THE SAN BERNARDINO COUNTY
PST DEFERRED COMPENSATION
RETIREMENT PLAN

Adopted by the Board of Supervisors, July 1, 1991
Amendment approved by the Board of Supervisors, March 22, 1993
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INTRODUCTION

Effective July 1, 1991, the Omnibus Budget Reconciliation Act of 1990 subjects service performed by state and local government employees who are not members of a retirement system to Social Security taxes. The Treasury Department has issued regulations, which permit participation in a Deferred Compensation Program (Section 457) as an alternative to Social Security taxes. To qualify, Deferred Compensation plans are required to allocate at least 7.5 percent (7.5%) of a worker's annual compensation into the employee's account.

This Deferred Compensation Plan has been designed to meet the requirements of an alternative plan to Social Security taxes for employees who are not members of the San Bernardino County retirement system.

The Plan Administrator has designated ING Life Insurance and Annuity Company as the Plan Record Keeper.

Questions should be directed to the Plan Record Keeper.

ARTICLE I
PLAN NAME AND DESIGNATION

The name of this Plan is the San Bernardino County PST Deferred Compensation Retirement Plan (hereinafter referred to as the "Plan").

The Plan shall serve as a defined contribution public retirement system pursuant to Internal Revenue Code Section 3121(b)(7) and regulations adopted thereunder. Accordingly, the Plan shall accept as a Participant an employee or elected official whose participation in the Plan has been mandated by the County as a condition of employment in order that such employee's or elected official's wages not be subject to Social Security tax under FICA.

ARTICLE II
DEFINITIONS

For the purpose of this Plan, certain words or phrases used herein will have the following meanings:

2.01 <u>Beneficiary</u>

Beneficiary means any person or organization designated by the Participant to receive an annuity, death benefit, or other benefit under the provisions of this Plan**,** by reason of such Participant's death provided that the sole primary Beneficiary of a married Participant shall be his or her surviving spouse unless the Participant has designated another Beneficiary with the written consent of such spouse. The designation may be made, and may be revoked and changed, only by a written instrument (in a form acceptable to the County) signed by the Participant, consented to by the Participant's spouse, if any, and filed with the Plan Record Keeper prior to the Participant's death.

2.02 Compensation

Compensation shall mean wages payable to officers and employees of the County.

2.03 County

County shall mean the County of San Bernardino, provided that the Plan Administrator or the designee for that purpose shall exercise on behalf of the County any discretion or other function given to the County under the Plan.

2.04 Deferred Compensation

Deferred Compensation shall mean the amount of compensation not yet earned, which the Participant and the County mutually agree shall be deferred in accordance with the provisions of the Plan.

2.05 Defined Contribution Committee

Defined Contribution Committee shall mean an advisory committee consisting of nine members, consisting of the following positions: the County Administrative Officer, the Director of Human Resources, the Executive Director/Chief Investment Officer of the San Bernardino County Employees Retirement Association, the Treasurer/Tax Collector, three members appointed by the County Administrative Officer, one member appointed by the San Bernardino Public Employees Association, and one member appointed by the Safety Employees Benefit Association. Other than the three members appointed by the County Administrative Officer, each member shall have one alternate. The appointed members shall serve at the pleasure of the County Administrative Officer. The elected County Auditor/Controller-Recorder shall serve as an ex-officio member of the Defined Contribution Committee. The Defined Contribution Committee shall advise the Plan Administrator and the Board of Supervisors on all matters of policy affecting the Plan.

2.06 Includible Compensation

Includible Compensation means compensation for service performed for the County or Special Districts governed by the Board of Supervisors, which (taking into account the provisions of Internal Revenue Code Sections 401(k), 403(b) and 457) is currently includible in gross income.

2.07 Participant

Participant means an individual who is eligible to defer Compensation under the Plan.

2.08 Plan Administrator

Plan Administrator shall mean the County Human Resources Benefits Chief, Employee Benefits and Services Division.

2.09 Plan Record Keeper, Custodian, or Investment Manager

Plan Record Keeper, Custodian, or Investment Manager shall mean the financial services firm who has contracted with the County to provide recordkeeping, custodial and/or investment management services to the Plan.

2.10 Plan Year

Plan Year shall mean the period commencing January 1 and ending December 31.

2.11 Retirement Age

Retirement Age shall mean, as to each Participant, the age designated by the Participant within the range of ages ending with 701/2 and beginning not earlier than the earliest age at which an employee would have the right to retire under the retirement plan of the County and receive benefits. For a Participant who continues in the service of the County after age 701/2, Retirement Age shall be the age at which the Participant separates from service with the County.

2.12 Termination of Service

Termination of Service shall mean the severance of the Participant's employment or contract with the County prior to retirement.

ARTICLE III
ADMINISTRATION

The Plan Administrator shall have full authority to adopt rules and regulations for the administration of the Plan and to interpret, alter, amend, or revoke any rules and regulations so adopted. The Plan Administrator shall have full discretion to construe and interpret the terms and provisions of this Plan and all rules and regulations related thereto, which interpretation or construction shall be final and binding on all parties, including but not limited to the Plan Sponsor and any Participant or Beneficiary, except as otherwise provided by law. The Plan Administrator shall administer such terms and provisions in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to the Plan.

ARTICLE IV
ELIGIBILITY

All employees in full-time, part-time, temporary, contract, and seasonal positions or elected officials of the County or Special Districts governed by the Board of Supervisors of the County who are not members of the San Bernardino County Employees' Retirement Association (SBCERA) and who are also not a participant of the County's 401(k) Salary Savings Plan shall be participants in this Plan. Those employees who are employed by the County in a regularly budgeted position and also in an extra-help position shall not be required to participate in this Plan as long as he or she is participating in SBCERA through the regular position. In addition, employees who have retired from the County pursuant to the guidelines established by SBCERA, and have returned to County employment, shall not be required to participate in this Plan.

ARTICLE V
ENROLLMENT AND FICA ALTERNATIVE PLAN CONTRIBUTIONS

Each eligible officer or employee shall file a written enrollment election with the County or its designee on or before the first day on which the Participant becomes an employee or Participant under the provisions of Article IV.

The election shall continue thereafter in full force and effect unless the Participant ceases to qualify as an officer or employee or to be a Participant in the Plan as provided in Article IV or XI. All Contributions to the Plan shall cease once an employee becomes eligible to participate in the San Bernardino County Employees' Retirement Association. However, such employees shall be required to maintain any assets in the Plan until such time as the assets become otherwise distributable under the Code.

The election shall specify the percentage of biweekly earnings to be contributed to the Plan by the Participant and the County as established in the Memorandum of Understanding, salary ordinance, contract, or such other document approved by the County governing each Participant. Changes in the amount of deferment will automatically occur when a change in Compensation occurs based on the percentage of biweekly earnings established in the Memorandum of Understanding, contract, salary ordinance, or such other document approved by the County. In no event shall such contributions be less than the minimum amount necessary to provide a minimum retirement benefit. A "minimum benefit" under this Article is an annual allocation (not including earnings) of at least 7.5% of base Compensation. A minimum benefit can be funded exclusively by employer contributions, employee contributions or a combination of the two. FICA alternative contributions are subject to the applicable limitations on contributions under Code Section 415(c) or 457(b).

ARTICLE VI
DEFERRALS

The maximum amount which may be deferred by a Participant in any taxable year shall not exceed the lesser of: (i) the dollar amount provided under Code Section 457(b)(2) (as may be indexed annually), or (ii) 100% of the Participant's Includible Compensation.

ARTICLE VII
MAXIMUM ANNUAL CONTRIBUTIONS

In the event that the limit on deferred contributions is exceeded, the Plan Administrator shall direct the Plan Record Keeper as to the proper correction method permissible under applicable law, including calculation of any earnings or losses and the proper tax reporting with respect to such distributions.

A Participant who participates in the Plan and another 457(b) plan of the County or another employer shall be responsible for complying with all applicable deferral limits. In the event of an excess amount, the Participant shall notify that Plan Administrator so that the excess may be distributed as soon as practicable.

ARTICLE VIII
BENEFICIARIES

Each Participant has the right, by written notice filed with the Plan Record Keeper, to designate one or more Beneficiaries to receive any benefits payable under this Plan in the event of the Participant's death prior to the complete distribution of benefits provided that the sole Beneficiary of a married Participant shall be his or her surviving spouse unless the Participant has designated another Beneficiary with the written consent of such spouse. The designation may be made, and may be revoked and changed, only on a County approved Beneficiary Designation Form provided by the Plan Record Keeper. The Participant accepts and acknowledges that he or she has the burden for executing and filing with the Plan Record Keeper the proper Beneficiary Designation Form. It is not binding on the County or the Plan Record Keeper until it is signed by the Participant and Participant's spouse if applicable, and filed with and accepted by the Plan Record Keeper.

In the absence of such a designation, or if no designated person is living when a benefit is payable, the Plan Administrator will direct the Plan Record Keeper in writing to pay any benefits payable under the Plan in the following order of priority:

(a) Spouse, if living; otherwise
(b) Natural or legally adopted children in equal shares, if living; otherwise
(c) Parents in equal shares, if living, otherwise
(d) Siblings in equal shares, if living, otherwise
(e) The estate of the Participant.

In the event any amount is payable under the Plan to a person for whom a conservator has been legally appointed, the payment shall be distributed to the duly appointed and currently acting conservator, without any duty on the part of the Defined Contribution Committee to supervise or inquire into the application of any funds so paid.

ARTICLE IX
REVOCATION

An enrollment election shall remain effective and no revocation is permitted for as long as a Participant meets the eligibility criteria as provided in Article IV and Article XI.

ARTICLE X
TERMINATION OF EMPLOYMENT

Upon termination of a Participant’s employment with the County, any agreements to defer Compensation will be deemed to have been revoked.

ARTICLE XI
PST DEFERRED COMPENSATION RETIREMENT FUND

The County shall establish under this Plan an investment account to be known as the "PST Deferred Compensation Retirement Fund." The County shall deposit in such account amounts equal to the total Compensation deferred by the Participants under this Plan less any charges for administrative costs. The assets of the fund shall be invested in such investments as the laws of California may allow.

Such investments, and all amounts of Compensation deferred under this Plan, all property and rights which may be purchased by the County with such amounts and all income attributable to such amounts, property or rights to property shall be held in trust, or a custodial account or annuity contract described in Code Section 401(f) for the exclusive benefit of Participants and their Beneficiaries. All such amounts shall not be subject to the claims of the County's general creditors.

The value of any benefit shall be determined by the actual value of the investment product(s) at the time of benefit payment, unaffected by any independent or arbitrary standard of calculations with respect to such investment product(s). The County shall not be responsible for the investment or performance results of such investment product(s).

Neither the existence of the Plan nor the Fund shall entitle any Participant, the Beneficiary of any Participant or a creditor of any Participant to a claim or lien against the assets of the investment account. The Participant and his/her Beneficiary shall have only the right to receive the benefits payable under the Plan.

ARTICLE XII
PARTICIPANT ACCOUNT

The County shall maintain or have maintained an account ("the Participant Account") for each Participant, to which shall be credited an amount equal to the deferred income of the Participant, less any charges for administrative costs. Each Participant Account shall further be credited daily with earnings, gains, or losses applicable thereto.

The Plan Record Keeper will furnish to each Participant statements of his or her account at such times as determined by the Plan Administrator. The account statements will disclose:

(a) The accumulated amounts of Compensation that have been deferred and invested.

(b) Any amounts credited to the Participant's Account by way of interest, dividends or other proceeds flowing from his/her accumulation.

(c) The balance of such Participant's Account.

ARTICLE XIII
DISTRIBUTION OF BENEFITS

Code Section 457 and the applicable regulations determine the Participant's eligibility for distributions as available options.

13.01 Eligibility

Distributions *may* be taken under any of the following circumstances:

(a) Retirement;
(b) Termination of Service;
(c) Attainment of age 701/2, whether or not still employed; or
(d) Participant's death;

13.02 Distribution and Deferral

Distributions must follow the minimum distribution requirements of Code Sections 401(a)(9) and 457(d) and the regulations thereunder as they may be amended from time to time. There is a substantial federal tax penalty for not satisfying the minimum distribution requirements. Upon becoming eligible in accordance with Section 13.01 above, distribution is subject to the following guidelines:

(a) A Participant may elect to receive so much of his or her Participant Account in installment payments made at least annually. A Participant may elect to vary the amount of frequency of any such payments at least once each calendar quarter. However, at no time may the installment payment period exceed the Participant's life expectancy.

(b) A Participant may elect to postpone distribution.

(c) A Participant who is still employed by the County at or after reaching age 701/2 may elect to postpone distribution until retirement.

(d) If eligibility for distribution is on account of the Participant's death, distribution shall commence in accordance with Section 13.09 below.

(e) Notwithstanding any provision of the Plan to the contrary, distribution from the Plan must commence and be made in accordance with Code Sections 401(a)(9), 457(d) and the regulations thereunder as may be amended from time to time. Participants must commence distribution no later than April 1 following the later of:

(i) the calendar year in which the Participant attains the age 701/2 years, or
(ii) the calendar year in which the Participant retires.

13.03 Payment Options

Option 1: Upon becoming eligible for a distribution in accordance with Section

13.01, subsections (a) through (c) above, any amount credited to a Participant's Account (including earnings and net gain or loss), less any federal or state income tax required to be withheld, may be distributed to the Participant in a single lump sum payment.

In addition, if the amount credited to a Participant's Account (including earnings and net gain or loss), exceeds $5,000 it shall be distributed as instructed by the Participant, following any one of the following payment options:

Option 2: Payments for a Specified Period. Consecutive, periodic payments, made monthly, quarterly, semiannually or annually over a period of years from the date distribution begins, not to exceed the Participant's life expectancy.

Option 3: Payments for Life Expectancy. Monthly, quarterly, semi-annual or annual installments made over the life expectancy of the Participant, or Participant and his or her spouse. Life expectancy shall be actuarially determined by the Plan Administrator based on the date initial distribution is to begin.

Option 4: Freeze. Notwithstanding any provisions of this Article, a terminating Employee may elect to leave the funds, assets, and accumulations in his or her Participant Account until such time as he or she would otherwise receive the benefits in accordance with his or her stated preference as provided in Paragraph 13.02 of the Plan.

Option 5: Combination Amount. A split payment under which a partial lump sum payment and payment under Options 2, 3, or 4, as elected by the Participant commences or are made at the same time.

13.04 <u>Distribution for Certain Non-Participating Participants/Diminimus Rule</u>

Notwithstanding any provision of the Plan to the contrary, if the total amount of a Participant's Participant Account under the Plan does not exceed the greater dollar limit of:

- $5,000 or the limit provided under Code Section 411(a)(11)(A), the Participant may elect to receive (or the County may elect to pay to the Participant without the Participant's consent) the total amount in a single sum payable directly to the participant or transferred to an Individual Retirement Account (IRA) or,
- $1,000 or the limit provided under Code Section 411(a)(11)(A), the Participant may elect to receive (or the County may elect to pay to the Participant without the Participant's consent) the total amount in a single sum payable directly to the participant.

Distribution will occur within sixty (60) days of such election; provided, however, such amount may be distributed pursuant to this Section 13.04 only if:

(a) no amount has been deferred under the Plan with respect to such Participant during the two-year period ending on the date of the distribution; and

(b) there has been no prior distribution under the Plan to such Participant to which this Section 13.04 applied. Distribution under this Section 13.04 may be made regardless of whether the Participant is an active Employee of the County or has separated from service if all other requirements identified in this Section have been met.

13.05 Default Distribution Schedule

If the Participant fails to select a payment option for any event which causes amounts to become available under the Plan, the Participant shall be deemed to have elected, pursuant to Section 13.02(b) hereof, to postpone distribution of his or her benefit until the year in which the Participant attains age 701/2. Upon such Participant's attainment of age 701/2, payments shall be made at the direction of the Plan Administrator in a single lump sum payment or in accordance with the terms of the relevant annuity contract(s) and Code Section 401(a)(9). Notwithstanding the foregoing, Participant Accounts not exceeding $5,000 may be subject to earlier distribution in accordance with Section 13.04 above.

13.06 Payment Frequency

If the Participant has elected a payment option requiring installment payments, the Participant may also elect to have such payment made either monthly, quarterly, semi-annually or annually. However, no payment option may be selected by the Participant unless the amount of any installment is at least $100. Additionally, any installment of less than $250 monthly will be paid no less often than quarterly.

13.07 Income Tax Reporting

Amounts paid to a Participant shall be subject to withholding for federal and state income taxes and shall be reported on appropriate tax reporting forms to the Participant. Amounts paid to a spouse or former spouse who is an alternate payee under a Domestic Relations Order shall be subject to withholding for federal and state income taxes and shall be reported on appropriate tax reporting forms to the spouse or former spouse who is an alternate payee. If the alternate payee is not the Participant's spouse or former spouse, the distribution is taxable to the Participant.

13.08 Distribution in the Event of Participant Divorce

In the event of divorce by the Participant, a Domestic Relations Order outlining the division of funds must be provided to and approved by the Plan Record Keeper before a joinder account can be established. Upon division of the account, the alternate payee may choose to take distribution of the joinder account balance. A spouse or former spouse who is an alternate payee may rollover the balance of the account to another eligible retirement plan of which the spouse is a participant provided that the receiving plan provides for the acceptance of the amounts. The alternate payee may also choose to leave the joinder account balance in the County's Plan subject to all the remaining provisions of this Plan.

13.09 Distribution Schedule in the Event of the Participant's Death

In the event of the death of the Participant, all amounts in Participant's Account, including earnings and net gain or loss, less any federal or state income tax required to be withheld, shall be distributed to the Participant's Beneficiary(ies) according to the following requirements.

Notwithstanding any provision in the Plan to the contrary, distribution upon the death of a Participant shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the regulations thereunder.

(a) The Plan Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the account of a deceased Participant, or former Participant, as the Plan Administrator may deem appropriate. The Plan Administrator's or its designee's determination of death and of the right of any person to receive payment shall be conclusive.

(b) If distribution has commenced prior to the death of the Participant, the balance of a Participant's Account shall be paid to the Beneficiary(ies) in accordance with the payment option already selected by the Participant so that the remaining distribution will be completed at least as rapidly as under the method of payment used before the Participant's death.

(c) If the designated Beneficiary is the Participant's surviving spouse and minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant, the spouse may elect a single-sum payment or minimum payments which must begin by the later of:

(i) December 31 of the calendar year immediately following the calendar year in which the Participant died, or

(ii) December 31 of the calendar year in which the Participant would have attained age 701/2.

The payment to the surviving spouse must be made over a period not to exceed the surviving spouse's life expectancy.

(d) If distribution has not commenced prior to the death of the Participant, a non-spousal Beneficiary must either:

(i) elect a distribution payable over a period not extending beyond the life expectancy of the Beneficiary, commencing no later than the end of the calendar year following the calendar year in which the Participant dies; or

(ii) elect a single-sum payment to be made no later than the end of the calendar year which contains the fifth anniversary of the date of death of the employee, otherwise, such single sum payment shall be made by the end of such calendar year.

13.10 The Plan Record Keeper shall process distribution requests upon its receipt of all required forms in good order.

ARTICLE XIV
LEAVE OF ABSENCE AND MILITARY SERVICE

Approved leave of absence with pay shall not affect agreements with Participants in this Plan.

Approved leave of absence without pay shall be considered to be temporary revocation of the Participant’s agreement to participate in this Plan. Participation in the Plan will be automatically reinstated as of the first day of the next period subsequent to the termination of the leave of absence status.

The Plan will be administered in accordance with Code Section 414(u) for employees who return to work after absences from employment due to military service. This includes make-up contributions that were not made during the employee’s period of military service. Contributions made up will be subject to the annual contribution limitations for the year in which they relate, rather than the year they are made.

ARTICLE XV
DOMESTIC RELATIONS ORDER

The Plan Record Keeper, on the County’s behalf, shall accept Domestic Relations Orders (DRO) meeting the requirements of Code Section 414(p)(1) as modified by Code Section 414(p)(11) to transfer all or a portion of the Participant’s account to an alternate payee. All transfers or distributions made pursuant to a DRO are subject to the tax reporting provisions outlined in Article XIII.

ARTICLE XVI
DIRECT ROLLOVER OR TRANSFERS

A. Amounts that are considered “eligible rollover distributions” in accordance with Code Section 402(c)(4) may be rolled over by Participant from an “eligible retirement plan” and credited to the Participant’s Account under the Plan.

The term “eligible retirement plan” shall mean any other 457(b) plan maintained by an employer which satisfies the definition of Code Section 457(e)(1)(A) ("a governmental 457(b) plan"), a 401(a) plan, a 401(k) plan, a 403(b) program, an individual retirement account as described in Code Section 408(a), and individual retirement annuity as described in Code Section 408(b). For purposes of this Article, the term “amounts rolled over from an eligible retirement plan” shall mean:

(i) amounts rolled to the Plan directly from another eligible retirement plan;

(ii) distribution received by Participant from another eligible retirement plan that is eligible for tax deferred rollover to a governmental 457(b) plan and that is rolled over by the Participant to the Plan within sixty (60) days following receipt thereof;

(iii) amounts rolled over to the Plan under subparagraphs (i) and (ii) by a Participant who is also a surviving spouse in accordance with Code Section 401(a)(9) or a spouse or former spouse who is an alternative payee as defined in Code Section 414(p).

As it deems necessary, the County may require from the Participant such documentation from the predecessor plan to perfect the rollover, to confirm that such plan is an eligible plan within the meaning of Code Sections 401(a), 401(k), 403(b), a governmental 457(b) or 408 [IRA], to assure that rollovers are provided for under such plan. Any amounts rolled over that had been deferred during prior calendar years will not be subject to current calendar year deferral limitations.

B. Notwithstanding any provision of the Plan to the contrary, a Participant shall be permitted to elect to have any “eligible rollover distribution” transferred directly to an “eligible retirement plan” specified by the Participant. The Participant shall, in the time and manner prescribed by the Plan Administrator, specify the amount to be rolled over and the “eligible retirement plan” to receive the transfer. Any portion of a distribution that is not rolled over shall be distributed to the Participant.

The term “eligible rollover distribution” means any distribution of amounts other than in a distribution form of substantially equal periodic payments (not less frequently than annually) over life or life expectancy of the Participant (or joint life or joint life expectancies of the Participant and the designated Beneficiary) or a distribution over a period certain of ten years or more. Amounts required to be distributed under Code Section 401(a)(9) or any amounts distributed on account of an unforeseeable emergency under Code Section 457(b) are not eligible rollover distributions.

For purposes of this paragraph B, the term “eligible retirement plan” shall mean any other governmental 457(b) plan, a 401(a) plan, a 401(k) plan, a 403(b) program, an individual retirement account as described in Code Section 408(a), and an individual retirement annuity as described in Code Section 408(b).

The election to have any “eligible rollover distribution” transferred directly to an “eligible retirement plan” also applies to the surviving spouse after the Participant’s death in accordance with Code Section 401 (a)(9) or a spouse or former spouse who is the alternate payee under a domestic relations order as defined in Code Section 414(p).

C. The County will accept funds from other eligible Deferred Compensation Plans established pursuant to Section 457 of the Internal Revenue Code to be transferred and added to the Participant's Account within the Plan provided that the former plan provides assurance that such plan is an eligible plan.

D. Amounts deferred by a former Participant no longer employed by the County shall be transferred to another eligible plan of which the former Participant has become a Participant provided that the plan receiving such amounts provides for the acceptance of the amounts.

ARTICLE XVII
ADMINISTRATIVE COSTS

The Plan Administrator shall determine in a manner it deems fair and equitable, the cost to the County General Fund of investing and administering the PST Deferred Compensation Retirement Fund. The County General Fund shall recover such costs, in the County Treasury for which the Treasurer is the investment officer.

ARTICLE XVIII
TERMINATION OR AMENDMENT

The County may at any time terminate this plan. Upon such termination, the Participants in the Plan will be deemed to have withdrawn from the Plan as of the date of such termination and the Participant's full Compensation on a non-deferred basis will be thereupon restored, and the County agrees to pay such Participants the amount of money determined as if the Participant had terminated his/her employment.

The County may also amend the provisions of this Plan at any time; provided, however, that no amendment shall affect the rights of Participants or their Beneficiaries to the receipt of payment of benefits, to the extent of any Compensation deferred at the time of the amendment as adjusted for investment experience hereunder prior to and subsequent to the amendment.

ARTICLE XIX
MISCELLANEOUS

A. The Plan shall not be construed as giving any Participant any right to continue his or her employment with the County.

B. The Plan has been adopted in the State of California and shall be construed and governed in all respects under and by the laws of said state.

C. The captions used in the Plan are for the purpose of convenience only and shall not limit, restrict or enlarge the provisions of the Plan.

D. The Plan shall be binding upon and shall inure to the benefit of the County, its successors and assigns, all Participants and Beneficiaries, their heirs and legal representatives.

E. As used in the Plan, the masculine, feminine or neuter gender, and the singular or plural number, shall each be deemed to include the others unless the context clearly indicates otherwise.

F. Any notice or other communications required or permitted under the Plan shall be in writing and, if directed to the County, shall be sent to CAO Human Resources, Employee Benefits and Services Division - PST Deferred Compensation Retirement Plan or the Plan Record Keeper; and, if directed to a Participant or to a Beneficiary, at his/her last known address as it appears on the Plan Record Keeper's records.

G. Deductions for employee contributions to retirement systems shall be made without reference to amounts deferred pursuant to this Plan, and shall be based upon the gross salary a Participant would receive if he/she had not elected to defer income.

H. The County shall have the right to contract for administration, accounting and investment services with regard to operation of the Plan.

I. This Plan is intended to qualify as an eligible Deferred Compensation Plan under Section 457 of the Internal Revenue Code, and shall be interpreted and administered in a manner consistent with Code Section 457.

ARTICLE XX
NONASSIGNABILITY

It is agreed that neither the Participant nor his or her Beneficiary nor any other designee shall have any right to commute, sell, assign, transfer or otherwise convey the right to receive any payments hereunder which payments and right thereto are expressly declared to be nonassignable and nontransferable; and, any such assignment or transfer shall not be recognized by the County, and if made by the Participant in writing shall be deemed to constitute an immediate revocation by the Participant. In the event that a Participant commits or attempts to commit a prohibited act, the County is relieved of all liability under the Plan. Except as otherwise required by law notwithstanding this provision, any Compensation deferred or benefits paid pursuant to this Plan shall not be subject to attachment, garnishment, or execution, or to transfer by operation of law in the event of bankruptcy or insolvency.

ARTICLE XXI
NON-FORFEITABLE BENEFITS

Notwithstanding any other provision of the Plan to the contrary, employer contributions made on behalf of Participants under this Plan are non-forfeitable and 100 percent (100%) vested upon contribution.

ARTICLE XXII
COPIES OF THIS PLAN

A copy of this Plan shall be made available to each eligible individual as soon as reasonably practical after his or her enrollment in the Plan.

IN WITNESS WHEREOF, the County of San Bernardino has adopted this Plan and caused this instrument to be executed by its officers duly authorized, this 23rd day of February, 2010.

COUNTY OF SAN BERNARDINO

BY: ____
Gary C. Ovitt, Chairman, Board of Supervisors