

**PCPA**

**403(B) PLAN**

**PLAN DESCRIPTION**

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**TABLE OF CONTENTS**

INTRODUCTION .....	1
ELIGIBILITY FOR PARTICIPATION .....	1
Am I eligible to make Elective Deferrals and Roth Elective Deferrals? .....	1
What eligibility requirements do I have to meet to make Elective Deferrals? .....	1
CONTRIBUTIONS - EMPLOYEE .....	1
Does the Plan allow me to make Elective Deferrals? .....	1
Do I pay taxes on any Elective Deferrals I make? .....	2
How do I make or change the amount of the Elective Deferrals being withheld? .....	2
Once I make a deferral election, how often can I change, stop, or re-start the election? .....	2
What are the limits on Elective Deferrals? .....	2
Can I move money I have in another retirement plan to this Plan? .....	3
Will I receive contributions when I am not working at !@!NameCompanyFMT - NOT VALID due to my performing qualified military service? .....	3
What happens if I die or become disabled while performing qualified military service? .....	3
VESTING .....	3
Do I need to work a certain amount of time to keep my Elective Deferrals? .....	3
DISTRIBUTIONS - AFTER TERMINATION FROM SERVICE .....	3
Can I take a distribution of my account balance after my employment terminates? .....	3
What form can my distribution after termination from service be taken in? .....	3
How soon after my death does my Beneficiary have to take distributions? .....	4
What form can the distributions after my death be taken in? .....	4
Who gets my assets in the Plan if I don't designate a beneficiary? .....	4
Can the Employer ever force me to take a distribution from the Plan? .....	4
Is there ever a time when I have to take a distribution from the Plan? .....	4
Do I have to get my spouse's consent to take a distribution from the Plan? .....	4
DISTRIBUTIONS - IN-SERVICE .....	4
Can I take a distribution of my account balance if I am still working when I reach normal retirement age? .....	4
Can I take a distribution of my account balance when I reach age 59.5? .....	5
Can I take a distribution of my account balance while still working at any time? .....	5
Can I take a distribution of my account balance while still working if I become disabled (as defined in the Plan)? .....	5
Can I move my assets in the Plan to a vendor that does not accept contributions directly from the Employer? .....	5
Can I take a loan from the Plan? .....	5
What form can my in-service distribution be taken in? .....	5
INVESTMENTS .....	5
Can I direct how my account balances will be invested? .....	5
How often can I change my investment election? .....	5
What type of accounts can my account balance be invested in? .....	6
How will my account balances be invested if I do not make an investment election? .....	6
How often does the Plan Administrator determine how much my benefit in the Plan is worth? .....	6
MISCELLANEOUS .....	6
Domestic Relations Orders .....	6
Amendment and Termination .....	6
Insurance .....	6
Administrator Discretion .....	6
Plan is Not a Contract of Employment .....	7
Waiver .....	7
Errors .....	7

ADMINISTRATIVE INFORMATION ..... 7

    Plan Sponsor ..... 7

    Plan Administrator ..... 7

    Plan Assets ..... 7

    Agent for Legal Service ..... 8

    Plan Number ..... 8

    Plan and Fiscal Year ..... 8

DEFINITIONS ..... 8

    Account ..... 8

    Beneficiary ..... 8

    Compensation ..... 8

    Disability ..... 8

    Elective Deferrals ..... 9

    Normal Retirement Age ..... 9

    Plan Year ..... 9

    Qualified Joint and Survivor Annuity ..... 9

    Qualified Pre-Retirement Survivor Annuity ..... 9

    Rollover Contributions ..... 9

    Termination from Employment ..... 9

    Transfer Contributions ..... 10

VENDOR APPENDIX ..... 10

    Approved Vendors ..... 10

## INTRODUCTION

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

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

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

The Plan was originally effective 07/01/2020. This PD describes the Plan as restated effective 03/01/2024. This PD supersedes all previous PDs.

## ELIGIBILITY FOR PARTICIPATION

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

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

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

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

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

## CONTRIBUTIONS - EMPLOYEE

### **Does the Plan allow me to make Elective Deferrals?**

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

### **Do I pay taxes on any Elective Deferrals I make?**

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

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

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

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

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

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

### **What are the limits on Elective Deferrals?**

Your Elective Deferrals are subject to the following limits:

- Federal law limits the amount you may elect to defer under this Plan and any other retirement plan permitting Elective Deferrals (including both other 403(b) and 401(k) plans). You are limited to contributing \$23,000 (for 2024) during any calendar year. This dollar limit is indexed; therefore, it may increase each year for cost-of-living adjustments.
- If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution", of up to \$7,500 (for 2024). This dollar limit is indexed as well.
- If you have worked a minimum of 15 years for the Employer, you can defer additional compensation into the Plan under the Special 403(b) Catch-Up Rule. This special catch-up contribution is equal to the smallest of the three amounts listed below:
  1. \$3,000,
  2. \$15,000 minus the amount of Special 403(b) Catch-Up Contributions made in prior years, or
  3. \$5,000 times the number of years you have worked for the Employer minus the total amount of Elective Deferrals made while you worked for the Employer.
- The maximum amount you can defer is 100% of your compensation.

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

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

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

**Will I receive contributions when I am not working at !@!NameCompanyFMT - NOT VALID due to my performing qualified military service?**

If you are re-employed by !@!NameCompanyFMT - NOT VALID after performing qualified military service you may be able to make up missed employee contributions and to receive make-up employer contributions. Additionally, if you meet all of the requirements the time you spend on qualified military service may count as Years of Service under the Plan. You can receive more information about your rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA) from the Plan Administrator.

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

If you die or become disabled while performing qualified military service !@!NameCompanyFMT - NOT VALID will treat you as if you returned to work on the day before you died and then terminated on the date of death or disability when determining any of your benefits under the plan except for contributions.

**VESTING**

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

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

**DISTRIBUTIONS - AFTER TERMINATION FROM SERVICE**

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

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

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

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

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

Additionally you can take your distribution in the form of an annuity subject to the following limitations: annuities may be distributed from annuity providers only.

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

Your Beneficiary must take distributions as required by the IRS.

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

Your beneficiaries can take distributions as a cash distribution.

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

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

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

### **Can the Employer ever force me to take a distribution from the Plan?**

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

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

Yes. Once you reach your Required Beginning Date you must start taking distributions from the Plan. These distributions are called Required Minimum Distributions. Failure to take these payments can result in an IRS penalty tax of 50% of the amount that should have been distributed. Your Required Beginning Date is when you actually retire or age 70-1/2 (for Participants born before July 1, 1949) or age 72 (for Participants born after June 30, 1949), whichever is later.

### **Do I have to get my spouse's consent to take a distribution from the Plan?**

Yes. If you have a spouse they must consent to distributions you request from the Plan out of your Transfer Account that are not taken in the form of a Qualified Joint and Survivor Annuity with the survivor annuity being at least 100%.

## **DISTRIBUTIONS - IN-SERVICE**

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

Yes. You can take a distribution of all of your vested account balances when you reach normal retirement age (age 65) while you are still working.

**Can I take a distribution of my account balance when I reach age 59.5?**

Yes. You can take a distribution of all of your vested account balance when you reach age 59.5.

**Can I take a distribution of my account balance while still working at any time?**

Yes. You can take a distribution of your Rollover Contribution account balances at any time.

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

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

**Can I move my assets in the Plan to a vendor that does not accept contributions directly from the Employer?**

Yes. You can move your assets in the Plan to a vendor that does not accept contributions directly from the Employer (un-approved vendor) provided that the vendor has entered into an agreement with the Employer to share information related to the Plan and your account. See the Vendor Addendum for a list of un-approved vendors for the Plan.

**Can I take a loan from the Plan?**

No, loans are not available under the Plan.

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

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

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

<b>INVESTMENTS</b>
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**Can I direct how my account balances will be invested?**

Yes. You can direct how your entire account balance will be invested from among the different investments offered under the Plan.

You may make or change your investment elections by returning an investment election form to the Plan Administrator.

**How often can I change my investment election?**

Subject to any additional restrictions placed on investment timing by the actual investment, you may change your investment



elections daily.

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

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

### **How will my account balances be invested if I do not make an investment election?**

If you do not make an investment election your account balances will be placed in investments selected by the Plan Administrator.

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

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

## **MISCELLANEOUS**

### **Domestic Relations Orders**

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

### **Amendment and Termination**

The Plan Administrator may amend or terminate the Plan at any time in its sole discretion. However, no such action may permit any part of Plan assets to be used for any purpose other than the exclusive benefit of participants and beneficiaries or cause any reduction in your vested account balance as of the date of the amendment or termination. If the Plan is terminated, all amounts credited to your Account will become 100% vested.

### **Insurance**

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

### **Administrator Discretion**

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

## **Plan is Not a Contract of Employment**

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

## **Waiver**

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

## **Errors**

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

## **ADMINISTRATIVE INFORMATION**

### **Plan Sponsor**

The Plan Sponsor is Alan Hancock College Auxiliary Program Corp. DBA PCPA.

- Employer Identification Number: 95-1803920
- Address: 800 S. College Avenue, Santa Maria, CA 93454
- Phone number: 802-928-7731

### **Plan Administrator**

The Plan Administrator is Alan Hancock College Auxiliary Program Corp. DBA PCPA.

- Address: 800 S. College Avenue, Santa Maria, CA 93454
- Phone number: 802-928-7731
- Email: jschwartz@pcpa.org

### **Plan Assets**

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

## **Agent for Legal Service**

The agent for legal service for the Plan is Managing Director.

- Address: 800 S. College Avenue, Santa Maria, CA 93454
- Phone number: 802-928-7731

## **Plan Number**

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

## **Plan and Fiscal Year**

The Employer's fiscal year ends on 06/30 and the Plan Year ends on 12/31.

## **DEFINITIONS**

### **Account**

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

### **Beneficiary**

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

Your spouse must be your sole beneficiary of the assets in your transfer account (if applicable) unless they consents to the designation of another beneficiary.

### **Compensation**

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

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

### **Disability**

You will be considered Disabled when you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment must be supported by medical evidence.

## **Elective Deferrals**

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

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

## **Normal Retirement Age**

Normal Retirement Age (NRA) is age 65.

## **Plan Year**

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

## **Qualified Joint and Survivor Annuity**

A Qualified Joint and Survivor Annuity (QJSA) is a type of annuity distribution where the amount your spouse receives after your death will be 100% of the monthly amount that had been paid while you were alive. This amount would be received by your spouse for the remainder of their life time. A QJSA is the default form of payment for the assets in your transfer account (if applicable). You must obtain your spouse's consent to take a distribution in any other format.

In addition to the QJSA, there is a qualified optional survivor annuity available in which the benefit payable to your spouse for life after your death.

If you do not have a spouse your QJSA is an immediate annuity for your life time where the amount of the payment is based on your Account balance.

## **Qualified Pre-Retirement Survivor Annuity**

A Qualified Pre-Retirement Survivor Annuity (QPSA) is an annuity that will be purchased with 50% of your account balance for your spouse, unless (1) you, with the written consent of your spouse, waive the survivor annuity, or (2) your surviving spouse waives such survivor annuity if you die before the commencement of your benefits under the Plan.

## **Rollover Contributions**

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

## **Termination from Employment**

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

## **Transfer Contributions**

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

## **VENDOR APPENDIX**

### **Approved Vendors**

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

- Corebridge Financial (formerly VALIC)
- Franklin Templeton Funds
- American Funds
- Orion Portfolio
- Vanguard Funds