not apply to this Program.

1.6. Governmental plan rules

The Program is a Governmental Plan within the meaning of 29 U.S.C. § 1002(32) and IRC § 414(d).

1.7. No third-party beneficiary

The Plan Sponsor and each Employer does not intend by any of the Program’s provisions to make any Person other than a Participant, an Alternate Payee designated by a Qualified Domestic Relations Order, or a Beneficiary under an applicable Plan following the death of the Participant a third-party Beneficiary of the Program or any Plan under the Program. Further, nothing in the Program can be construed or interpreted to authorize any Person other than a Participant, Alternate Payee, or Beneficiary after the Participant’s death to maintain any cause of action under or relating to the Program. The duties, obligations, and responsibilities of the Plan Administrator and each Employer concerning third parties will remain solely as imposed by Applicable Law.

2. Definitions

Whenever used in the Program or with respect to an applicable Plan, each of the following terms has the meaning stated below. To the extent that any term is not defined in this Part or otherwise by this Plan document, such term has the meaning given by N.J.S.A. 43:15C-1 et seq. or by the Internal Revenue Code.

2.1. “Account”

means the total of the individual sub-Account(s) maintained on behalf of each Participant, Beneficiary, or Alternate Payee under the Investment Option(s) held pursuant to the Retirement Plan. The following sub-accounts shall be maintained by the DSPs: an Employer Account to which Employer Contributions shall be credited; an Employee Mandatory Account to which Employee Mandatory Contributions shall be credited; an Employee Voluntary Account to which Employee Voluntary Contributions shall be credited; and a Rollover Account to which rollovers shall be credited.

2.1.1. Separate Beneficiary Accounts

If the Participant designates more than one Beneficiary, after the death of the Participant and upon the written request of any Beneficiary or upon an approved claim payable to any Beneficiary and not all Beneficiaries, the DSP shall, to the extent permitted by the Investment Option, maintain a separate Account with respect to the interest of each Beneficiary, beginning as of the next Valuation Date that occurs after the Beneficiary’s request or claim is received by the DSP.

2.2. “Applicable Law”

means the Law of the United States of America or the state of New Jersey Law that is applicable to the governance or administration of the Program or an applicable Plan under the Program.

2.3. “Applicable Form”

means the appropriate form as designated and furnished by the Plan Administrator or DSP to make an election or provide a notice as required by the Program, including a form in electronic medium with an electronic signature in compliance with E-SIGN and Applicable Law.

2.3.1. “E-SIGN”

means 114 Statutes 464, Public Law 106-229 – the Federal Electronic Signatures in Global and National Commerce Act.

2.3.2. “Electronic”

means, consistent with E-SIGN § 105(3), of or relating to technology having electrical, digital, magnetic, optical, electromagnetic, or similar capabilities regardless of medium.

2.3.3. “Electronic Signature”

means, consistent with E-SIGN § 105(2), information or data in Electronic form, attached to or logically associated with an Electronic Record, and executed or adopted by a Person or an Electronic Agent of a Person, with the intent to sign a contract, agreement, or record.

2.4. “Alternate Payee”

means a Person who is an alternate payee (within the meaning of IRC § 414(p)(8)) under an order directed to the Retirement Plan that the Plan Administrator or DSP has determined to be a Qualified Domestic Relations Order.

2.5. “Annuity Payout Option”

means a Payout Option under the Retirement Plan, if permitted by the Plan Administrator, which includes a provision for payments based, in whole or in part, upon the life of a natural person.

2.6. “Base Salary”

means a Participant’s regular base salary; except that for a Participant described in ¶ 4.1(e), it shall mean the excess over the maximum compensation as specified in that paragraph. Base Salary includes Employee Contributions as well as salary reduction contributions and other amounts excluded from gross income with respect to such Base Salary under, without limitation, IRC § 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 414(h)(2) or 457(b). Base Salary excludes overtime or other forms of extra compensation, including but not limited to, longevity lump sum payments, lump sum terminal sick leave or vacation pay, the value of maintenance, individual pay adjustments made within or at the conclusion of the Participant’s final year of service, retroactive salary adjustments or other pay adjustments made in the Participant’s final year of service unless the adjustment was made as a result of a general pay adjustment for all personnel of the public office or agency in which the Participant is employed, or any unscheduled individual adjustment made in the final year to place the participant at the maximum salary level within salary range.

2.7. “Beneficiary”

means each Person a Participant designates by a valid Beneficiary Designation to receive any undistributed Benefit payable on or after the Participant’s death.

2.8. “Beneficiary Designation”

means a valid and effective Beneficiary Designation made according to Part 8.

2.9. “Benefit”

refers to the right under the Retirement Plan of the Participant (or Beneficiary or other payee) to receive a Distribution of all or any portion of the Participant’s Account.

2.10. “Statute” or “N.J.S.A.”

means the New Jersey Statutes Annotated.

2.11. “Compensation”

means all wages, salaries, fees, and other amounts paid to the Employee by the Employer for personal services actually rendered in the course of employment with the Employer and used as a basis for Employee and Employer contributions.

2.12. “Contributions”

means Contributions under the provisions of the Retirement Plan, including Employee Contributions and Employer Contributions.

2.13. “Defined Contribution Retirement Program Board” or “Board”

shall consist of the Director of the Division of Pensions and Benefits or a designee; the Director of the Division of Investment or a designee; the Commissioner of the Department of Banking and Insurance or a designee; the Director of the Office of Management and Budget or a designee; and a person appointed by the Director of the Division of Pensions and Benefits who is an active participant or retiree of the Defined Contribution Retirement Program.

2.14. “Designated Service Provider” or “DSP”

is a company designated by the Defined Contribution Retirement Program Board under N.J.S.A. 43:15C-4.

2.15. “Direct Rollover”

means a payment under the Retirement Plan to an Eligible Retirement Plan specified by the Distributee.

2.16. “Distributee”

means any Person who receives, or but for his/her instruction to the Plan Administrator is entitled to receive, a Distribution.

A Distributee includes an Alternate Payee to whom the Plan Administrator is directed to make a payment under a Qualified Domestic Relations Order.

2.17. “Distribution”

means, as appropriate in the context, any kind of Distribution or the particular kind of Distribution provided by the Retirement Plan.

2.18. “Distribution Commencement Date”

means the first date on which a Distribution (or any payment under a Distribution) is paid or becomes payable.

2.19. “Effective Date”

means [INSERT ACTUAL EFFECTIVE DATE].

2.20. “Eligible Employee”

means an individual described in ¶ 4.1 and not excluded under ¶ 4.1, consistent with the requirements of N.J.S.A. 43:15C-2. The Employer’s classification of a person as an employee or other individual with the status of an Eligible Employee for purposes hereof shall be final and conclusive, regardless of whether a court, governmental agency or other entity subsequently finds that such individual should have been assigned to a different classification.

2.21. “Employee Contribution”

means the sum of (a) Employee Mandatory Contributions in the percentage amount of Base Salary required from the Participant under N.J.S.A. 43:15C-3a, and (b) such additional Employee Voluntary Contributions as the Plan Administrator, pursuant to authority under N.J.S.A. 43:15C-3a, may permit the Participant to irrevocably elect upon initial enrollment in the Retirement Plan.

2.22. “Employer”

means the State or a political subdivision thereof, or an agency, board, commission, authority or instrumentality of the State or a subdivision, that pays the base salary of a participant for services rendered by the Participant.

2.23. “Employer Contributions”

means those Contributions made by the Employer under N.J.S.A. 43:15C-3b.

2.24. “Enabling Statute”

means N J S.A. 43:15C-1 et seq.

2.25. “Fees”

means any fees required or permitted to be charged against the Participant’s (or Beneficiary’s or Alternate Payee’s) Retirement Plan Account according to (any one or more of the following): the Retirement Plan, the Trust, the Participation Agreement, an Investment Option including redemption fees, an investment advisory agreement, any other writing signed by the Participant (or, after the Participant’s death, the beneficiary), any written notice given by or on behalf of the Plan Administrator or the Trustee that is accepted or deemed accepted by the Participant (or Beneficiary), or any court order. Additionally, the Plan Administrator may impose fees to pay for expenses it deems proper to administer the Retirement Plan. The fees may be charged to the Participants’ Accounts according to an equitable method determined by the Plan Administrator.

2.26. “Fiduciary”

means a Person that is a fiduciary within the meaning of Applicable Law regarding the Program or an applicable Plan under the Program.

2.27. “Group Disability Plan”

means the DCRP Group Disability Plan as described herein and as it may hereinafter be amended. (See Part 18)

2.28. “Group Life Insurance Plan”

means the DCRP Group Life Insurance Plan as described herein and as it may hereinafter be amended. (See Part 17)

2.29. “Internal Revenue Code” or “IRC”

means the Internal Revenue Code of 1986, as amended, and including any Regulations and rulings (or other guidance of general applicability) under the IRC, as applicable to a governmental plan as defined by IRC § 414(d).

2.30. “Investment Option”

means any investment option selected by the DSP in accordance with the Retirement Plan’s investment policy and approved by the Plan Administrator.

2.31. “Investment Law”

means, as applicable or relevant in the context, any federal or State banking law, insurance law, securities law, and other rules of the National Association of Securities Dealers, Inc. [NASD]

and the rules of the NYSE and of any stock exchange or commodities exchange, to the extent approved or not disapproved by the SEC.

2.32. “NYSE”

means the New York Stock Exchange.

2.33. “Participant”

means the Eligible Employee (or former Eligible Employee) who has enrolled in the Program or an applicable Plan under the Program by filing a Participant Agreement and, with respect to the Retirement Plan for whom Contributions under the Retirement Plan have been made or accrued and whose Account has not been fully distributed under the Retirement Plan.

2.34. “Participation Agreement”

means the Applicable Form that states the Participant’s State DCRP Election and such other information as the Plan Administrator may prescribe for the efficient or convenient administration of the Program or an applicable Plan under the Program.

2.35. “Payout Option”

means any, except as limited below, of the options for payment of a Participant’s Retirement Plan Account that is permitted by the Plan Administrator consistent with the terms of the Retirement Plan and an applicable Retirement Plan Investment Option.

2.35.1. No gender-distinct tables

A Payout Option shall not be based on gender-distinct actuarial tables.

2.35.2. Plan requirements

A Payout Option must satisfy all applicable provisions of the Retirement Plan, including, but not limited to, ¶ 11.2.

2.36. “Person”

means a natural person, a corporation, a limited liability company, an unincorporated association, a partnership, a joint venture, a business trust, the Plan Administrator, or anything that is a person within the meaning of Applicable Law.

2.37. “Personal Representative”

means the Person duly appointed by an order of the court (or of a registrar or administrator under the court’s supervision) having jurisdiction over the estate of the Participant that grants the Person the authority to receive the property of the deceased Participant and to act as the personal representative of the Participant’s probate estate.

2.38. “Plan”

means the Retirement Plan, the Group Disability Plan and/or the Group Life Insurance Plan, as the context requires.

2.39. “Plan Sponsor”

means the State of New Jersey.

2.40. “Plan Administrator”

means the New Jersey Division of Pensions and Benefits, and includes the DSP with respect to duties delegated to the DSP by the Plan Administrator.

2.41. “Plan Procedure”

means any written procedure adopted by or with the consent of the Plan Administrator.

2.42. “Program”

means the New Jersey Defined Contribution Retirement Program provided by the Enabling Statute, as described by this Plan document. The Program consists of the Retirement Plan, the Group Life Insurance Plan and the Group Disability Plan.

2.43. “Qualified Domestic Relations Order” or “QDRO”

means a domestic relations order directed to the Retirement Plan that creates or recognizes the existence of the right of an Alternate Payee to receive all or a portion of any Benefit payable to a Participant under the Retirement Plan and that further meets all requirements for a qualified domestic relations order stated by IRC § 414(p) as applied to a Governmental Plan and Part 8.

2.44. “QDRO Distribution”

means a Distribution to an Alternate Payee required or permitted following a QDRO.

2.45. “Retirement Plan”

means the DCRP Retirement Plan as described herein, and as it may hereafter be amended.

2.46. “Rollover Distribution”

means any Eligible Rollover Distribution that is to be paid directly into an eligible retirement plan as a rollover under IRC § 402(a).

2.47. “SEC”

means and refers to the Securities and Exchange Commission, an agency of the government of the United States of America, established by § 4(a) of the federal Securities Exchange Act of 1934.

2.48. “Severance from Employment”

means the date the Participant terminates employment with an Employer with no obligation for future services to be performed for an Employer by the Participant. The Plan Administrator is entitled to rely upon the date of Severance from Employment certified by the Employer.

2.49. “Spouse”

means, except for the purposes of IRC § 401(a)(9), the individual that is the Participant’s spouse under Applicable Law.

2.50. “State”

means the State of New Jersey unless the context clearly indicates otherwise.

2.51. “Trust”

means and refers to the legal entity and the legal relationship created by ¶ 1.2 and pursuant to Part 21. Consistent with IRC § 401(a)(2), the Trust must be solely for the purposes of the Retirement Plan Program and consistent with Part 1.

2.52. “Trustee”

means the New Jersey Division of Pensions and Benefits and the Defined Contribution Retirement Program Board.

2.53. “Valuation Date”

means any day on which both the NYSE is open for regular trading and the applicable DSP is open for regular business at its principal office.

A Valuation Day ends at the earliest of:

- 4:00 p.m. New York time,
- the time that the NYSE closes trading, or
- the time that any Investment Option must value its assets and price its Shares.

In addition, the Plan Administrator may make reasonable rules governing the time of day after which an instruction will be treated as received on the next Valuation Day.

2.54. “Year”

The Plan Year is each twelve-month period ended June 30. The limitation year is the calendar Year. The Plan Administrator shall be entitled to rely on the assumption that a Participant’s taxable year is the calendar Year, unless the Participant gives written notice specifying his/her taxable year.

3. Defined Contribution Retirement Program Board

3.1. Composition

The board shall consist of the:

- (a) Director of the Division of Pensions and Benefits or a designee;
- (b) Director of the Division of Investment or a designee;
- (c) Commissioner of the Department of Banking and Insurance or a designee;
- (d) Director of the Office of Management and Budget or a designee; and
- (e) A person appointed by the Director of the Division of Pensions and Benefits who is an active participant or retiree of the Defined Contribution Retirement Program.

3.2. Powers

3.2.1. Select Designated Service Provider

The Board shall select through a competitive bidding process a DSP licensed or otherwise authorized to transact business in New Jersey for the administration of all or part of the Program, including the management and investment of Contributions to the Retirement Plan. This DSP shall be selected by competitive bidding in accordance with all applicable State laws and regulations.

3.2.2. Select investments

The Board shall determine investment alternatives to be offered with respect to the investment of Retirement Plan Accounts, including, but not limited, to mutual funds, subject to such rules and regulations as the Division of Pensions and Benefits may adopt, in accordance with all Internal Revenue Code rules and regulations.

4. Participation in the Retirement Plan

4.1. Eligibility

The following persons shall be eligible and shall participate in the Defined Contribution Retirement Program:

- (a) A person who commences service on or after the Effective Date in an elective public office of the State of New Jersey or of a political subdivision thereof other than such a person who is enrolled in the Public Employees' Retirement System while that person continues to hold that elective office without a break in service.
- (b) A person who commences service on or after the Effective Date in an employment, office or position of the State or of a political subdivision thereof, or an agency, board, commission, authority or instrumentality of the State or of a subdivision, pursuant to an appointment by the Governor that requires the advice and consent of the Senate, or pursuant to an appointment by the Governor to serve at the pleasure of the Governor only during his or her term of office. This paragraph shall not be deemed to include a person otherwise eligible for membership in the State Police Retirement System or the Judicial Retirement System.
- (c) A person who commences service on or after the Effective Date in an employment, office or position in a political subdivision of the State, or an agency, board, commission, authority or instrumentality of a subdivision, pursuant to an appointment by an elected public official or elected governing body, that requires the specific consent or approval of the elected governing body of the political subdivision that is substantially similar in nature to the advice and consent of the Senate for appointments by the Governor of the State as that similarity is determined by the elected governing body and set forth in an adopted ordinance or resolution, pursuant to guidelines or policy that shall be established by the Local Finance Board in the Department of Community Affairs or the Department of Education, as appropriate to the elected governing body. This paragraph shall not be deemed to include the classes of persons excluded from participation in ¶ 4.2.
- (d) A person who is granted a pension or retirement allowance under any pension fund or retirement system established under the laws of this State and elects to participate pursuant to section 1 of P.L. 1977, c.171 (C.43:3C-3) upon being elected to public office.
- (e) A person who is a member of the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System for whom compensation is defined as the amount of base or contractual salary equivalent to the annual maximum wage contribution base for old age Social Security benefits, pursuant to the Federal Insurance Contributions Act, for contribution and benefit purposes in either of those retirement systems, for whom participation in the Retirement Plan shall be with regard to any excess over the maximum compensation only.

The classification by the Plan Administrator of a person as an Eligible Employee, or not, shall be conclusive.

4.2. Ineligibility

The following persons shall not be eligible and shall not participate in the Defined Contribution Retirement Program:

- (a) A person who holds an employment, office, or position for which the Base Salary is less than \$1,500 per year;
- (b) A person who holds an employment, office or position in a political subdivision of the State, or an agency, board, commission, authority or instrumentality of a subdivision, consistent with ¶ 4.1.c and who is otherwise eligible for membership in the Teachers' Pension and Annuity Fund or the Police and Firemen's Retirement System.
- (c) A person who holds an employment, office or position in a political subdivision of the State, or an agency, board, commission, authority or instrumentality of a subdivision, consistent with ¶ 4.1.c and who is employed or appointed in the regular or normal course of employment or appointment procedures and consented to or approved in a general or routine manner appropriate for and followed by the political subdivision, or the agency, board, commission, authority or instrumentality of a subdivision.
- (d) A person who holds an employment, office or position in a political subdivision of the State, or an agency, board, commission, authority or instrumentality of a subdivision, consistent with ¶ 4.1.c and who is a person who holds a professional license or certificate to perform and is performing as a:
 - a. certified health officer,
 - b. tax assessor,
 - c. tax collector,
 - d. municipal planner,
 - e. chief financial officer,
 - f. registered municipal clerk,
 - g. construction code official,
 - h. licensed uniform subcode inspector,
 - i. qualified purchasing agent, or
 - j. certified public works manager.
- (e) A person who, on the basis of service in an employment, office, or position, eligible for membership or enrolled as a member of another State or locally-administered pension fund or retirement system established under the laws of the State including the Alternate Benefit Program, except as otherwise specifically provided in ¶ 4.1.
- (f) A person who is receiving a benefit as a retiree from any other State or locally-administered pension fund or retirement system established under the laws of this State, except as provided in section 1 of P.L.1977, c.171 (C.43:3C-3).
- (g) A person who is an officer or employee of a political subdivision of this State or of a board of education, or of any agency, authority or instrumentality thereof, who is ineligible for membership in the Public Employees' Retirement System pursuant to section 20 of P.L.2007, c.92 (C.43:15A-7.2).

4.3. State DCRP, Waive Participation.

A person eligible and required to participate in the Program whose base salary is less than \$5,000 may at the commencement of service in an employment, office or position irrevocably elect to waive participation with regard to that employment office or position by filing, at the time and on a form required by the division, a written waiver with the Plan Administrator that waives all rights and benefits that would otherwise be provided by the Program.

A person eligible and required to participate in the Retirement Plan pursuant to ¶ 4.1(e) may elect to waive participation with regard to that employment, office, or position by filing, when first eligible, on a form required by the division, a written waiver with the Plan Administrator that waives all rights and benefits that would otherwise be provided by the Retirement Plan. Such a person may thereafter elect to participate in the Retirement Plan by filing, on an Applicable Form required by the Plan Administrator, a written election to participate in the Retirement Plan, and participation in the Retirement Plan pursuant to such election shall commence on the January 1 next following the filing of the election to participate.

4.4. Form of State DCRP Waiver

An election under ¶ 4.3 must be made on the Applicable Form and filed with the Plan Administrator and the appropriate officer of the Employer.

4.5. Effective time of State DCRP Waiver Election

An election to waive participation in this Plan is effective on the Participant's first date of paid employment with an Employer under N.J.S.A. 43:15C-2.

4.6. State DCRP Waiver Irrevocable

The election to waive participation in this Plan is irrevocable.

4.7. Effect of non-communication

An Eligible Employee who has not made the waiver election permitted by ¶ 4.3 within 15 calendar days of the Participant's first date of paid employment with an Employer under N.J.S.A. 43:15C-2 is deemed to have not waived membership in the Retirement Plan and is deemed to have irrevocably elected to participate in this Plan.

4.8. Service Credit not recognized to determine eligibility for Employer-paid retiree health care benefits

Service credited to a Participant in the Retirement Plan shall not be recognized as service credit to determine eligibility for employer-paid health care benefits in retirement pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), N.J.S.40A:10-16 et seq., P.L.1979, c.391 (C.18A:16-12 et seq.) or any other law, rule or regulation.

5. Contributions to the Retirement Plan

5.1. Enrollment

Employer and Employee Contributions with respect to the Retirement Plan shall be made with respect to Eligible Employees who have enrolled as Participants in the Retirement Plan under the Program. An Eligible Employee shall enroll in the Retirement Plan by filing a Participation Agreement on an Applicable Form with the Plan Administrator for such purpose. With respect to the Retirement Plan, each Eligible Employee must elect to make Employee Mandatory Contributions (within the parameters permitted by N.J.S.A. 43:15C-3a) and may also choose to make additional Employee Voluntary Contributions in such amounts and in accordance with such rules as established by the Plan Administrator. Such Election shall authorize the Employer to reduce such Eligible Employee's Base Salary by a percentage amount each payroll period for contribution to the Retirement Plan as an Employee Contribution. The Eligible Employee's election shall also designate the Investment Option or Options in which both Employee Contributions and Employer Contributions shall be initially invested.

The Plan Administrator is empowered to promulgate rules and proceedings, consistent with N.J.S.A. 43:15C-3a, regarding the maximum and minimum percentages of Base Salary which an Eligible Employee may elect for his Employee Mandatory and Voluntary Contributions. Because all Employee Contributions are "picked up" by the Employer and treated as Employer Contributions, the percentage amount of Employee Voluntary Contributions, once elected by Eligible Employee at time of enrollment, are irrevocable and cannot thereafter be changed except as may be permitted by the IRC and approved by the Plan Administrator.

The enrollment of the Participant in the Retirement Plan shall, subject to ¶ 4.3, be effective as soon as practicable following the receipt and approval by the Plan Administrator (or its designee) of the Eligible Employee's completed Participation Agreement, but not before the later of (a) the first day of the [payroll period] [calendar month] following receipt of the completed Participation Agreement by the Plan Administrator (or its designee) or (b) the date on which the individual becomes an Eligible Employee.

5.2. Employer Contributions

For each Participant who has filed a Participation Agreement to enroll in the Retirement Plan, the Employer shall, subject to ¶ 5.7, make Employer Contributions in the percentage amount provided by N.J.S.A. 43:15C-3b multiplied by the Participant's Base Salary for each payroll period beginning on or after the effective date of the Participant's enrollment, provided the Participant remains an Eligible Employee. For Participants described in ¶ 4.1.e, Employer Contributions shall be made only with respect to that portion of Base Salary, if any, which is in excess of the annual maximum wage contribution base for old age Social Security benefits, pursuant to the Federal Insurance Contributions Act.

5.3. Employee Contributions

For each Participant who has filed a Participation Agreement to enroll in the Retirement Plan and make Elective Contributions, the Employer shall, subject to ¶ 5.7, make Employee Contributions (Employee Mandatory Contributions and, if the Participant elects, Employee Voluntary Contributions) in the percentage amount so elected by the Participant (consistent with N.J.S.A. 43:15C-3a) multiplied by the Participant's Base Salary for each payroll period beginning on and

after the effective date of Participant's enrollment, provided the Participant remains an Eligible Employee. For Participants described in ¶ 4.1.e, Employee Contributions shall be made only with respect to that portion of Base Salary, if any, which is in excess of the annual maximum wage contribution base for old age Social Security benefits, pursuant to the Federal Insurance Contributions Act.

5.4. Employee Contribution Pick-up

Each Employer shall pick-up Employee Contributions for all Base Salary paid after the Effective Date with respect to enrolled Participants. The Employee Contributions so picked up shall be treated as Employer Contributions pursuant to IRC § 414(h)(2). The Employer shall pay the picked up contributions directly to the Plan Administrator, instead of paying such amounts to the Participants, and such contributions shall be paid from the same funds that are used in paying salaries to Participants. Such Contributions, although designated as Employee Contributions, shall be paid by the Employer in lieu of Contributions by Participants. Participants may not elect to receive such Contributions directly instead of having them paid by the Employer to the Retirement Plan. Employee Contributions so picked up shall be treated for all purposes of the Retirement Plan and State law, other than federal tax law, in the same manner as Employer Contributions made without a pick-up.

5.5. Contributions Transmitted to DSP

Employer and Employee Contribution amounts for each pay period shall be transmitted to the DSP not later than the fifth business day after the date on which the employee is paid for that pay period.

5.5.1. Delinquent Contributions

The Plan Administrator may adopt rules and procedures to address delinquent contributions.

5.6. Allocation of Contributions to Participant's Account

The DSP shall credit to each Participant's Account the Contributions actually received with respect to the Participant. Such Contributions shall be invested in the Investment Option or Options as elected by the Participant, in accordance with rules and procedures promulgated by the Plan Administrator.

5.7. Contributions limited by IRC § 401(a)(17)

In addition to other applicable limits stated by the Retirement Plan and notwithstanding any other provision of the Retirement Plan document to the contrary, the amount of Base Salary or Compensation determined for the purposes of the Contributions to the Retirement Plan shall not exceed the limit prescribed by IRC § 401(a)(17) as adjusted each year according to IRC § 401(a)(17)(B).

If the Plan Year or applicable period for determining Compensation contains fewer than 12 calendar months, then this limit on Base Salary and/or Compensation, as applicable, is the amount equal to the annual IRC § 401(a)(17) limit for the applicable calendar Year during which the Compensation period begins multiplied by the ratio that is obtained by dividing the number of full months in the period by 12.

5.8. Plan to satisfy limit on annual additions [NOTE: The foregoing has not been reviewed with respect to the new 415 regulations.]

- (a) To the extent required under IRC § 415(c), in no event shall the “annual addition,” as defined in this Section for a Participant for any Plan Year, exceed the lesser of
 - (1) Forty Thousand Dollars (\$45,000), as adjusted, or
 - (2) One hundred percent (100%) of the “compensation,” as defined in this Section, of such Participant received during the Plan Year.
- (b) For purposes of this ¶ 5.8 and subject to IRC § 415(h), all defined contribution plans of each Employer are to be treated as a single defined contribution plan.
- (c) If the annual addition for a Participant under the Retirement Plan, determined without regard to the limitation of paragraph (a), would have been greater than the annual addition for such Participant as limited by paragraph (a), then the excess, if due to a reasonable error in estimating compensation or such other circumstances as found by the Secretary of the Treasury to justify application of this paragraph, shall be reduced, to the extent necessary to satisfy such limitation by holding the excess unallocated in a suspense account and using it to reduce Employer Contributions in subsequent Plan Years. However, to the extent that holding Employer Contributions in suspense is not permitted or will not correct an excess under paragraph (a), then a corrective distribution of Employee Contributions shall be made.
- (d) For purposes of this ¶ 5.8, “annual addition” means the annual addition as defined in IRC § 415(c) and as modified in IRC § 415(l)(1) and 419A(d)(2). In general, IRC § 415(c) defines the annual addition as the sum of the following amounts credited to a Participant’s Accounts for the limitation year under the Retirement Plan and any other qualified defined contribution plan maintained by an Employer:
 - (1) Employer contributions,
 - (2) Employee contributions, and
 - (3) forfeitures, if any, allocated to a Participant’s Account.
- (e) For purposes of this ¶ 5.8, the following types of contributions are not Employer contributions and are not “annual additions”:
 - (1) The restoration of an Employee’s accrual benefit, or any other restoration, by the Employer in accordance with IRC § 411(a)(3)(D) or IRC § 411(a)(7)(C) will not be considered an annual addition for the limitation year in which the restoration occurs.
 - (2) The transfer of funds from one qualified plan to another will not be considered an annual addition for the limitation year in which the transfer occurs.
- (f) For purposes of this ¶ 5.8, the following types of contributions are not treated as Employee contributions and are not “annual additions”:
 - (1) Rollover contributions (as defined in IRC §§ 402(c), 403(a)(4), 408(d)(3) and 457(e)(16))
 - (2) Repayments of amounts described in IRC § 411(a)(7)(B)
 - (3) The direct transfer of employee contributions from one qualified plan to another

- (g) For purposes of this ¶ 5.8, “compensation” means compensation as defined in IRC § 415(c)(3), as determined by the Plan Administrator consistent with the regulations under that Code section. In general, IRC § 415(c)(3) defines compensation as all of a Participant’s wages as defined in IRC § 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in IRC § 3401(a)(2)), provided, however, compensation shall also include the amount of any elective deferrals, as defined in IRC § 402(g)(3), and any amount contributed or deferred by the Employer at election of the Employee and which is not includible in the gross income of the Employee by reason of IRC § 125, 132(f), or 457. “Compensation” for purposes of this Section shall not include any picked-up Employee Contributions to this Plan.

A Corrective Distribution includes (but is not limited to) a corrective disbursement under [Treasury Reg. § 1.415-6(b)(6) or IRS Rev. Proc. 92-93.]

5.8.1. Corrective Distributions

The amounts corrected by a Corrective Distribution are disregarded for all purposes of the Retirement Plan, except as otherwise expressly provided by the Retirement Plan. A Corrective Distribution cannot be counted as a required minimum distribution under IRC § 401(a)(9). A Corrective Distribution is not an Eligible Rollover Distribution

6. Investments and Investment direction

6.1. Participant's duty of investment direction

Each Participant and, when applicable, each Beneficiary or Alternate Payee, shall, subject to the requirements of applicable Investment Law and any procedures established by the DSP, with the approval of the Plan Administrator, direct the investment of his Account(s) under the Retirement Plan. Accounts may only be invested in those Investment Options offered by the DSP.

6.2. Procedure for giving investment direction

The Participant, Beneficiary, or Alternate Payee must give his/her investment direction according to the provisions of the Retirement Plan, including any procedure or Applicable Form required by the DSP with the approval of the Plan Administrator.

6.3. Reasonable frequency

The Plan Administrator or the DSP with the consent of the Plan Administrator and each Investment Option may, but only on a uniform and consistent basis, impose reasonable restrictions on the frequency with which a Participant, Beneficiary, or Alternate Payee may give investment directions. In addition to such restrictions, a Participant, Beneficiary, or Alternate Payee may not give more than one investment direction in any Valuation Day, therefore, the latest investment direction in a Valuation Day cancels all earlier inconsistent investment directions in that Valuation Day.

Redemption fees may be imposed by an Investment Option and will be charged to the Participant's Account in accordance with the Investment Option's written policy.

6.4. Who directs investment

During the Participant's life, the Participant shall direct the investment of his Account. After the Participant's death, the Beneficiary shall direct the investment of that Beneficiary's separate Account. If following a QDRO the Plan Administrator maintains a separate Account for the Alternate Payee, the Alternate Payee will direct investments of that separate Account. During the Participant's, Beneficiary's, or Alternate Payee's disability or incompetence, investments shall be directed by the Person that is the court appointed and currently serving conservator or guardian of the estate of the Participant, or if there is no conservator or guardian, the Person who has authority to act for the Participant under a power-of-attorney accepted by the Plan Administrator according to ¶ 16.16.

A Participant, Beneficiary, or Alternate Payee may authorize an agent or attorney-in-fact to direct investment for all of his Account by giving written notice acceptable to the Plan Administrator and furnishing a power-of-attorney that is accepted by the DSP.

6.5. Investment direction must be on applicable form

Each investment direction shall be on the Applicable Form and shall not be proper unless it is signed by the Participant, Beneficiary, or Alternate Payee.

6.6. Proper Person to receive investment direction

The Participant, Beneficiary, or Alternate Payee shall give his investment direction only as permitted by a procedure adopted by the Plan Administrator. Only the DSP has authority to accept an investment direction and any direction is effective only when received.

6.7. Plan Administrator not responsible

Except as provided by ¶ 6.8, the DSP must accept every proper investment direction, and the DSP is obligated to comply with such proper investment direction.

If any Person, including a DSP, provides any investment education or investment information or investment advice of any kind, the Plan Administrator and the Trustee shall not be liable for any loss or liability arising out of such investment education or investment information or investment advice.

6.8. Failure to give investment direction

If at any time a Participant, Beneficiary, or Alternate Payee fails to exercise his duty of investment direction, or an investment direction is refused, the Plan Administrator shall, to the extent of the failure of proper investment direction, cause the Account to be invested according to the default fund approved by the Board.

The Board has designated the default fund to be the DCP Stable Value Fund.

6.9. Expenses of investment direction

The Plan Administrator and the DSP may not charge the Participant's, Beneficiary's, or Alternate Payee's Account for the expenses of executing his/her investment direction except as provided by ¶ 6.3. If such expenses are so charged, the Plan Administrator or the DSP shall inform the Participant, Beneficiary, or Alternate Payee of the charges. Any expenses charged by a DSP must be approved by the Plan Administrator.

6.10. Relieved from fiduciary responsibility

To the extent of the Participant's, Beneficiary's, or Alternate Payee's investment direction, the Plan Administrator and the Trustee are relieved of any fiduciary responsibility and every kind of liability, and is not responsible for any damage or loss or expense or other claim which may arise from any Participant's, Beneficiary's, or Alternate Payee's investment direction or exercise of control or failure to exercise his duty of investment direction and control.

7. Vesting

7.1. Vesting

7.1.1. Employee contribution

A Participant's interest in that portion of his Account attributable to Employee Contributions shall immediately become and shall at all times remain fully vested and nonforfeitable.

7.1.2. Employer contribution

Under N.J.S.A. 43:15C-3c, a Participant's interest in that portion of his Account attributable to Employer Contributions shall become and shall remain fully vested and nonforfeitable on the date the Participant commences the second year of employment unless the Participant, at the time of initial employment, either (1) participates in a program substantially similar to the Retirement Plan, or (2) is a member of another State-administered pension fund or retirement system.

7.1.3. Age 65

Notwithstanding the vesting schedule described in ¶ 7.1.2, a Participant's interest in his Account attributable to Employer Contributions shall be vested and nonforfeitable upon his attainment, while employed by an Employer, of age 65. **[WHAT ABOUT VESTING UPON DEATH?]**

7.2. Forfeitures

Forfeitures of non-vested amounts under the Retirement Plan shall be used to reduce future Employer Contributions to the Retirement Plan as described in N.J.S.A. 43:15C-3b.

Vesting rules

The Retirement Plan shall be construed consistently with IRC § 401(a)(7) as in effect on September 1, 1974.

8. Beneficiary

8.1. Participant's power to designate his or her Beneficiary

A Participant's right to designate his or her Beneficiary is limited by ¶ 8.2.1 and by all provisions of this Part.

8.1.1. Beneficiary Designation power is personal to the Participant

After the Participant's death, no Person will have any right or power to designate a Beneficiary or change any Beneficiary (except a Beneficiary's disclaimer of his, her, or its Benefit as permitted by ¶ 14.10). Any attempt to state such a provision in a Beneficiary Designation or otherwise is void.

8.2. Beneficiary Designation

At any time before his or her death, a Participant may designate a Beneficiary or Beneficiaries, subject to the terms of the Retirement Plan and such rules as may be established by the Plan Administrator. The Participant will have the right to change his or her Beneficiary Designation at any time, subject to the terms of the Retirement Plan and such rules as may be established by the Plan Administrator.

A Beneficiary Designation must be on the Applicable Form. A Beneficiary Designation is not effective until the Plan Administrator (or its designee for this purpose) accepts it. Each Beneficiary Designation completely revokes and cancels any and every previous beneficiary designation.

8.2.1. Participant must designate a Beneficiary by name

A Participant must designate each Beneficiary by name. A Participant cannot designate a Beneficiary by relationship or by class, and any such attempted beneficiary designation is void. Notwithstanding the preceding sentence, if the Plan Administrator finds that a Beneficiary Designation sufficiently describes a trust, the Plan Administrator may construe the Beneficiary Designation as naming the duly appointed and currently acting trustee of that trust. Likewise, if the Plan Administrator finds that a Beneficiary Designation sufficiently describes an estate, the Plan Administrator may construe the Beneficiary Designation as naming the duly appointed and currently acting Personal Representative of that estate.

Any statement in a Beneficiary Designation attempting to state or create a condition or restriction on the Beneficiary's receipt or enjoyment of any Benefit is invalid and the Beneficiary is entitled to the Benefit without regard to any attempted condition or restriction.

Notwithstanding anything to the contrary in any Beneficiary designation in the Participation Agreement or any other document or otherwise (including any court order), any designation of a Beneficiary cannot be irrevocable and any such designation will be construed as a revocable designation of that Beneficiary.

If the Participant designates as Beneficiary more than one Person, all Persons of the same Beneficiary Designation (primary or contingent) have equal shares, unless the Participant specifies otherwise. “Per Stirpes” designations are not allowed.

If a Beneficiary Designation divides a Benefit between or among two or more Beneficiaries, the primary Beneficiary Designation must allocate the share of each such Beneficiary solely by specifying a percentage of the Participant’s Account and the contingent Beneficiary Designation must allocate the share of each such Beneficiary solely by specifying a percentage of the Participant’s Account. Without limiting the comprehensive effect of the preceding sentence, any division of any Benefit under a Beneficiary Designation will be ineffective to the extent that it would ask the Plan Administrator to consider any fact other than the amount of the Participant’s Account.

8.2.2. Substantial-compliance doctrine

Any common-law doctrine or construction or interpretation principle of substantial compliance with the rules for making a beneficiary designation or nomination (or under the Law of contracts generally) will not apply to the Program.

8.3. Construction of Beneficiary Designation

A Beneficiary Designation will be construed according to the following provisions.

8.3.1. Ignore any description of relationship

Any statement in a Beneficiary Designation referring to a Beneficiary’s relationship to the Participant is for convenience or information only, and has no effect in the construction or interpretation of the Beneficiary Designation.

8.3.2. Dispose the full Account

A Beneficiary Designation will be construed to dispose all the remaining Plan Account and all Benefits. For example, if a Beneficiary Designation specifies shares that total less than 100 percent of the Benefit, the Plan Administrator may adjust the shares pro rata so that the shares equal 100 percent.

8.3.3. Construe with Uniform Probate Code

Except as otherwise provided by the Program, a Beneficiary Designation that uses a term or phrase that would have significance in construing or interpreting a conveyance or disposition of a decedent’s estate will, except as otherwise specified by the Participant, be construed or interpreted according to the Uniform Probate Code (without regard to the Participant’s domicile at the time he or she made the Beneficiary Designation or at the time of his or her death). Likewise, if a Beneficiary Designation remains ambiguous after applying all provisions and construction rules stated by this Plan but would be resolved by applying the rules of construction and interpretation of the Uniform Probate Code for construing a beneficiary designation or conveyance, such rules will apply to the Beneficiary Designation, except as otherwise provided by the Program. Notwithstanding the preceding sentences, the Plan Administrator will not give effect to any Uniform Probate Code provision concerning the effect of divorce or marital separation. Also, the Plan Administrator will not give effect to any Uniform Probate Code provision or any

construction or interpretation principle that would require the Plan Administrator to consider information not in the Program's Records.

8.4. Beneficiary must be alive when the Distribution becomes payable

Notwithstanding any Beneficiary Designation or any Law to the contrary, a Person will not be a Beneficiary unless he or she is living or it exists when the Distribution otherwise would become payable. Further, a Person that would receive a Distribution as a trustee or other fiduciary will not be a Beneficiary unless the Person that the trustee or fiduciary serves is living or exists when the Distribution would become payable. Any right of a Beneficiary is strictly personal to that Beneficiary and lapses on his or her death or its non-existence. Any undistributed Benefit that would have been distributable to a Person had he or she lived or it existed is not distributable to that Person's legatees or heirs. On a Beneficiary's death, any undistributed Benefit attributable to that Beneficiary becomes distributable to the remaining primary Beneficiaries or Beneficiary if any, or if none, to the remaining contingent Beneficiaries or Beneficiary, in each case to be distributable in equal shares to all living Beneficiaries of the applicable primary or contingent Beneficiary class.

8.5. Marriage or status has no effect

Notwithstanding any State Law to the contrary, a marriage, civil union, or domestic partnership, or a divorce, dissolution, annulment, revocation, or other end of a marriage, civil union, or domestic partnership, or any other creation, interruption, or end of a spouse, or other family relationship has no effect concerning whether a Person is (or is not) a Beneficiary.

8.6. Lack of Beneficiary designation

If a Participant failed to designate a Beneficiary (including a failure because the Participant's beneficiary designation is invalid or ineffective) or no Beneficiary designated by the Participant is living or exists when the Distribution otherwise would become payable, the Participant's estate is the Beneficiary to the extent of the failure or invalid or ineffective designation. For the purposes of this Provision, the Plan Administrator may rely on an appropriate court order or the Personal Representative's written statement as to the identity (including name, address, and Taxpayer Identifying Number under IRC § 6109) of and shares allocable to the Persons entitled to such estate.

8.7. A slayer cannot be a Beneficiary

A named beneficiary who feloniously and intentionally kills the Participant or Beneficiary is not a Beneficiary and is not entitled to any Distribution or any other right under the Program or any Plan under the Program; and any Benefit is available as though the killer had predeceased the Participant or Beneficiary.

9. Qualified Domestic Relations Order

9.1. Adopt procedures

The Plan Administrator will adopt written procedures for determining whether an order directed to the Retirement Plan is a QDRO.

9.2. Finding as to order's status

The DSP will determine whether a final court order directed to the Retirement Plan is a QDRO based on ¶ 9.3.

9.2.1. Delay

The Plan Administrator may delay the commencement of its consideration of any order until the later of the date that is 30 days after receipt of the signed, certified order, or 30 days after the date of the order or the date that the Plan Administrator is satisfied that all rehearing and appeal rights on the order have expired.

9.3. QDRO procedures

The procedure for considering whether an order is a QDRO will be as follows:

- The Plan Administrator will promptly notify the Participant and each Alternate Payee of receipt of an order and the Retirement Plan's procedures for deciding whether an order is a QDRO.
- On receipt by the Plan Administrator of an order and during the period in which the Plan Administrator has not yet determined whether an order is a QDRO, the Plan Administrator will not instruct any payment that would be inconsistent with the order to the extent that the order might be a QDRO.
- The Plan Administrator will continue the Participant's investment direction until the DSP makes its determination.
- The Plan Administrator may seek the advice of its legal counsel.
- The Plan Administrator will find whether the order is a QDRO.
- If the Plan Administrator determines an order is a QDRO, it will:
 - Send notice to the Participant and each Alternate Payee,
 - Keep Plan Accounts consistent with the QDRO, and
 - Instruct the Trustee to pay the Distribution provided by the QDRO.

If the Plan Administrator determines that an order is not a QDRO, it must not instruct any Distribution from the Participant's Account for a period of 18 months, unless the Alternate Payee either releases a claim to the Benefits or such an escrow is resolved by the Plan Administrator's acts consistent with a QDRO.

9.4. A Participant or Alternate Payee

Consistent with IRC § 414(p)(4), an order does not fail to be a QDRO solely because the order directs a distribution or payment to be paid or payable to the Alternate Payee at a time that is earlier than the Participant's earliest retirement age. The Alternate Payee may request a distribution at any time after the QDRO is approved.

An order will not be a QDRO unless the Plan Administrator finds that:

- the order does not require the Retirement Plan to provide any type or form of benefit or any option not otherwise provided under that Plan;
- the order does not require the Retirement Plan to provide an increased Benefit; and
- the order does not require the payment of Benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order that the Plan Administrator (or a state court) previously found is a QDRO.
- An order will not be a QDRO unless the Plan Administrator finds that the order clearly specifies:
 - the name and the last known mailing address (if any) of the Participant, and the name and the mailing address of each Alternate Payee;
 - the amount or percentage, or the manner in which the amount or percentage is to be determined, of the Participant's Account to be paid (or payable) to each Alternate Payee;
 - the form of payment, and the number of payments or period to which the order applies.

The Plan Administrator may assume that the Alternate Payee named by the court order is a proper payee and need not inquire into whether the Person named is a spouse or former spouse of the Participant.

9.5. Investment direction during domestic relations matter

Notwithstanding any notice to the Plan Administrator or to any other Person dealing with or performing services regarding the Retirement Plan that a domestic relations order is or may be presented to be determined as a QDRO, the Participant shall continue to exercise his/her duty of investment direction as required by the Retirement Plan unless a court order expressly provides otherwise and the Plan Administrator determines that the court order is a QDRO. If a QDRO provides for an Alternate Payee or any Person other than the Participant to have a right of investment direction under the Retirement Plan, the Plan Administrator shall give effect to that court order to the extent permitted by the Retirement Plan.

9.6. Inability to locate Alternate Payee

An Alternate Payee is responsible for maintaining a current residence address on file with the Plan Administrator and the DSP. The Plan Administrator has no duty to locate any Alternate Payee other than by sending written notice to the last known address on file with it.

10. No loan or early distribution

10.1. No loan

The Retirement Plan does not permit any loan to a Participant or other interested person.

10.2. No Hardship or In-Service Distributions

The Retirement Plan does not permit hardship or other in-service distributions to a Participant or other interested person prior to the Participant's Severance from Employment. **[SHOULD AN AGE 59½ IN-SERVICE DISTRIBUTION BE PERMITTED?]**

11. Distributions and Minimum Distribution Requirements

11.1. Distribution

11.1.1. Retirement Distribution

Upon a Participant's Severance from Employment the Participant is entitled to apply to receive his vested Account(s) under the Retirement Plan in a single sum distribution or, if permitted by the Plan Administrator in a uniform matter with respect to Participants similarly situated, in any other Payment Option, if any. The Plan Administrator shall prescribe the Payment Option(s), if any, in addition to the single sum distribution and the rules for determining the payments under any such Payment Options. The Plan Administrator may, but shall not be required, to permit a Participant to postpone distribution of his Account, but not beyond the Required Beginning Date (see ¶ 11.2).

11.1.2. Distributions following death of Participant

Upon a Participant's death with undistributed amounts in his Retirement Plan Account, such amounts will be distributed in a single sum to the Participant's designated Beneficiaries, as soon as practicable following the receipt of notice by the Plan Administrator of the Participant's death. Notwithstanding the foregoing, the Plan Administrator may, but is not required to, promulgate rules regarding the distribution of amounts in a Participant's Account following his death other than in an immediate single sum distribution, in a Payment Option consistent with ¶ 11.2(b).

11.2. Minimum distribution

(a) General Rules

- (1) The requirements of this ¶ 11.2 will take precedence over any inconsistent provisions of this Plan document.
- (2) All distributions required under this ¶ 11.2 will be determined and made in accordance with IRC § 401(a)(9) and the Treasury Regulations under IRC § 401(a)(9).
- (3) Distributions to a Participant and his/her Beneficiaries shall only be made in accordance with the incidental death benefit requirements of IRC § 401(a)(9)(G) and the Treasury Regulations thereunder.

(b) Time and Manner of Distribution

- (1) 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.
- (2) If the Participant dies before distributions begin, and subject to the Payment Option(s), if any, in fact permitted by the Plan Administrator in addition to a single sum distribution, the Participant's entire interest must be distributed, or begin to be distributed, no later than as follows:
 - (i) 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 died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

- (ii) 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.
- (iii) 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.
- (iv) 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 ¶ 11.2(b)(2)(iv), rather than ¶ 11.2(b)(2)(i), will apply as if the surviving spouse were the Participant.
For purposes of this ¶ 11.2(b)(2), unless ¶ 11.2(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If ¶ 11.2(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under ¶ 11.2(b)(2)(i). 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 ¶ 11.2(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- [(3) 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 IRC § 401(a)(9) and the Treasury regulations thereunder.] **[WILL THIS HAPPEN? OTHERWISE, OMIT.]**

(c) Definitions

- (1) "Designated Beneficiary" means the individual who is designated as the beneficiary under the rules set forth in this Plan document.
- (2) "Required Beginning Date" means the April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains age seventy and one half (70½) or (ii) the calendar year in which the Participant retires.

11.3. Default Retirement Distribution

If a distribution is required to begin according to ¶ 11.2 and the Participant has not filed a claim by the date that is 90 days before the Participant's Required Beginning Date, or if the Plan Administrator has denied a claim and an acceptable claim has not been filed before the applicable date, the Plan Administrator shall direct payment in a single sum distribution to the Participant or Beneficiary, as the case may be.

11.4. Minimum distribution life expectancy

If an Annuity Payment Option is permitted by the Plan Administrator then the Participant, Alternate Payee, or Beneficiary may elect on the Applicable Form whether to recalculate life expectancy (or any element of it) to the fullest extent permitted by IRC § 401(a)(9)(D). If the Participant, Alternate Payee, or Beneficiary does not timely make this election, the Participant, Alternate Payee, or Beneficiary is deemed to have elected the “default” method specified by the applicable Annuity Payment Option with respect to an Investment Option, or to the extent that no method is so specified, that no recalculation shall apply with respect to any individual’s life expectancy.

11.5. Minimum distribution period

If a Participant has not furnished evidence of his or her Spouse’s date of birth, the DSP will use the employee’s age in determining the minimum distribution period according to Treasury Reg. § 1.401(a)(9)-5/Q&A-4(a) without regard to Treasury Reg. § 1.401(a)(9)-5/Q&A-4(b).

11.6. Distributions in Cash

All distributions shall be paid in cash.

12. Accounts

12.1. Account statement or confirmation

Each Account statement or confirmation furnished by (or on behalf of) the Plan Administrator is intended as a legally significant statement of the accrued Benefit under the Retirement Plan. As to each Account statement or confirmation, if, by the date that is 180 days after the date that the statement or confirmation was mailed or otherwise sent or delivered, the Participant, Beneficiary, or Alternate Payee has not delivered a written objection as to the accuracy of the statement or confirmation, the accounting reported is then settled and conclusive and an account stated. If an objection to any Account statement or confirmation is withdrawn or is adjusted to the Participant's, Beneficiary's, or Alternate Payee's satisfaction, the accounting is then settled and conclusive and an account stated. To the extent that an Account statement or confirmation is an account stated, the Plan Administrator and DSP are discharged from any liability that might otherwise arise out of the Account as fully as if the Account had been settled by an appropriate court proceeding.

12.2. Account balance

The Account balance is the total amount or value of the Account (or sub-Account or separate Account as applicable) reduced by any applicable Investment Option or Trust charges, Fees, expenses, and taxes. At any time, the amount or value of any Account or sub-Account is the applicable Account balance (as stated above) as of the last Valuation Date.

13. Rollovers

13.1. Direct Rollover of Funds to Other Plans

Consistent with IRC § 401(a)(31), for any Distribution that is an Eligible Rollover Distribution, the Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to instruct the DSP to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee.

For purposes of this section, the following definitions shall apply:

- (a) An “Eligible Rollover Distribution” is any Distribution from the Retirement Plan of any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) 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 (10) years or more; (ii) any distribution to the extent such distribution is required under IRC Section 401(a)(9), or (iii) the portion of any distribution that is not includible in gross income, provided that any portion of any distribution that is not includible in gross income may be an Eligible Rollover Distribution for purposes of a rollover to either (1) a traditional individual retirement account or individual retirement annuity under IRC Sections 408(a) or 408(b) or (2) a qualified trust which is part of a plan which is a defined contribution plan under IRC Sections 401(a) or 403(a) that will separately account for the distribution, including the taxable and non-taxable portions of the distribution, in a direct trustee-to-trustee transfer.
- (b) An “Eligible Retirement Plan” is any program defined in IRC Sections 401(a)(31) and 402(c)(8)(B), that accepts the Distributee’s Eligible Rollover Distribution, as follows:
 - (1) An individual retirement account under IRC Section 408(a);
 - (2) An individual retirement annuity under IRC Section 408(b) (other than an endowment contract);
 - (3) A qualified trust;
 - (4) An annuity plan under IRC Section 403(a);
 - (5) An eligible deferred compensation plan under IRC Section 457(b) which is maintained by an eligible governmental employer under IRC Section 457(e)(1)(A) (so long as the plan agrees to separately account for amounts rolled into the plan); and
 - (6) An annuity contract under IRC Section 403(b).
- (c) A “Distributee” includes an Employee or former Employee, as well as the Employee’s or former Employee’s surviving spouse.
- (d) A “Direct Rollover” is a payment by the Retirement Plan to the Eligible Retirement Plan specified by the Distributee.

13.2. Rollover of Funds From Other Plans

The Retirement Plan will accept Participant rollover contributions and/or Direct Rollovers of eligible distributions made after December 31, 2001, as described below:

- (a) pre-tax contributions from a qualified plan described in § 401(a) or 401(k) or 403(a) of the IRC, an annuity contract described in § 403(b) of the IRC and an eligible deferred compensation plan described in § 457(b) of the IRC which is maintained by an eligible governmental employer under Section 457(e)(1)(A) of the IRC.
- (b) A Participant rollover of the portion of a distribution from an individual retirement account or annuity described in § 408(a) or 408(b) of the IRC that is eligible to be rolled over and would otherwise be includible in gross income.

The Retirement Plan does not accept direct rollovers of after-tax contributions.

13.3. Eligible Rollover Distribution payable without delay

The DSP may (but is not required to) commence the Distribution less than 30 days after giving an Eligible Rollover Distribution notice only if the following requirements are met:

To the extent required by IRC § 402(f) and Treasury Reg. § 1.402(c)-2, the DSP must inform the Distributee in an Eligible Rollover Distribution notice or otherwise that the Distributee has a right to a period of at least 30 days after receiving the Eligible Rollover Distribution notice to consider the decision of whether to elect a Distribution and any available Payout Option, and the Distributee after receiving the Eligible Rollover Distribution notice must affirmatively elect a Distribution.

14. Administration of Distributions

14.1. Claim for Distribution

Any Distribution under the Retirement Plan shall be paid only upon a claim made on the Applicable Form, and submission of additional information requested by the Plan Administrator, including but not limited to:

- if the Distribution is made under ¶ 11.1, appropriate evidence that the Participant has a Severance from Employment,
- if the Distribution is an Eligible Rollover Distribution, the Distributee's instruction as to whether the Distribution (or a portion of the Distribution) is to be paid directly to an Eligible Retirement Plan, and if any amount is to be paid directly to an Eligible Retirement Plan, the name and address of the trustee or Plan Administrator of that Eligible Retirement Plan together with any other information that the Plan Administrator or DSP reasonably requests pursuant to Treasury Reg. § 1.401(a)(31)-1T,
- if the Distribution is made on account of the Participant's death, appropriate evidence of the Participant's death,
- whenever required by the Plan Administrator, the date-of-birth of any Person as relevant to the Distribution,
- if the Account consists of more than one Investment Option, the order in which any Investment Options are to be charged or redeemed to pay the Distribution; and
- any other evidence or information that the Plan Administrator finds is relevant to administer a provision of the Retirement Plan in the Participant's or Beneficiary's and the Distributee's circumstances.

14.1.1. Evidence of Death

Absent contrary evidence actually known to the Plan Administrator, an appropriate death certificate or a court order stating that the Participant is found to be absent and presumed dead shall constitute appropriate evidence of the Participant's death.

14.1.2. Changing an Investment Option

If the Distributee fails to submit proper instructions, the Plan Administrator may to the extent provided by the Investment Option contract determine which Plan Investment Option(s) are to be charged.

14.2. Time for Distribution

The Plan Administrator may require for payment of any Distribution a minimum advance notice, uniformly determined and consistently applied.

14.3. Payor may rely on apparent entitlement

The Plan Administrator and the DSP are not liable for having made a payment under an unclear Beneficiary Designation or Participation Agreement to a Person not entitled to the payment, or for having taken or omitted any other action in good faith reliance on a Person's apparent entitlement under the Retirement Plan, before the payor actually received written notice of a claimed lack of entitlement under the Retirement Plan.

Any payor of any Distribution is not liable for having made a payment or having transferred an item of property to a Beneficiary Designated in a Beneficiary Designation (or in a similar writing reasonably believed to constitute a Beneficiary Designation) who is not entitled to the Distribution, or for having taken any other action in good faith reliance on the Beneficiary's apparent entitlement under the terms of the Beneficiary Designation before the payor received written actual notice alleging that the Beneficiary was not entitled to the Distribution.

14.4. Valuation of Payments

Except to the extent otherwise expressly provided by the Investment Option(s), any payment or Payout Option shall be determined as of the Valuation Date requested by the Participant or Beneficiary, or if later, as of the Valuation Date that next follows the DSP's or Trustee's receipt in good order (within the meaning of the Investment Option(s) or applicable law) the approved claim.

14.5. Delay of payment

The DSP may delay payment of an approved Distribution:

- to receive any necessary information,
- to permit a valuation of the Account,
- to permit any necessary or appropriate liquidation of assets.
- if a dispute arises as to the proper payee,
- if the Plan Administrator or the DSP has written notice of a domestic relations case or petition that may involve the applicable Account,
- if the Plan Administrator or the DSP has written notice of a bankruptcy case or petition that may involve the applicable Account,
- if the Plan Administrator or the DSP has notice of any legal proceeding or petition that may involve the applicable Account, or
- for any reason described elsewhere in this Plan document, or
- for any other lawful purpose.

14.5.1. Delay related to Investment Option

Without limiting the comprehensive effect of the above, to the extent that any Distribution requires a redemption or transfer of an Investment Option's shares, the Plan Administrator shall delay the Distribution during any period when the NYSE is closed other than for a weekend or a holiday, or when trading on the NYSE is restricted (as determined by the SEC), or when an emergency exists making disposal of an Investment Option's securities or valuation of an Investment Option's net assets not reasonably practicable, or when the SEC has required or permitted the suspension of redemptions or transfers by order, or during any period otherwise described by § 22(e)(1)-(3) of the Investment Company Act of 1940, as amended [15 U.S.C. § 80a-22(e)(1)-(3)]. Also, the Plan Administrator or the DSP may delay any Distribution if doing so is necessary or appropriate to avoid exceeding an Investment Option's "large transaction amount" requirement that applies to the Trust.

14.5.2. Delay for FMLA

If the Participant received an allocation of Employer Contributions for a period that included his absence under a federal or state Family and Medical Leave Act, the Plan Administrator shall delay payment of any Distribution until the Plan Administrator is satisfied that the Participant has returned to work from such absence or that the Participant will not or did not return to work from such absence.

14.6. Dispute as to proper recipient

If a dispute arises as to the proper recipient of any payment(s) under the Retirement Plan, the Plan Administrator, in its sole discretion, may instruct the DSP to withhold payment until the dispute is determined by a court of competent jurisdiction or is settled by the parties concerned.

14.7. Distribution to minor Beneficiary

14.7.1. Payments before age of majority

If a Distribution under the Retirement Plan is to be made to a minor Beneficiary, any payment(s) may, except to the extent prohibited by applicable law, be paid to a responsible Person according to the following order

If the amount is under \$10,000 per year:

- as instructed by an appropriate court pursuant to a written court order which has been provided to the Plan Administrator before the distribution,
- to the duly court appointed and currently acting conservator of the Beneficiary, evidence of which has been provided to the Plan Administrator before the distribution,
- to the duly appointed and currently active guardian of the Beneficiary, evidence of which has been provided to the Plan Administrator before the distribution,
- to the custodial parent of the Beneficiary,
- to a custodial adult with whom the Beneficiary maintains his/her residence, or
- to the court having jurisdiction over the estate of the Beneficiary.
- If the amount is over \$10,000 a year, a conservator must be appointed by the court to receive the payment. This payment shall be in full satisfaction of all claims. The Plan Administrator has no duty to supervise or inquire into the application of any amount so paid.

14.7.2. Payments after age of majority

If at the time a Distribution begins the Beneficiary is a minor and the Plan Administrator begins payments to another Person under this Provision, the Plan Administrator may continue all payments under the Distribution to the other Person notwithstanding that the Beneficiary may have attained full age, unless the Beneficiary files a written claim

according to all of the requirements of the Retirement Plan, including furnishing satisfactory evidence that he is of full age.

14.8. Distribution to incompetent Participant or Beneficiary

If a Participant, Beneficiary, or Alternate Payee is unable to manage property effectively for any reason including (but not limited to) mental illness, mental deficiency, physical illness, physical disability, chronic use of drugs, chronic intoxication, confinement, detention by a foreign power, or disappearance, any payment may be paid according to the terms of the applicable Investment Option(s) (if any) or according to applicable Investment Law (if any), or the Plan Administrator may direct payment(s) according to the following order:

- as instructed by an appropriate court pursuant to a written court order,
- to the duly court appointed and currently acting conservator of the Participant or Beneficiary,
- to the duly court appointed and currently acting legal guardian of the estate of the Participant or Beneficiary,
- to the duly appointed and currently acting attorney-in-fact under a durable power-of-attorney if the Plan Administrator finds that the power-of-attorney provides sufficient power to authorize the attorney-in-fact to receive the Benefit, or
- to the court having jurisdiction over the estate of the Participant or Beneficiary.

14.8.1. Payments made during incompetency

This payment shall be in full satisfaction of all claims. The Plan Administrator has no duty to determine if a Person is unable to manage his affairs and is only required to act pursuant to the above order if it is provided written evidence of the incapacity through a document showing one of the above prior to the Distribution. The Plan Administrator has no duty to supervise or inquire into the application of any amount(s) so paid.

14.8.2. Restoration of competency

If at the time a Distribution begins the Participant or Beneficiary is an incompetent or incapacitated (as described above) and the Plan Administrator begins payments to another Person under this Provision, the Plan Administrator may continue all payments under the Distribution to the other Person notwithstanding that the Participant or Beneficiary may have become competent or may have been adjudicated as competent, unless the Participant or Beneficiary files a written claim according to all of the requirements of the Retirement Plan, including furnishing a satisfactory court order that he is competent to manage his Benefit.

14.9. Payment to Personal Representative

Any payment (or delivery of property) to the duly appointed Personal Representative of the Participant shall, to the extent of the payment (or delivery of property), bar recovery by any other Person or entity, including every Beneficiary, and shall, to the extent of the payment (or delivery of property), discharge any obligation under the Retirement Plan.

14.10. Disclaimer by Beneficiary

Any Beneficiary may renounce or disclaim all or any part of any Benefit by filing a written irrevocable disclaimer not later than 31 days before the Distribution begins or any payment is

otherwise to be made and before acceptance of any Benefit. An acceptance may be express or may be inferred from actions or facts and circumstances, including (but not limited to) those actions described in the Uniform Probate Code as establishing an inference of acceptance. In addition to any requirements under State law, the disclaimer is not effective unless the disclaimer describes the Benefit renounced, expressly declares the renunciation and the extent of it, expressly states the Beneficiary's belief upon reasonably diligent examination that no creditor of the Beneficiary (or, if the Beneficiary is an executor or trustee or guardian or other fiduciary, of any current or reasonably anticipated Beneficiary of the estate or trustee or guardianship or other fiduciary relationship or entity) would be adversely affected by the disclaimer, expressly states that the disclaimer is irrevocable, is signed by the Beneficiary, meets all requirements of IRC § 2518 such that the disclaimer would be treated as effective for federal gift and estate tax purposes, and otherwise is made in a form that is acceptable to the Plan Administrator. Notwithstanding any State law that would permit otherwise, if the Beneficiary is a minor or an incapacitated Person, any disclaimer cannot have any effect regarding the Plan until the court having jurisdiction of the minor's or incapacitated Person's estate authorizes the disclaimer after finding that it is advisable and will not materially prejudice the rights of any interested Person. Any Benefit disclaimed shall be payable as if the Beneficiary who submitted the disclaimer died before the Participant.

15. Plan Administration

15.1. Plan Administrator has full authority

The Plan Administrator has full and complete authority and discretion to control and manage the operation of and to decide all matters under the Program. The Plan Administrator has any and all powers as may be necessary or advisable to discharge its duties under the Program, and has complete discretionary authority to decide all matters and questions under the Program.

15.1.1. Examples of discretionary decisions

Without limiting the comprehensive effect of the above, the Plan Administrator's discretionary decisions may include, but shall not be limited to, any decision as to:

- whether a natural person is an Employee,
- whether an Employee belongs to a particular employment classification,
- whether an Employee is an eligible Employee, the amount of a Participant's Compensation, the amount of Contributions to be made,
- whether an amount of Contributions exceeds the limits prescribed by the Retirement Plan or Applicable Law,
- whether a Payout Option is an Annuity Payout Option,
- whether a Participant has a Severance from Employment,
- whether a Beneficiary Designation is valid or effective, who is the proper Beneficiary,
- whether a Participant or Beneficiary is a minor or is of full age, the Person who is a proper recipient for a Participant or Beneficiary who is a minor or an incompetent,
- whether any power-of-attorney is effective and acceptable to act with respect to the Program.

The discretionary decisions of the Plan Administrator are final, binding, and conclusive on all interested Persons for all purposes.

15.2. DSP Responsibilities

Each DSP will be responsible for Participant communication, administration, record-keeping, and investment management services as set forth in the applicable RFP and Response/Proposal submitted by the DSP and the contracts entered into pursuant to those documents.

15.3. Determinations to be uniformly made

To the extent required by the Enabling Statute, any determination or decision required or permitted to be made for the purposes of the Program, or any Plan under the Program, by the

Plan Administrator shall be uniformly and consistently made according to reasonable procedures established and maintained by the Plan Administrator.

15.4. Plan Administrator is responsible

The Plan Administrator is responsible for performing or delegating to the DSP all duties required for the operation of the Program and each Plan under the Program. The Plan Administrator is responsible for supervising the performance of the DSP.

15.5. Information from Employer

To enable the Plan Administrator to perform its responsibilities, the Employer shall promptly provide to the Plan Administrator complete and accurate information on any matter that is required by the Plan Administrator in order to make any decision or determination under the Program. The Plan Administrator shall rely upon this information as supplied by the Employer, and shall have no duty or responsibility to verify this information.

15.6. Plan Administrator may delegate or contract

Except as prohibited by the Enabling Statute or other State law, the Plan Administrator may, except when expressly prohibited by this Program, delegate any of its duties to any DSP, Employer, or employees.

15.7. Program services

The Plan Administrator may contract with any Person to provide services to assist in the administration of the Program. The Plan Administrator must make such contracts in compliance with the Enabling Statute and other applicable State and local law.

Any Person other than the Plan Administrator who performs services regarding the Program, including but not limited to a DSP, is subject to the supervision and direction of the Program Administrator, and does not have authority to control the operation of the Program.

Any Person other than the Plan Administrator who performs services regarding the Program, including but not limited to a DSP, is entitled to rely upon any direction, instruction, information, or action, or failure to act, of the Plan Administrator as being proper under this Program, and is not required to inquire into the propriety or correctness of any such direction, instruction, information, or action.

15.8. Plan Sponsor's right to terminate the Program

The Plan Sponsor may terminate or discontinue the Program, or any Plan under the Program at any time.

15.9. Final allocation

If on termination of the Retirement Plan any amount is not allocated, all such amounts will be allocated among Participants in the ratio of the Participant's total Account balance on the Valuation Day that immediately precedes this allocation to the total Account balances of all Participants on such Valuation Day.

16. General provisions

16.1. Anti-alienation

To the extent allowed by law, any benefit or interest available under a Plan, or any right to receive or instruct payments under a Plan, or any Distribution or payment made under the Program, or any Plan under the Program, shall not be subject to assignment, alienation, garnishment, attachment, transfer, anticipation, sale, mortgage, pledge, hypothecation, commutation, execution, or levy, whether by the voluntary or involuntary act of any interested Person under a Plan, except (with respect to the Retirement Plan) for an interest which becomes payable pursuant to a Qualified Domestic Relations Order. However, the preceding sentence shall not be construed to preclude the payment of any Fees or expenses (including taxes) of the Issuer(s) or the Trust under the Retirement Plan.

16.2. Levy or judgment

Notwithstanding any other provision of the Retirement Plan, the Plan Administrator may pay to the IRS from a Participant's, Beneficiary's, or Alternate Payee's Account the amount that the Plan Administrator finds is demanded under an IRS levy with respect to that Participant, Beneficiary, or Alternate Payee or is sought to be collected by the United States under a judgment resulting from an unpaid tax assessment against the Participant, Beneficiary, or Alternate Payee.

16.3. Audit

The Plan Administrator may engage a public accountant to audit or review the financial statements and/or internal control procedures with respect to the Program, and any fees paid or incurred for such audit or review and related accounting and auditing services shall be an expense that may be charged to the DSP according to their contract. To the extent the audit is not paid by the DSP, the expense can be charged to all Participants' Accounts in an equitable manner determined by the Plan Administrator.

16.4. Claims procedure

By the terms of the Program, the claimant (or other aggrieved Person) shall not be entitled to take any legal action (including but not limited to instituting any arbitration procedure) or otherwise seek to enforce a claim to benefits or rights under the Program until he has exhausted all claims and appeals procedures provided by the Program.

In considering claims under the Program and/or any Plan hereunder, the Plan Administrator has full power and discretionary authority to construe and interpret the provisions of the Program or Plan.

16.5. Expenses

Upon the Plan Administrator's written instruction, the Plan Administrator, the DSP or other Person shall be reimbursed from the DCRP Administrative Expense Fund for any reasonable expenses approved by the Plan Administrator which are incurred in performing services regarding the Program. Except as otherwise provided or permitted, the reimbursement shall, with respect to the Retirement Plan, be effected by deducting a charge against all Accounts according to an equitable method determined by the Plan Administrator.

If the Internal Revenue Service determines, and the determination is not contested, or if contested, is finally upheld (or otherwise finally determined), or if a final court order (that is not appealed) decides that any payment of expenses with respect to the Retirement Plan is a violation of IRC § 401(a)(2), the Plan Administrator may assess the Employers on a prorata basis according to the number of Participants in the Retirement Plan for these expenses according to the number of Participant accounts.

16.6. Fiduciary responsibility

Any Fiduciary will have only those specific powers, duties, responsibilities, and obligations specifically provided by the Program consistent with Applicable Law, or that are expressly required under a written agreement that is executed by or approved by the Plan Administrator if the written agreement is not inconsistent with the Program and Applicable Law.

Each Fiduciary warrants that any instruction or direction given, information furnished, or action taken by it will be according to the Program's provisions (or an instruction of the Plan Administrator).

Each Fiduciary will be responsible only for the proper exercise of his, her, or its own powers, duties, responsibilities, and obligations, and any Fiduciary will not be liable for any act or omission (failure to act) of another Fiduciary, except as provided below.

A Fiduciary will be liable for a breach of fiduciary responsibility of another Fiduciary in the following circumstances: (1) if the Fiduciary participates knowingly in, or knowingly undertakes to conceal, an act or omission of the other Fiduciary, knowing such act or omission is a breach of the other Fiduciary's responsibility, (2) if, by the Fiduciary's failure to comply with his, her, or its duty in the administration of the Fiduciary's specific responsibility that gives rise to the Fiduciary's status as a Fiduciary, the Fiduciary has enabled the other Fiduciary to commit a breach of the other Fiduciary's responsibility; (3) if the Fiduciary has knowledge of a breach by the other Fiduciary, unless the Fiduciary makes reasonable efforts under the circumstances to remedy the breach.

16.7. Governing law

The Program, and actions under or relating to the Program or any Plan under the Program, and the statute of limitations for such actions shall be governed by and enforced by the laws of the State of New Jersey and shall be construed, to the extent that any construction beyond this written Plan document is necessary, according to the laws of the State of New Jersey or the Internal Revenue Code or other federal law, where applicable

16.8. IRS approval

If, under any application filed by or on behalf of the Retirement Plan, the IRS determines that the Retirement Plan as amended and restated does not qualify under IRC § 401(a), and the determination is not contested, or if contested, is finally upheld (or otherwise finally determined), the Plan Administrator, without further authorization or consent from the Plan Sponsor, may retroactively amend the Retirement Plan to the earliest date permitted by Treasury Regulations to the fullest extent that the Plan Administrator considers necessary to obtain an IRS determination that the Retirement Plan qualifies under IRC § 401(a).

16.9. Mistaken contributions

If any Contribution (or any portion of a Contribution) is made by the Employer by a good faith mistake of fact, upon receipt in good order of a proper request by the Plan Administrator, the Trustee or the DSP shall return the amount of the mistaken Contribution(s), except as limited below, to the Employer. A return of a mistaken Contribution will not be made if the return will not be made within one year from the date of the mistaken payment of the Contribution. Upon any return of a mistaken Contribution, earnings attributable to the mistaken contributions will not be returned and losses attributable to the mistaken Contribution shall reduce the amount to be returned.

16.10. Necessary information

The Participant, Beneficiary, or Alternate Payee shall provide upon any request of the Plan Administrator or DSP any information that may be needed for the proper and lawful operation and administration of the Program, including but not limited to, his full legal name, his Social Security Number (SSN) or other Taxpayer Identification Number (TIN), his current address and the current address of his Spouse and of any Beneficiary(s), evidence of his age, evidence of his/her marital status. The Participant shall promptly respond to and fully answer any reasonable inquiry related to these purposes. A failure to provide any information described above or which otherwise may be necessary or appropriate for the lawful operation of the Program may result in a delay of eligibility for participation, in a delay of the payment of Contributions, or in a delay or refusal by the Plan Administrator, in its discretion, to authorize or permit any payment to be made.

The Plan Administrator (and any party acting for it) shall have the right to rely on any information or representation given by any Participant or Beneficiary or other party interested in the Program. The Plan Administrator shall have no duty to inquire into the accuracy or adequacy or truth of any such information or representation. Any such representation shall be binding upon any party seeking to claim a Benefit through the Participant.

16.11. No contract of employment

Under no circumstances shall the Program constitute or modify a contract of employment or in any way obligate the Employer to continue the services of any Employee.

16.12. No right other than provided by Plan

The establishment of the Program and the Plans under the Program and the purchase of any Investment Option(s) under the Retirement Plan shall not be construed as giving to any Participant or Beneficiary or any other Person any legal or equitable right against the Employer or the Plan Administrator or their representatives, except as is expressly provided by the Program.

16.13. Taxes

The Employer and the Plan Administrator do not guarantee that any particular federal or state income, payroll, or other tax consequences would occur because of participation in this Plan.

16.14. Notices

Each Participant, Beneficiary, or Alternate Payee shall be responsible for furnishing the Plan Administrator and the DSP with his current address at all times. Any notice required or

permitted to be given under the Program shall be deemed given if directed to the proper Person at the current address in any Program (or Investment Option) record and mailed or otherwise delivered to that address. This Provision shall not be construed to require the mailing or the delivery of any notice otherwise permitted to be given by posting or by publication.

16.15. Plan is binding

The Program, and all acts and decisions taken under it, is binding and conclusive, for all purposes, upon every Participant, Beneficiary, Alternate Payee, any Person claiming through a Participant or Beneficiary or Alternate Payee, all other interested Persons, and upon the Personal Representatives, executors, administrators, heirs, successors and assigns of any and all such Persons. The Plan Administration shall not affect contracts or other dealings with a Person who is not an interested Person, unless a written agreement executed by that Person expressly so provides.

16.16. Power-of-attorney

A power-of-attorney is not effective to permit the attorney-in-fact to submit any Claim, instruction, direction, or consent under the Program or otherwise act regarding the Program, unless the Plan Administrator, in its discretion, finds that the power-of-attorney is acceptable.

Without limiting the effect of the preceding sentence, the Plan Administrator will not accept a power-of-attorney until it finds that the power-of-attorney:

- Is a properly executed and filed durable power-of-attorney pursuant to the law of the jurisdiction in which it was created, which will remain effective despite the later incapacitation or disability of the participant.
- Indemnifies the Plan Administrator and every Person that may rely on the durable power-of-attorney against any liability that may arise out of the Plan Administrator's acceptance of the power-of-attorney.
- Contains the following provision or a substantially similar provision: "No person who may act in reliance upon the representations of my attorney-in-fact for the scope of authority granted to the attorney-in-fact shall incur any liability as to me or to my estate as a result of permitting the attorney-in-fact to exercise this authority, nor is any such person who deals with my attorney-in-fact responsible to determine or ensure the proper application of funds or property."
- Grants specific authority for the attorney-in-fact to conduct transactions with the participant's retirement plan, Retirement Plan, or employee benefit plan.

A general grant of power in the power-of-attorney for the attorney-in-fact to handle the participant's affairs, without specific authorization in the power-of-attorney to deal with the member's retirement benefits, does not authorize the attorney-in-fact to conduct any business on behalf of the participant with the Program.

The attorney-in-fact may not designate himself as the beneficiary for a retirement benefit unless the power-of-attorney authorizes the attorney-in-fact to designate himself as a retirement beneficiary or authorizes the attorney-in-fact to give gifts of the participant's property to himself.

16.17. Privacy

The Plan Administrator (and any other Person acting for or at the request of the Plan Administrator) may disclose information concerning a Participant, Beneficiary, or Alternate Payee:

- when requested by the Participant's, Beneficiary's, or Alternate Payee's agent who acts under a Power-of-Attorney accepted by the Plan Administrator,
- when required by Applicable Law,
- when required by a court order (including a subpoena),
- without a court order when reasonably requested by the IRS,
- when necessary or appropriate for the Plan Administrator to obtain tax or legal advice,
- when in the course of any domestic relations proceeding an attorney-at-law states in writing that he or she represents the Participant's spouse (or former spouse) or child and that the information is reasonably related to such proceeding, or
- when, in the course of the administration of a Participant's, Beneficiary's, or Alternate Payee's estate or succession, the Personal Representative (or an attorney-at-law who represents the Personal Representative) states in writing that he, she, or it needs the requested information to prepare a return of any estate tax, transfer tax, gift tax, inheritance tax, death tax, or similar tax, whether of the USA, any State, or any foreign nation.

16.18. Release

Any payment or any agreement to make payments under a Payout Option selected by the proper payee, shall, to the extent of the payment(s) or agreement, be in full satisfaction of all claims.

[The Plan Administrator may require any Person, as a condition precedent to making or causing to be made any payment, or agreement for a Payout Option, to execute a receipt and release.]

[Lawful with respect to a qualified plan?] If a dispute arises as to the proper payee of any payment(s), the Plan Administrator, in its sole discretion, may withhold or cause to be withheld any payment(s) until the dispute shall have been determined by a court of competent jurisdiction or shall have been settled by all the parties concerned.

16.19. Service of legal process

Requests for information, claims or demands, legal process, and court orders are properly made when addressed to the Plan Administrator in compliance with the New Jersey Law.

16.20. Severability

If a court finds that any provision of the Program is invalid, that holding shall not affect the remaining provisions of the Program or Plan Program, or any Plan under the Program, which shall be construed and enforced as if the invalid provision had not been included in the Program or Plan, unless such a construction of the Program or Plan would be clearly contrary to the Enabling Statute.

16.21. Statute of limitations

As to any action at law or in equity under or with respect to this Program, the action shall be governed by (or precluded by) the relevant statute of limitations according to New Jersey Law.

16.22. Uniformity

To the extent required by the Enabling Statute or applicable State law, provisions of the Program and any Plan under the Program shall be construed and applied in a non-discriminatory manner.

16.23. Venue

If any Person bound by the Program under ¶ 16.15 or otherwise brings any proceeding against the Plan Administrator, the Trustee, or the Board, such Person submits to exclusive venue in the New Jersey courts sitting at Trenton, New Jersey.

16.24. USERRA

Notwithstanding any provision of the Program or the Retirement Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with IRC § 414(u), and as required by the Uniformed Services Employment and Reemployment Rights Act (“USERRA”).

17. DCRP Group Life Insurance Plan

17.1. Benefit

The benefit shall be in an amount equal to one and one-half times the Base annual salary of the Participant, except that in the event of death after retirement, the amount payable shall equal 3/16 of the Participant's Base annual salary. "Base annual salary" means the annual rate of Base Salary upon which contributions by the Participant and the Participant's Employer to the Retirement Plan were based as of the most recent January 1 or, if later, the date the Participant first enrolled in the Program. (Chapter 92, P.L. 2007, Sec 7)

For purposes of this section, a Participant shall be deemed to be in service and covered by the Group Life Insurance Plan for a period of official leave of absence without pay when such leave is due to illness or any reason other than illness, with such period to be determined by the Plan Administrator, if satisfactory evidence is presented to the Plan Administrator of such official leave of absence. A Participant shall be deemed to be on an official leave of absence only if the leave is formally approved by the Employer prior to the time the leave commenced and timely notice is filed by the Employer with the Plan Administrator. If timely notice is not filed, the Employer shall be responsible for the payment of any benefits pursuant to this section if the Participant was otherwise eligible for such benefits.

In the event of the death of a Participant in active service in the first year of participation as a result of an accident met in the actual performance of duty at some definite time and place, the death benefit payable pursuant to this Part 17 shall be computed at the annual rate of Base Salary.

No beneficiary of a retired Participant shall be entitled to receive the death benefits payable in the event of death after retirement pursuant to this Part 17 unless the Participant either: had at least 25 years of credited participation in the Retirement Plan under this Program; or had at least 10 years of such credited participation and had attained 60 years of age and was an actively employed Participant in the Retirement Plan under this Program in the year immediately preceding his Distribution Commencement Date. **[CHECK - IS THIS RIGHT? WHAT ABOUT PRE-2007 SERVICE?]** For a member who is a participant pursuant to ¶ 4.1(e), service credit in the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System shall also be considered in determining if the Participant met the requirements of this paragraph.

17.2. Group Life Insurance Premium Fund

The Plan Administrator shall establish and maintain the DCRP Group Life Insurance Premium Fund (the "Life Insurance Premium Fund") for the purpose of receiving and holding Employer contributions with respect to the Group Life Insurance Plan and transmitting such contributions from time to time to the appropriate insurance provider(s) for this benefit.

Amounts in the Life Insurance Premium Fund shall be considered part of the general assets of the State, and shall not be part of the Trust with respect to the Retirement Plan, but shall be separately accounted for. The Plan Administrator may establish one or more bank accounts or otherwise designate a custodian with respect to the Life Insurance Premium Fund, and shall generally be empowered to take all actions as may be necessary or desirable to maintain and administer the Premium Fund.

18. DCRP Group Disability Benefit Plan

18.1. Benefit

The Group Disability Benefit Plan shall provide disability benefit coverage under a group policy or policies which shall provide a monthly income if the Participant becomes totally disabled (within the meaning of ¶ 18.3) from occupational or non-occupational causes for a period of at least six consecutive months following the effective date of the coverage. The monthly disability benefit may be paid by the insurance company so long as the participant remains disabled up to the seventieth birthday, provided the disability commenced prior to the sixtieth birthday. The benefit shall terminate when the participant is no longer considered totally disabled or begins to receive his Benefit under the Retirement Plan. (Chapter 92, P.L. 2007, Sec 13)

A Participant shall be deemed to be in service and covered by the Group Disability Benefit Plan insurance provisions for a period of no more than six months while on official leave of absence without pay if satisfactory evidence is presented to the Plan Administrator that such leave of absence without pay is due to illness and that the Participant was not actively engaged in any gainful occupation during such period of leave of absence without pay.

Disability benefit insurance provisions of the group policy or policies shall not cover disability resulting from or contributed to by pregnancy, act of war, intentionally self-inflicted injury, or attempted suicide whether or not sane. For purposes of such disability benefit coverage, the Participant shall not be considered to be disabled while the participant is imprisoned or while outside the United States, its territories or possessions, or Canada.

If the Participant has recovered from the total disability for which the member had received benefits and again becomes totally disabled while insured, the later disability shall be regarded as a continuation of the prior one unless the Participant has returned to full-time covered employment for at least six months. If the later absence is due to an unrelated cause and the Participant had returned to full-time work, it shall be considered a new disability. The disability benefit insurance cannot be converted to an individual policy.

No Participant shall be covered by the disability benefit provision of the group policy or policies except upon the completion of one year of full-time continuous employment in a position eligible for participation in the Defined Contribution Retirement Program. For a person who is a participant pursuant to ¶ 4.1(e), completion of one year of full-time continuous employment in a position eligible for membership in the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System shall also be considered in determining if the Participant met the requirements of this paragraph.

18.2. Amount of Benefit

The disability benefit provided under a group policy or policies shall be in an amount equal to 60% of the Participant's Base monthly salary, reduced by periodic benefits to which the Participant may be entitled during the period of total disability. For an Eligible Employee who is a Participant pursuant to paragraph 4.1(e), Base monthly salary for this disability benefit shall mean the base or contractual salary upon which contributions were made to the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System and to this program.

The periodic benefit by which the monthly disability benefit may be reduced shall include salary or wages, retirement benefits or benefits from any source for which the State or other public employer has paid any part of the cost or made payroll deductions, Social Security disability or other benefits, including dependents' benefits, and benefits paid by Social Security at the option of the Participant before the age of 65, but not including any increase in Social Security benefits enacted after the disability benefit under such group policy or policies have commenced, and any other periodic benefits provided by law except on account of military service.

When a Participant begins to receive a disability benefit under such group policy or policies, the insurance company shall pay an amount equal to the Employee Contribution which would have been required of the Participant and deducted from the Participant's Base Salary in order to meet the participant's obligation for the Retirement Plan. Such amount shall be paid by the insurance company without reduction by any other periodic benefit which the participant is eligible to receive. Such amount shall be paid by the insurance company to the Participant's Account under the Retirement Plan.

18.3. Definition of Total Disability

The Participant shall be considered totally disabled if the Participant is unable to perform each duty of the participant's occupation and is under the regular care of a physician. After the 24 months following the commencement of such disability benefit payments, the Participant shall be unable to engage in any gainful occupation for which the Participant is reasonably fitted by education, training or experience. Total disability shall not be considered to exist if the participant is gainfully employed. Following an agreement with the insurance company and the policyholder, the Participant may continue to receive disability benefits for a limited time while performing some type of work. During the period of rehabilitation, the monthly benefit shall be the regular payment less 80% of the Participant's earnings from such rehabilitative position.

18.4. Group Disability Benefit Insurance Premium Fund

The Plan Administrator shall establish and maintain the DCRP Group Disability Benefit Insurance Premium Fund (the "Disability Premium Fund") for the purpose of receiving and holding Employer contributions with respect to the Group Disability Benefit Plan and transmitting such contributions from time to time to the appropriate insurance provider(s) for this benefit.

Amounts in the Disability Premium Fund shall be considered part of the general assets of the State, and shall not be part of the Trust with respect to the Retirement Plan, but shall be separately accounted for. The Plan Administrator may establish one or more bank accounts or otherwise designate a custodian with respect to the Group Disability Benefit Plan, and shall generally be empowered to take all actions as may be necessary or desirable to maintain and administer the Premium Fund.

19. Amendment

19.1. Program amendment

Subject only to the New Jersey Constitution and ¶ 19.2, the New Jersey Legislature has the right to amend the Program and Trust at any time. To the extent consistent with the Enabling Statute, the Plan Administrator [, by means of a writing executed by the [title] of the New Jersey Division of Pensions and Benefits,] has the right to amend the Program (including the terms of any Plan under the Program), the Trust and the separate premium funds with respect to the Group Life Insurance Plan and Group Disability Plan at any time and/or to adopt rules and regulations consistent with the Program and Applicable Law.

19.2. Amendment cannot change exclusive benefit

Any amendment of the Program and Trust shall not be effective to the extent that the amendment has the effect of causing any Program assets to be diverted to or inure to the benefit of the Plan Administrator or any Employer, or to be used for any purpose other than providing Benefits to Participants and Beneficiaries and defraying reasonable expenses of administering the Program and Trust.

20. Construction

20.1. Construction

The provisions of this part govern the construction or interpretation of this Program. These rules of construction and interpretation shall apply for all provisions, and shall supersede any other construction or interpretation rules.

20.2. Construction as a qualified plan

The Plan-Sponsor intends that the Retirement Plan conform to the Internal Revenue Code's requirements for federal tax treatment under IRC §§ 401(a) and 414(d), with Employee Contributions picked up under an arrangement consistent with IRC § 414(h)(2). Therefore, the Plan Administrator will construe and interpret the Retirement Plan to state provisions that conform to the requirements of IRC § 401, as applicable to a governmental plan under IRC § 414(d). When the Internal Revenue Code is amended through subsequent legislation, the Plan Administrator will construe and interpret the Retirement Plan as stating provisions consistent with such amendment of relevant Law.

To the extent required for the Retirement Plan to qualify under IRC § 401(a), the provisions of this Plan shall be construed, consistent with Treasury Reg. § 1.401-1(b)(1)(ii), to provide:

- a definite pre-determined formula for allocating Contributions; a definite pre-determined formula for allocating investment earnings (and losses) among Accounts;
- periodic valuation of Plan assets (including Investment Options) and Trust assets at least once each year;
- periodic valuation of Accounts at least once each year;
- and distribution of Plan Accounts after attainment of a specified age or the occurrence of some event.

20.2.1. Purpose of Plan Amendments.

The Retirement Plan has been drafted as a governmental plan intended to conform to the applicable requirements of the Uruguay Round Agreement Act; the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, and the Community Renewal Tax Relief Act of 2000. Furthermore, the Retirement Plan and Trust is amended to comply with certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") which are based on the model amendment provided under Internal Revenue Service Notice 2001-57 and are intended as good faith compliance with the requirement of EGTRRA to be construed in accordance with EGTRRA and guidance issued thereunder. Except as otherwise specifically provided herein, this Plan document establishes the rights and obligations with respect to individuals who are employees on and after such dates, as applicable, and to transactions under the Retirement Plan on and after such dates, as applicable. The rights and benefits, if any, of individuals who are not employees on or after such dates, as applicable, shall be determined in accordance with the terms and provisions of the Retirement Plan that were in effect on the date that their

employment terminated, except as otherwise specifically provided herein or in a subsequent amendment.

20.3. Construction with Enabling Statute

The Program is established and maintained with the intent that the Program, and each Plan established under the Program conform to the applicable requirements of the Enabling Statute. The provisions of the Program shall be interpreted whenever possible to state provisions that conform to the applicable requirements of the Enabling Statute. When the Enabling Statute is amended or interpreted through subsequent legislation or regulations or an attorney general opinion, the Program should be construed as stating provisions consistent with such amendment or interpretation of the applicable law.

20.4. Construction of statutes and regulations

Any reference to a section of the Internal Revenue Code shall be construed to also refer to any successor provision. Any reference to a section of Treasury Regulations shall be construed to also refer to any successor provision of such Regulations. Any reference to a Revenue Ruling or Revenue Procedure or IRS Notice or IRS Announcement shall be construed to also refer to any guidance of general applicability that extends, amplifies, or modifies the Revenue Ruling or Revenue Procedure or IRS Notice or IRS Announcement.

The Program refers to relevant regulations, including (but not limited to) Treasury regulations under the Internal Revenue Code, without regard to whether the regulations are substantive or interpretive and without regard to whether the regulations are proposed or temporary or final; but it is intended that any provision that refers to a regulation shall be construed to refer to the regulation in the sense of the appropriate legal effect (under administrative procedure law and otherwise) that the regulation currently has at the time the construction is made.

To the extent that a provision states a duty owed to any government (rather than a duty to a Participant or Beneficiary or other Person or entity having an interest under the Program), the provision shall be construed as directory and shall be enforced only by the government. However, a provision that is necessary for the Retirement Plan to meet the requirements of a qualified plan within the meaning of IRC § 401(a) includes a duty owed to Participants and Beneficiaries and is not directory.

20.5. Investment Law

Whenever, after applying the specific construction rules of any Definition or Provision or Part and the general construction rules stated in this Part, the Retirement Plan may be susceptible to more than one construction or interpretation, a construction or interpretation that is consistent with or that is not inconsistent with applicable Investment Law is preferred over a construction or interpretation that is inconsistent with applicable Investment Law.

20.6. Construction of words and phrases

The headings and numbering of provisions in the Program and text that is stated within brackets are included solely for convenience of reference and are not intended to limit, amplify, or affect the construction of any provision of this Plan

The phrase “under the Plan” or “under this Plan” refers to the entire Plan document as a whole and not merely to any part of any document or Provision in which the phrase appears. Any reference to a Part of the Plan document refers to the whole Part. Any reference to a Definition or Provision of the Plan refers to the whole Definition or Provision, unless the reference specifies a particular portion or paragraph of the Provision.

The singular shall be construed to include the plural, unless the context clearly indicates otherwise.

The words “as” or “if” shall be construed to mean the phrase, “to the extent that”, as appropriate in the context.

Any reference to the Plan Administrator shall be construed to refer to a DSP to the extent that the DSP is authorized to act on behalf of or under the direction of the Plan Administrator.

Unless the provision states otherwise, any reference to a Person or party shall be construed to refer also to any non-natural person or any entity (including but not limited to, any trust or estate).

Any reference to a corporation or similar organization shall be construed to include any successor to the corporation or similar organization.

If any provision concerning a benefit under the Program is ambiguous, a construction or interpretation of the provision that would provide that such benefit is available in a non-discriminatory manner shall take precedence over a construction or interpretation that would not so provide.

20.7. Construction by reference to model laws

To the extent that any construction beyond the written provisions of the Program is necessary, the Program shall be construed (except as otherwise provided hereunder or by Applicable Law) according to any then-current restatement of law published or promulgated by the American Law Institute or any then-current Uniform Act or Model Act published or recommended by the National Conference of Commissioners on Uniform State Laws. The Plan Administrator may consider a withdrawn Uniform Act or Model Act if no successor has been promulgated. Among these sources, the Plan Administrator in its sole discretion may select any order of reference and if more than one source is relevant may decide which source it considers controlling or appropriate.

20.8. United States of America Constitution and New Jersey Constitution

When applying any of the preceding construction rules relating to the Internal Revenue Code or the Enabling Statute or the Retirement System Law, the Plan Administrator need not consider any statute or regulation or order to the extent that its application is contrary to the Constitution of the United States of America or is contrary to the Constitution of the State of New Jersey, however, the Plan Administrator may presume that any statute or regulation or order is not unconstitutional until a published controlling court decision expressly holds that such law is contrary to a Constitution.

To adopt this Program, an officer of the New Jersey Retirement System signed below.

21. Trust [PROBABLY SHOULD BE DELETED IF SEPARATE TRUST AGREEMENT IS USED.]

21.1. Trust

A trustee is hereby established under State law with respect to Contributions made with respect to the Retirement Plan. Contributions to fund the benefits under the Group Insurance Plan and Group Disability Insurance Plan shall be contributed to separate funds established for those Plans and shall not comprise part of the Trust under the Retirement Plan.

21.2. Adding property to the Trust

The Trustee shall cause all Plan Investment Options applied for after the date that this restated Plan is adopted to be issued to or registered in the name of the Trustee for the purposes of this Trust.

21.3. Participant-directed investment

In addition to, and not by limitation upon, the provisions above, the Trustee hereby authorizes the DSP to accept investment directions given by a Participant, Beneficiary, or Alternate Payee as provided by the Retirement Plan. If any investment direction is not received in good order, the DSP may, to the extent provided by the Investment Option, hold any Contribution in cash, without liability for interest or investment gains of any kind, until the Person receives complete proper instructions in good order or the DSP may direct the Contribution to the default Investment Option.

21.4. Trustee must defend the Trust

The Trustee must defend the Trust in any action at law or in equity that asserts or alleges that the Trust is not a valid entity or is in any other way illegal or void or voidable. The Trustee is entitled to pay from or be reimbursed by the Trust assets all of its actual expenses incurred relating to the defense of the Trust.

21.5. Trustee must hold Investment Options

The Trustee must maintain ownership of the Investment Options. To the extent of Investment Options under a group trust, collective investment fund, or other pooled investment, the Trustee's participation (whether or not measured by shares or units) in the group trust, collective investment fund, or other pooled investment is the form of ownership.

21.5.1. Other Investments

The Trustee shall not invest any money or property of the Trust other than under an Investment Option.

21.5.2. Power to use Investment Options

The Trustee delegates to the DSP authority to exercise any of the Trustee's rights or powers under the Investment Options. The Trustee shall oversee the DSP's actions so as to have reasonable assurance that the Investments Options are used according to the Retirement Plan and not for any improper purpose.

21.6. Trustee has no investment duties

The Trustee has no investment duties under the Trust. The Trustee shall not invest any money or property of the Trust other than under the Investment Options as instructed by Participants, Beneficiaries, and Alternate Payees. Except to the extent otherwise required by the Enabling Statute, the Trustee has no duty to consider the prudence of any Investment Option. The Trustee has no duty to and shall not inquire into any Participant's, Beneficiary's, or Alternate Payee's investment direction.

21.6.1. Trustee follows investment directions

The Trustee shall not give any investment direction or instruction of any kind, except as instructed by a Participant, Beneficiary, Alternate Payee, or the Plan Administrator.

21.7. Trustee's powers

Subject to the limitations stated by this Part 21, the Trustee has all powers provided by any applicable New Jersey statute and otherwise at law or in equity (including the common law), and has the following specified powers in addition to and not by limitation upon any such powers.

21.7.1. General powers

The Trustee may require any Person involved in the administration of the Retirement Plan, and any Person having any interest under the Retirement Plan, to furnish such certifications of facts as shall permit the Trustee to perform its duties under this Part 21 or under any applicable law. The Trustee has power to make, execute, and deliver as Trustee any and all contracts, waivers, releases, or other instruments in writing and to do all other acts as Trustee that the Trustee considers necessary or appropriate in carrying out any duty or power under this Part 18 or otherwise at law or in equity. The Trustee has power to adjust, settle, contest, compromise and arbitrate any claims, debts, or damages due or owing to or from the Trust, and to sue, commence or defend any legal proceedings relating to the Trust.

21.7.2. Power to employ accountants and counsel

Subject to the Enabling Statute, the Trustee has power to employ (at the expense of the Trust) suitable agents, accountants, attorneys, lawyers, legal assistants, consultants, and counsel of any kind; and to pay their fees or expenses and compensation out of the Trust assets. The Trustee shall not be deemed imprudent by reason of its taking or refraining from taking any action according to the opinion of its counsel.

21.8. Employer sends Contributions

Each Employer sends Contributions to the DSP to be invested under the Investment Options. The Trustee shall not receive any Contributions.

21.9. Plan audits

At any time the Trustee may (but is not required to) engage an independent public accountant to examine the financial statements or internal control procedures with respect to the Program or any Plan under the Program. If the Plan Administrator engages an independent accountant, the Plan Administrator must require that such engagement provide that the examination be made according to generally accepted auditing principles (or according to agreed upon procedures that

the Trustee approves in writing), and that the Trustee is entitled to rely upon the accountant's examination and opinion and all reports relating to the examination.

21.10. Action of Trustee

The Trustee may authorize any of its officers or employees to execute documents on its behalf.

21.11. Allocation of responsibility

Any Person acting regarding the Trust shall have only those specific powers, duties, responsibilities, and obligations specifically provided by this Part 21, or that are provided by this Plan document to the extent not inconsistent with this Part 21. Each Person is responsible only for the proper exercise of his/her/its own powers, duties, responsibilities, and obligations, and any Person is not liable for any act or failure to act of another Person.

21.12. Expenses

The Trustee may pay from the Trust assets any actual expense (including, by example and not by limitation, actual fees of lawyers and legal assistants, accountants, auditors, proxy solicitors, or other consultants) reasonably incurred in performing services with respect to the Retirement Plan or the Trust. Without limiting the comprehensive effect of the foregoing, all of the provisions of the Retirement Plan concerning expenses are incorporated into and made a part of this Part 21 by reference. Trust assets shall not be used to pay expenses of the Group Life Insurance Plan or Group Disability Benefit Plan.

Employers shall pay their share of the administrative costs of the program. The intervals for all payments and the allocation of administrative costs shall be determined by the Division of Pensions and Benefits including due dates and penalties for non compliance. (Chapter 92, P.L. 2007, Sec 3b)

21.13. Indemnification

For any officer or employee of the Trustee, such Person's service with respect to the Trust shall be treated as official duties, and such Person shall be entitled to public officer immunity, relief from liability, and defense and indemnification to the same extent as provided for a government officer or employee in the conduct of his/her official duties.

21.14. Non-involvement in business management

The Trustee shall not have any duty to interfere or become in any way involved in the management or conduct of the affairs or business of any business organization or investment organization or entity in which any Trust assets may be invested, even if the Trustee has the controlling interest in such organization or entity. However, the preceding sentence shall not be construed to excuse the Trustee from asserting the Trust's rights if the Trustee has actual knowledge that an organization or entity has willfully defaulted on an obligation owing to the Trust. This provision shall not apply to the extent that its application would cause the Retirement Plan to fail to meet the requirements of IRC § 401(a)(2).

21.15. Proxy voting

The Trustee shall not have any duty to vote its shares or units or other interest in any Investment Option or any business organization or investment organization or entity in which any Trust assets may be invested. If the Trustee, in its sole and absolute discretion and free of any

fiduciary duty, decides to vote any shares or units or other interest, the Trustee may (but need not) seek Plan investment directions concerning the Trustee's voting of any shares or units or other interest. Any voting is not subject to any fiduciary duty except to the extent required to satisfy IRC § 401(a)(2).

21.16. Rule against accumulations

The rule against accumulations does not apply to the Trust.

21.17. Rule against perpetuities

The rule against perpetuities does not apply to the Trust.

21.18. Standard of care

The Trustee shall discharge its limited duties under this Part 21 with the diligence under the circumstances then prevailing that a prudent person acting as a ministerial trustee of a trust for which the trustee had no duties other than to maintain record title of the trust property would use in the conduct of a like trust with a like aim to hold the Investment Options and any other money or property held for the purposes of the Retirement Plan solely as Plan assets for the purpose of investing Retirement Plan Accounts and paying Plan Distributions.

21.19. Third-party reliance

Any Person receiving property from, delivering property to, or having any other transaction with the Trustee is not required to consider the propriety of the acts of the Trustee or inquire into the application of the property or money received by the Trustee, as long as the Person is acting in good faith.

As approved and adopted:

NEW JERSEY DEFINED CONTRIBUTION RETIREMENT PROGRAM

Dated: _____, 2007