City of Johnson City

401(a)/457(b) Defined Contribution
Retirement Plan Summary

Participant Eligibility

- full-time employees hired on or after July 1, 2010
- must be age 21 to participate
- 6-month waiting period

Vesting

- Employees will be 100% vested in their contributions immediately upon enrollment
- City’s contribution are subject to a five-year gradual vesting schedule
  a. 1st year 0%
  b. 2nd year 25%
  c. 3rd year 50%
  d. 4th year 75%
  e. 5th year 100%
- 100% vested in the City’s contribution after completion of 5 years of continuous service.

Contributions

- 457(b) and 401(a) contributions are Pre-Tax
- 457 Roth contributions are After-Tax and can only apply to elective deferral (Employee Voluntary) contributions

<table>
<thead>
<tr>
<th></th>
<th>Employee Mandatory</th>
<th>City Mandatory</th>
<th>Employee Voluntary</th>
<th>City Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Amount</td>
<td>5%</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Account</td>
<td>401(a)</td>
<td>401(a)</td>
<td>457 Roth/457(b)</td>
<td>401(a)</td>
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<tr>
<td>Tax</td>
<td>Pre</td>
<td>Pre</td>
<td>Roth(after)/457(pre)</td>
<td>Pre</td>
</tr>
</tbody>
</table>
City of Johnson City

401(a)/457(b) Defined Contribution Retirement Plan Summary
(continued)

- Employee Mandatory Contribution – 5%, Pre-Tax
  - of salary (not earnings; overtime, holiday and other pay excluded)
  - contributions go into a 401(a) account

- City’s Mandatory Contribution – 5%, Pre-Tax
  - of salary (not earnings; overtime, holiday and other pay excluded)
  - contributions go into a 401(a) account

- Employee Voluntary Contribution, 457(b) is Pre-tax, 457 Roth is After-tax
  - up to specified amount of salary
  - contributions go into a 457(b) or 457 Roth account as determined by employee

- City's Matching Contribution – Up to 3%, Pre-Tax
  - 100% of Employee’s Voluntary Contribution Rate up to specified matching percentage not to exceed 3%
  - Contributions to into a 401(a) account

Other Details

- Plan allows for age 50 “catch up” deferrals in accordance with IRS provision.
- Plan allows for 457 Roth elective deferrals for employee voluntary contributions
- Loans – No loans will be permitted
- Hardship Withdrawal – For emergency (severe financial hardship) due to illness or accident only
- Forfeitures – will be used to reduce City’s Contribution
- Investment Direction – Employee direction of both employee and City’s contribution