

## 401(k) Plan and 457(b) Plan

### Memorandum of Understanding for Enrollment in the Charles Schwab & Co., Inc. (Schwab) Personal Choice Retirement Account® (PCRA)

This memorandum is to ensure you understand and agree to the requirements and provisions associated with the Schwab PCRA offered by Savings Plus.

1. I agree to retain \$2,500 or 50% of my total Savings Plus account balance, whichever is less, in my core funds. I acknowledge and agree that the minimum total account value that I'm required to maintain in core funds as a condition of my participation in the PCRA may be adjusted, increased, or reduced by Savings Plus. I understand if my total Savings Plus account balance falls below the minimum account value, Savings Plus may instruct Schwab to liquidate my PCRA assets in the following order. I understand this liquidation may generate additional fees with Schwab:

Schwab Bank Sweep for Benefit Plans

OneSource Funds; redeeming first from highest balance funds

Any other mutual fund not mentioned above; redeeming first from highest balance funds Equities; redeeming first from equities with the highest number of shares

2. Once I establish a PCRA, I acknowledge that I can only invest in the PCRA as a transfer from my Savings Plus core funds. I understand the PCRA will accept automatic direct recurring amounts from my payroll contributions. I can establish a recurring transfer for a percentage up to the full value of my payroll contribution. I understand that my payroll contribution will post to my Core account and the elected recurring transfer percentage of that contribution will be transferred to my PCRA account.

3. I acknowledge that transfers into the PCRA requested by 1:00 p.m. PT on regular business days are processed same day and the funds are available in the PCRA the following business day. Transfers out of the PCRA requested by 1:00 p.m. PT on regular business days are also processed same day and the transfer of funds will be reflected in my core funds within one to two business days.

4. I acknowledge that transfers from the core funds into the PCRA are first deposited into the Schwab Bank Sweep for Benefit Plans. Once the transferred amount is in the Schwab Bank Sweep for Benefit Plans I may trade among the options available in the PCRA by accessing the Schwab brokerage link available at [savingsplusnow.com](http://savingsplusnow.com), by logging into my PCRA directly at [schwab.com](http://schwab.com) or by calling (888) 393-PCRA (7272). To transfer assets from the PCRA back to the core funds, I must first liquidate investments in the PCRA and wait for the trades to settle and the proceeds to sweep into the Schwab Bank Sweep for Benefit Plans. This process will take three to five business days to complete depending on the settlement period of the liquidated investments. Once the funds are in the Schwab Bank Sweep for Benefit Plans, I may request a transfer to my core funds. I understand that if I choose to transfer both pre-tax and Roth money into the PCRA, the investments are not tracked separately. The assets will be allocated to the money types based upon the percentage allocation of my transfer from the core funds to the PCRA.

5. Once the PCRA has been established, I understand that I may place trades by accessing the Schwab brokerage link available at [savingsplusnow.com](http://savingsplusnow.com), by logging into my PCRA directly at [schwab.com](http://schwab.com) or by calling (888) 393-PCRA (7272). Depending on the investments I choose in my PCRA, transaction fees, commissions or sales charges may be charged to my PCRA. These fees are automatically deducted from transaction proceeds or added to purchases as they're incurred. I understand that it's my responsibility to be aware of and understand these commissions and fees as described in the Charles Schwab Pricing Guide for Retirement Plan Accounts and in the prospectus of any mutual fund before I invest.

6. I understand that in the future, Savings Plus may assess administration fees for participation in the PCRA.

7. The Savings Plus quarterly participant statements will show the aggregate total amount invested in my PCRA. I will also receive a separate monthly statement from Schwab that will itemize my brokerage transactions and show individual holding balances as well as my total PCRA balance. I understand that I will receive statements in paper format unless I provide Schwab with my email address and elect to receive electronic statements. I can also elect to receive PCRA trade confirmations and other PCRA communications electronically. I may opt out of electronic delivery at any time by accessing the Schwab brokerage link available at [savingsplusnow.com](http://savingsplusnow.com), by logging into my PCRA directly at [schwab.com](http://schwab.com) or by calling (888) 393-PCRA (7272).

8. The balance invested in my PCRA continues to be subject to the requirements of Sections 401(k) and/or 457 of the *Internal Revenue Code*. Dollars cannot be transferred or distributed directly from my PCRA. To transfer to another plan or receive a withdrawal, loan, or distribution, I must transfer assets from the PCRA back to my Savings Plus core funds.

9. If I begin a periodic distribution from my core funds, I must continue to retain \$2,500 or 50% of my total account balance in the core funds, whichever is less. I understand that I will be notified by Savings Plus in the event that assets need to be transferred from the PCRA back to my core funds to meet this requirement. If I fail to transfer the required balance by the specified date, no assets will be distributed for my periodic payment and my distribution payments will stop. To restart my distributions, I must transfer sufficient assets from my PCRA to my core account and submit a new distribution request through the standard distribution request process. If I am over age 72 and subject to Required Minimum Distributions (RMD) and don't complete the required transfer, Savings Plus will liquidate adequate funds to cover the RMD payment.

10. Savings Plus has selected Schwab to offer additional investment choices for my Savings Plus account. Savings Plus is not responsible for evaluating my investment choices. I understand that it's my responsibility to determine if the investment choices available in the PCRA are suitable for my personal retirement savings plan. Savings Plus is not liable for any loss that results from my investment choice(s) under the PCRA.

11. A Qualified Domestic Relations Order (QDRO) is a court order that creates or recognizes the existence of the right of an alternate payee to receive all or a portion of the benefits payable to a participant under a retirement plan. If the participant has funds in the PCRA, and the alternate payee chooses to maintain those investments, the alternate payee must complete a PCRA enrollment form. If not completed, the appropriate amount will be liquidated and redirected to the alternate payee's core funds.

My signature on this form acknowledges that I have read, understand and agree to the SDO participation requirements above. I recognize that there may be changes to these requirements in the future. I will be notified of any major changes, and it is my responsibility to read and be aware of these. I have been provided and read the applicable brochures regarding the SDO and understand this information.

Account

Number or

SSN: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Please select the plan(s):  401(k)  457(b)

\*Note: You must fill out a separate form for each plan