Glendale Community College

6390
Administrative Regulation

DEFERRED COMPENSATION PLAN

Purpose: The purpose of this Plan is to enable eligible employees of Glendale Community College District to voluntarily defer portions of their compensation and to provide retirement, disability and death benefits pursuant to Section 457 of the Internal Revenue Service Code.

Participation in the Plan

1 Any employee designated by the Employer to be eligible may elect to become a Participant in the Plan by executing and filing a Participation Agreement with the Administrator. An election to participate in the Plan shall become effective with respect to Compensation earned by the Participant during the calendar month next following the date of the Participant's election. Such election shall continue thereafter in full force and effect unless revoked by the Participant.

2 Employees qualify for participation only if they are regular full-time employees employed on a 60% time or greater basis. Adjunct instructors teaching a full semester are also allowed to participate. Hourly employees do not qualify for participation in the plan.

3 Each Participation Agreement shall specify the amount, by dollar amount, which is to be deferred pursuant to the Plan and to be withheld out of the Compensation otherwise payable to the Participant for each Payroll Period. The amount deferred each year may not exceed the maximum amount allowed by the Internal Revenue Service. Such deferred amounts shall be reasonably equal tenthly installments totaling not less than Twenty-Five Dollars ($25.00) per Payroll Period, September through June.

4 A Participant may revoke his election to participate in the Plan, and thereby terminate further deferral of his Compensation, by executing and filing with the Administrator a notice of revocation at least thirty (30) days prior to the effective date of revocation. No amounts shall be payable to an Employee upon revocation of his participation in the Plan unless otherwise provided for in the Benefits Section below.

5 A Participant may change the amount of Compensation to be deferred in a subsequent calendar month by executing and filing notice with the

Administrator at least thirty (30) days prior to the beginning of such month.

6 A Participant may designate in writing a Beneficiary to receive any benefits which may be payable under the Plan upon the death of such Participant. Designation of Beneficiary may be changed by notice in approved form executed and filed with the Administrator.

Deferral of Compensation

1 During the period of participation, the Employer shall not pay the Participant his full compensation, but shall defer payment of such part of his Compensation as the Participant has specified in his Participation Agreement. The Administrator shall establish in its records an Individual Deferred Compensation Account ("IDC Account"), for each Participant, and a summary of such IDC Accounts, to be identified as a General Deferred Compensation Account ("GDC Account"), to provide a convenient method of measuring its obligations to each and all Participants under the Plan.

2 Neither the existence of the Plan nor the IDC Accounts shall be deemed to create a trust, and the Employer shall at all times be the legal and beneficial owner of all assets of said IDC Accounts.

3 Neither the existence of the Plan nor the IDC Accounts shall entitle any Participant, a beneficiary of any Participant, or a creditor of any Participant to a claim or lien against the assets of the IDC Accounts. The Participant and his beneficiary shall have only the right to receive benefits pursuant to the Plan.

Administration of the Plan

1 The Plan shall be administered by the Administrator under the direction of the Employer. Acting for and on behalf of the Employer, the Administrator may transmit amounts in the IDC Accounts to such investment plans as hereafter may be approved by the Employer. In regard to such investments, written agreements between the Employer and the institutions accepting funds for investment shall contain at least the following provisions:

(a) Any investment of amounts in the IDC Accounts, including earnings on such amounts, shall be made according to written instructions of the Administrator.

(b) The Employer shall be the legal and beneficial owner of all amounts invested (as between Employer and Participant). The

Employer shall hold all certificates, policies and other documents evidencing ownership of the amounts invested.

(c) No less frequently than quarterly, the Employer shall be furnished with written reports showing the fair market value and/or the current balance of the amount invested (including interest and dividends accrued, if any), and the amounts shown in such reports shall be reflected in each Participant's IDC Account by the Employer.

(d) No less frequently than quarterly, each Participant shall be furnished with a statement showing transactions, earnings and the current balance of the amounts invested from his IDC Account.

(e) The Employer shall have the sole right to vote any shares of stock or proxies which it may acquire or be entitled to by investment of IDC Account funds.

2 The Administrator shall record promptly and accurately all transactions pertaining to Participant's Deferred Compensation in their IDC Accounts, and Participants shall be entitled to know the balance in his IDC Account at least quarterly.

3 The Employer shall have the sole authority to enforce the Plan and shall be responsible for its operation in accordance with its terms.

4 The Employer shall determine all questions arising out of the administration, interpretation and application of the Plan. All determinations shall be conclusive and binding.

5 If the Plan provides for more than one type of investment objective, a Participant may request a change in preference of investment. Such request may be made only with respect to compensation not yet earned and deferred. The minimum investment in each type of investment shall be Twenty-Five Dollars ($25.00) per pay period, September through June. Nothing contained in this Plan shall be construed as requiring the Employer to invest deferred amounts or as limiting the Employer's discretion with respect to making investments.

Benefits

The Administrator may pay to the Participant, or to his Beneficiary if applicable, the amount in such Participant's IDC Account as of the month-end following the Participant's termination, retirement, total disability or death. Distribution of Benefits Under the Plan will be made, or if in installments shall commence, not later than sixty (60) days after notice to the Administrator of the occurrence of the events unless otherwise specifically provided in the Participation Agreement. All Distributions shall be subject to any State or Federal taxes required to be withheld.

1 Retirement or Termination: Upon retirement or termination before retirement for reasons other than permanent disability or hardship, the full benefits credited to the Participant's IDC Account, plus or minus investment gains or losses, but less any Federal or State taxes required to be withheld, may be distributed to a Participant in any one or more of the following ways.

(a) In a lump sum (full or partial).

(b) In monthly, quarterly, or annual payments for a designated period of not less than one year and not more than the remaining years of the Participant's life expectancy, determined by the Administrator in accordance with standard mortality tables recognized for that purpose.

(d) In payments, under 1(a), and 1(b) above, when Participant reaches minimum distribution age established by Internal Revenue Service.

2 Total Permanent Disability: In the event of the total permanent disability of a Participant while he is an Employee of the Employer, the Administrator shall pay to the Participant an amount equal to the balance of the Participant's IDC Account as of the month-end following the Employer's determination of such disability, such amount to be paid in the manner pre-elected by the Participant at the time of enrollment pursuant to the options in 1 above.

3 Hardship: In the event of occurrence to the Participant of an unforeseeable emergency event to be determined by the Employer and/or Administrator in his sole discretion, the Employer and or Administrator may pay to the Participant all or any portion of the amount in such Participant's IDC Account as of the month-end following the date when such determination is made. As used herein, and pursuant to requirements of Federal Register/Vol. 47, No. 187, September 7, 1982, emergency shall mean only a real emergency which has occurred, which is or was beyond control of the Participant, and the occurrence of which has or would cause the Participant severe financial hardship resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Payment may not be made to the extent that such hardship is or may be relieved (a) through reimbursement or

compensation by insurance or otherwise, (b) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or (c) by cessation of deferrals under the Plan. The amount that will be paid out shall be limited to the amount necessary to alleviate that hardship.

Any distribution under this section shall be deemed a revocation and no further deferral of Compensation will be made unless Participant subsequently re-elects to participate.

4 Death: In the event of death of any Participant, either before or after termination of employment, then the full benefits credited to his IDC Account shall be distributed to his Beneficiary in a manner described in Sections 1(a), and 1(b).

Miscellaneous

1 No Participant or other person shall have any legal or equitable right against the Employer except as provided in the Plan, and in no event shall the terms of employment of any Employee or Participant be modified or in any way affected thereby.

2 An approved leave of absence without pay shall be considered to be a temporary suspension of participation in the Plan. Participation shall be automatically reinstated as of the first day of the next Pay Period subsequent to the termination of such leave of absence status.

3 The employer shall make no loans or advances to the Participant or Beneficiary based upon IDC Accounts, described herein, or upon any other obligations under the Plan.

4 The Employer shall endeavor to use reasonable care in the selection of investments or approval of investment alternatives requested by Participant. However, Employer shall not be liable to any Participant for any specific rate of return, disappointing results or loss for any reason incurred in any investment selected.

5 The District shall have the sole ownership of all investments made pursuant to this Plan, and no Participant shall have any interest therein or the right to acquire the same. The investment shall, at all times, remain the Employer's assets, subject to the claims of the general creditors of the District.

Termination of Plan by Employer

The Plan may be amended or terminated by the Employer at any time, or the Employer may, without amending or terminating the Plan, cease to set aside assets under the Plan. No amendment or termination of the Plan, and no cessation of the setting aside of assets by the Employer shall reduce or impair the rights of any Participant or Beneficiary which may already have accrued.

1 If the Plan is terminated by the Employer, the Employer may elect to distribute, in the same manner to all Participants, amounts equal to the balance of their IDC Accounts as of the month-end following such termination.

2 If Employer does not elect to pay accrued benefits on termination of the Plan, he/she shall cease all deferrals of Compensation, but payments of benefits shall be made pursuant to the applicable provisions of the Benefits section above and the irrevocable election of the various Participation Agreements then in effect.

Adopted: 10/2/85

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