



Hazel Hawkins

MEMORIAL HOSPITAL

**REGULAR AND SPECIAL MEETING OF THE FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, JUNE 20, 2024 - 4:30 P.M.
SUPPORT SERVICES BUILDING, 2ND FLOOR – GREAT ROOM**

San Benito Health Care District is a public agency that serves as a responsive, comprehensive health care resource for its patients, physicians and the community.

1. Call to Order
2. Approve Minutes of the Finance Committee Meeting of May 16, 2024
 - Motion/Second
3. Review Financial Updates
 - Financial Statements – May 2024
 - Finance Dashboard – May 2024
 - Supplemental Payments – May 2024
4. Consider Recommendation for Board Approval of Revisions to District Board Approval Policy
 - Report
 - Committee Questions
 - Motion/Second
5. Consider Recommendation for Board Approval of Kerri King, Ph. D. Professional Services Agreement
 - Report
 - Committee Questions
 - Motion/Second
6. Consider Recommendation for Board Approval of Ralph Armstrong, D.O. Addendum number 4
 - Report
 - Committee Questions
 - Motion/Second
7. Consider Recommendation for Board Approval of Jullian P. Nguyen, M.D., Sports & Family Medicine Corporation Amendment number 2
 - Report
 - Committee Questions
 - Motion/Second



8. Consider Recommendation for Board Approval of 401(a) Pension Plan
 - Report
 - Committee Questions
 - Motion/Second
9. Consider Recommendation for Board Approval of FYE 06/30/25 Operating and Capital Budgets
 - Report
 - Committee Questions
 - Motion/Second

10. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board **Committee**, which are not on this agenda.

11. Adjournment

The next Finance Committee meeting is scheduled for **Thursday, July 18, 2024 at 4:30 p.m.**

The complete Finance Committee packet including subsequently distributed materials and presentations is available at the Finance Committee meeting and in the Administrative Offices of the District. All items appearing on the agenda are subject to action by the Finance Committee. Staff and Committee recommendations are subject to change by the Finance Committee.

Notes: Requests for a disability-related modification or accommodation, including auxiliary aids or services, to attend or participate in a meeting should be made to District Administration during regular business hours at 831-636-2673. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.



May 20, 2024

CFO Financial Summary for the District Board:

For the month ending May 31, 2024, the District's Net Surplus **(Loss)** is \$1,910,614 compared to a budgeted Surplus **(Loss)** of \$650,980. The District exceeded its budget for the month by \$1,259,634.

YTD as of May 31, 2024, the District's Net Surplus **(Loss)** is \$13,826,249 compared to a budgeted Surplus **(Loss)** of \$1,306,772. The District is exceeding its budget YTD by \$12,519,477.

Acute discharges were 160 for the month, under budget by 56 discharges or 26%. The ADC was 13.65 compared to a budget of 19.25. The ALOS was 2.64. The acute I/P gross revenue was under budget by **\$2.65 million** while O/P services gross revenue was **\$2.4 million** or 9% over budget. ER I/P visits were 131 and ER O/P visits were over budget by 432 visits or 21%. The RHCs & Specialty Clinics treated 4,092 (includes 591 visits at the Diabetes Clinic) and 1,145 visits respectively.

Other Operating revenue was over budget by **\$165,152** due mainly to the QIP PY 5 True-up payment of **\$225,319.94**.

Operating Expenses exceeded budget by **\$398,818** due mainly to negative variances in: Registry of \$295,737, Professional Fees of \$140,932 and Purchase Services of \$238,549. These negative variances in expenses were partially off-set by positive variances in Employee Benefits of \$306,478.

Non-operating Revenue was lower than budget by **\$57,992** due mainly to other non-operating expense being over by \$52,754 from the property tax fee.

The SNFs ADC was **80.10** for the month. The Net Surplus **(Loss)** is **(\$233,139)** compared to a budget of \$222,494. YTD, the Net Surplus **(Loss)** is \$3,099,311 exceeding its budget by \$672,316.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 05/31/24

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	3,237,733	4,657,114	(1,419,382)	(31)	3,195,325	35,989,474	48,706,174	(12,716,700)	(26)	44,195,923
SNF ROUTINE REVENUE	1,868,700	2,092,500	(223,800)	(11)	2,188,650	22,866,868	22,680,000	186,868	1	22,612,450
ANCILLARY INPATIENT REVENUE	4,136,534	5,493,001	(1,356,467)	(25)	4,637,727	44,743,246	56,936,987	(12,193,741)	(21)	53,116,669
HOSPITALIST\PEDS I/P REVENUE	158,278	190,834	(32,557)	(17)	156,152	1,837,230	2,068,384	(231,154)	(11)	1,914,016
TOTAL GROSS INPATIENT REVENUE	9,401,244	12,433,449	(3,032,205)	(24)	10,177,854	105,436,817	130,391,545	(24,954,728)	(19)	121,839,057
ANCILLARY OUTPATIENT REVENUE	28,988,884	26,617,234	2,371,650	9	24,430,625	301,192,618	266,675,254	34,517,364	13	255,462,804
HOSPITALIST\PEDS O/P REVENUE	80,525	61,407	19,118	31	33,678	774,916	665,541	109,375	16	600,997
TOTAL GROSS OUTPATIENT REVENUE	29,069,409	26,678,641	2,390,768	9	24,464,303	301,967,534	267,340,795	34,626,739	13	256,063,801
TOTAL GROSS PATIENT REVENUE	38,470,653	39,112,090	(641,437)	(2)	34,642,156	407,404,351	397,732,340	9,672,011	2	377,902,858
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,685,889	11,245,348	(1,559,460)	(14)	9,383,541	108,540,684	114,156,806	(5,616,122)	(5)	108,817,710
MEDI-CAL CONTRACTUAL ALLOWANCES	10,058,061	10,727,153	(669,092)	(6)	8,773,762	107,875,227	108,317,857	(442,630)	0	94,735,145
BAD DEBT EXPENSE	770,155	440,170	329,985	75	216,052	7,107,011	4,463,400	2,643,611	59	4,036,775
CHARITY CARE	71,700	41,192	30,508	74	11,201	450,819	416,889	33,930	8	385,336
OTHER CONTRACTUALS AND ADJUSTMENTS	4,242,139	4,471,849	(229,710)	(5)	4,442,064	48,657,724	45,162,102	3,495,622	8	40,885,395
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(25,778)	13,647	(39,425)	(289)	(26,752)	28,667	138,178	(109,511)	(79)	7,472
TOTAL DEDUCTIONS FROM REVENUE	24,802,165	26,939,359	(2,137,194)	(8)	22,799,867	272,660,132	272,655,232	4,900	0	248,867,832
NET PATIENT REVENUE	13,668,489	12,172,731	1,495,758	12	11,842,289	134,744,219	125,077,108	9,667,111	8	129,035,026
OTHER OPERATING REVENUE	747,655	582,503	165,152	28	1,022,600	6,481,739	6,407,481	74,258	1	13,890,957
NET OPERATING REVENUE	14,416,143	12,755,234	1,660,909	13	12,864,889	141,225,958	131,484,589	9,741,369	7	142,925,983
OPERATING EXPENSES:										
SALARIES & WAGES	4,781,214	4,775,351	5,863	0	4,645,574	51,356,188	51,510,341	(154,153)	0	52,365,060
REGISTRY	508,004	200,000	308,004	154	119,386	4,056,380	2,200,001	1,856,379	84	4,068,588
EMPLOYEE BENEFITS	2,148,020	2,544,407	(396,387)	(16)	2,693,456	23,137,605	26,990,475	(3,852,870)	(14)	31,666,547
PROFESSIONAL FEES	1,793,251	1,652,446	140,805	9	2,077,995	17,754,600	17,927,480	(172,881)	(1)	18,775,132
SUPPLIES	1,228,319	1,222,679	5,640	1	1,182,094	11,765,508	13,061,253	(1,295,745)	(10)	13,370,621
PURCHASED SERVICES	1,317,878	1,093,674	224,204	21	1,178,047	12,373,437	11,854,029	519,408	4	13,493,893
RENTAL	154,948	131,560	23,388	18	144,518	1,539,126	1,440,819	98,307	7	1,675,220
DEPRECIATION & AMORT	321,583	320,773	810	0	311,366	3,558,048	3,528,534	29,514	1	3,576,208
INTEREST	5,701	25,416	(19,715)	(78)	30,959	477,781	279,584	198,197	71	274,157
OTHER	487,074	436,401	50,673	12	357,865	4,794,658	4,733,829	60,829	1	4,717,128
TOTAL EXPENSES	12,745,991	12,402,707	343,284	3	12,741,260	130,813,330	133,526,345	(2,713,015)	(2)	143,982,554
NET OPERATING INCOME (LOSS)	1,670,153	352,527	1,317,626	374	123,629	10,412,627	(2,041,756)	12,454,383	(610)	(1,056,571)

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 05/31/24

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	5,000	(5,000)	(100)	146,347	243,927	160,000	83,927	53	664,203
PROPERTY TAX REVENUE	205,711	205,709	2	0	195,915	2,262,821	2,262,816	5	0	2,155,065
GO BOND PROP TAXES	170,388	170,388	0	0	164,964	1,874,265	1,874,268	(3)	0	1,814,606
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(755,932)	(755,931)	(1)	0	(792,523)
OTHER NON-OPER REVENUE	13,603	13,843	(240)	(2)	(435,126)	191,954	152,273	39,681	26	(298,782)
OTHER NON-OPER EXPENSE	(80,520)	(27,766)	(52,754)	190	(53,761)	(399,205)	(344,898)	(54,307)	16	(454,463)
INVESTMENT INCOME	0	0	0	0	0	(4,209)	0	(4,209)	0	3,379
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)										
	240,461	298,453	(57,992)	(19)	(53,709)	3,413,622	3,348,528	65,094	2	3,091,485
NET SURPLUS (LOSS)										
	1,910,614	650,980	1,259,634	194	69,920	13,826,249	1,306,772	12,519,477	958	2,034,914
EBIDA										
	\$ 2,211,050	\$ 897,852	\$ 1,313,198	146.25%	\$ 342,131	\$ 16,665,169	\$ 4,061,867	\$ 12,603,302	310.28%	\$ 5,043,502
EBIDA MARGIN										
	15.34%	7.04%	8.30%	117.88%	2.66%	11.80%	3.09%	8.71%	281.98%	3.53%
OPERATING MARGIN										
	11.59%	2.76%	8.82%	319.17%	0.96%	7.37%	(1.55)%	8.93%	(574.81)%	(0.74)%
NET SURPLUS (LOSS) MARGIN										
	13.25%	5.10%	8.15%	159.68%	0.54%	9.79%	0.99%	8.80%	885.01%	1.42%

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 05/31/24

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,237,733	4,657,114	(1,419,382)	(31)	3,195,325	35,989,474	48,706,174	(12,716,700)	(26)	44,195,923
ANCILLARY INPATIENT REVENUE	3,918,896	5,115,531	(1,196,635)	(23)	4,225,489	41,413,585	52,890,478	(11,476,893)	(22)	48,747,312
HOSPITALIST I/P REVENUE	158,278	190,834	(32,557)	(17)	156,152	1,837,230	2,068,384	(231,154)	(11)	1,914,016
TOTAL GROSS INPATIENT REVENUE	7,314,906	9,963,479	(2,648,573)	(27)	7,576,966	79,240,288	103,665,036	(24,424,748)	(24)	94,857,250
ANCILLARY OUTPATIENT REVENUE	28,988,884	26,617,234	2,371,650	9	24,430,625	301,192,618	266,675,254	34,517,364	13	255,462,804
HOSPITALIST O/P REVENUE	80,525	61,407	19,118	31	33,678	774,916	665,541	109,375	16	600,997
TOTAL GROSS OUTPATIENT REVENUE	29,069,409	26,678,641	2,390,768	9	24,464,303	301,967,534	267,340,795	34,626,739	13	256,063,801
TOTAL GROSS ACUTE PATIENT REVENUE	36,384,315	36,642,120	(257,806)	(1)	32,041,269	381,207,822	371,005,831	10,201,991	3	350,921,051
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,505,049	10,962,902	(1,457,853)	(13)	9,139,291	106,111,793	111,131,276	(5,019,483)	(5)	106,124,203
MEDI-CAL CONTRACTUAL ALLOWANCES	9,656,152	10,618,845	(962,694)	(9)	8,727,736	106,175,292	107,143,931	(968,639)	(1)	95,456,312
BAD DEBT EXPENSE	752,911	430,170	322,741	75	254,769	7,198,878	4,353,400	2,845,478	65	3,978,137
CHARITY CARE	71,054	41,192	29,862	73	9,244	447,117	416,889	30,228	7	376,229
OTHER CONTRACTUALS AND ADJUSTMENTS	4,247,525	4,404,889	(157,364)	(4)	4,367,740	48,289,072	44,436,342	3,852,730	9	40,102,393
HOSPITALIST PEDS CONTRACTUAL ALLOW	(25,778)	13,647	(39,425)	(289)	(26,752)	28,667	138,178	(109,511)	(79)	7,472
TOTAL ACUTE DEDUCTIONS FROM REVENUE	24,206,913	26,471,645	(2,264,732)	(9)	22,472,028	268,250,820	267,620,016	630,804	0	246,044,745
NET ACUTE PATIENT REVENUE	12,177,402	10,170,475	2,006,927	20	9,569,240	112,957,002	103,385,815	9,571,187	9	104,876,306
OTHER OPERATING REVENUE	747,655	582,503	165,152	28	1,022,600	6,481,739	6,407,481	74,258	1	13,890,957
NET ACUTE OPERATING REVENUE	12,925,057	10,752,978	2,172,079	20	10,591,840	119,438,742	109,793,296	9,645,446	9	118,767,263
OPERATING EXPENSES:										
SALARIES & WAGES	3,818,258	3,835,564	(17,306)	(1)	3,745,378	40,988,175	41,316,994	(328,819)	(1)	42,381,249
REGISTRY	462,737	167,000	295,737	177	86,865	3,655,529	1,837,001	1,818,528	99	3,786,541
EMPLOYEE BENEFITS	1,704,141	2,010,619	(306,478)	(15)	2,183,198	18,009,003	21,264,415	(3,255,412)	(15)	24,941,853
PROFESSIONAL FEES	1,791,041	1,650,109	140,932	9	2,075,785	17,730,290	17,901,777	(171,488)	(1)	18,750,312
SUPPLIES	1,136,476	1,133,321	3,155	0	1,090,121	10,710,764	12,083,558	(1,372,794)	(11)	12,407,271
PURCHASED SERVICES	1,224,760	986,211	238,549	24	1,100,073	11,434,802	10,689,282	745,520	7	12,435,211
RENTAL	153,205	130,516	22,689	17	143,762	1,526,254	1,429,430	96,824	7	1,664,945
DEPRECIATION & AMORT	282,596	281,320	1,276	1	271,880	3,124,596	3,094,520	30,076	1	3,142,142
INTEREST	5,701	25,416	(19,715)	(78)	30,959	477,781	279,584	198,197	71	274,157
OTHER	418,181	378,202	39,979	11	317,665	4,205,670	4,102,932	102,738	3	4,124,080
TOTAL EXPENSES	10,997,096	10,598,278	398,818	4	11,045,684	111,862,865	113,999,493	(2,136,628)	(2)	123,907,760
NET OPERATING INCOME (LOSS)										
	1,927,960	154,700	1,773,260	1,146	(453,844)	7,575,877	(4,206,197)	11,782,074	(280)	(5,140,497)

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 05/31/24

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL	BUDGET	POS/NEG	PERCENT	PRIOR YR	ACTUAL	BUDGET	POS/NEG	PERCENT	PRIOR YR
	05/31/24	05/31/24	VARIANCE	VARIANCE	05/31/23	05/31/24	05/31/24	VARIANCE	VARIANCE	05/31/23
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	5,000	(5,000)	(100)	146,347	243,927	160,000	83,927	53	664,203
PROPERTY TAX REVENUE	174,854	174,854	0	0	166,528	1,923,394	1,923,394	0	0	1,831,808
GO BOND PROP TAXES	170,388	170,388	0	0	164,964	1,874,265	1,874,268	(3)	0	1,814,606
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(755,932)	(755,931)	(1)	0	(792,523)
OTHER NON-OPER REVENUE	13,603	13,843	(240)	(2)	(435,126)	191,954	152,273	39,681	26	(298,782)
OTHER NON-OPER EXPENSE	(74,331)	(21,578)	(52,753)	245	(46,474)	(322,338)	(268,030)	(54,308)	20	(365,859)
INVESTMENT INCOME	0	0	0	0	0	(4,209)	0	(4,209)		3,379
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	215,792	273,786	(57,994)	(21)	(75,808)	3,151,062	3,085,974	65,088	2	2,856,833
NET SURPLUS (LOSS)	2,143,753	428,486	1,715,267	400	(529,652)	10,726,938	(1,120,223)	11,847,161	(1,058)	(2,283,664)

HAZEL HAWKINS SKILLED NURSING FACILITIES
HOLLISTER, CA
FOR PERIOD 05/31/24

-----CURRENT MONTH----- | -----YEAR-TO-DATE----- |

	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	1,868,700	2,092,500	(223,800)	(11)	2,188,650	22,866,868	22,680,000	186,868	1	22,612,450
ANCILLARY SNF REVENUE	217,639	377,470	(159,831)	(42)	412,238	3,329,661	4,046,509	(716,848)	(18)	4,369,357
TOTAL GROSS SNF PATIENT REVENUE	2,086,339	2,469,970	(383,631)	(16)	2,600,888	26,196,529	26,726,509	(529,981)	(2)	26,981,807
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	180,840	282,446	(101,606)	(36)	244,250	2,428,890	3,025,530	(596,640)	(20)	2,693,507
MEDI-CAL CONTRACTUAL ALLOWANCES	401,909	108,308	293,601	271	46,026	1,173,935	1,173,926	526,009	45	(721,166)
BAD DEBT EXPENSE	17,243	10,000	7,243	72	(38,717)	(91,867)	110,000	(201,867)	(184)	58,638
CHARITY CARE	645	0	645		1,957	3,702	0	3,702		9,107
OTHER CONTRACTUALS AND ADJUSTMENTS	(5,386)	66,960	(72,346)	(108)	74,324	368,652	725,760	(357,108)	(49)	783,002
TOTAL SNF DEDUCTIONS FROM REVENUE	595,252	467,714	127,538	27	327,839	4,409,312	5,035,216	(625,904)	(12)	2,823,087
NET SNF PATIENT REVENUE	1,491,087	2,002,256	(511,169)	(26)	2,273,049	21,787,216	21,691,293	95,923	0	24,158,720
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	1,491,087	2,002,256	(511,169)	(26)	2,273,049	21,787,216	21,691,293	95,923	0	24,158,720
OPERATING EXPENSES:										
SALARIES & WAGES	962,955	939,787	23,168	3	900,196	10,368,013	10,193,347	174,666	2	9,983,811
REGISTRY	45,267	33,000	12,267	37	32,522	400,851	363,000	37,851	10	282,047
EMPLOYEE BENEFITS	443,879	533,788	(89,909)	(17)	510,258	5,128,602	5,726,060	(597,458)	(10)	6,724,695
PROFESSIONAL FEES	2,210	2,337	(127)	(5)	2,210	24,310	25,703	(1,393)	(5)	24,820
SUPPLIES	91,843	89,358	2,485	3	91,974	1,054,744	977,695	77,049	8	963,350
PURCHASED SERVICES	93,118	107,463	(14,345)	(13)	77,974	938,635	1,164,747	(226,113)	(19)	1,058,682
RENTAL	1,742	1,044	698	67	756	12,872	11,389	1,483	13	10,275
DEPRECIATION	38,987	39,453	(466)	(1)	39,486	433,451	434,014	(563)	0	434,067
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	68,892	58,199	10,693	18	40,200	588,988	630,897	(41,909)	(7)	593,048
TOTAL EXPENSES	1,748,895	1,804,429	(55,535)	(3)	1,695,576	18,950,466	19,526,852	(576,386)	(3)	20,074,794
NET OPERATING INCOME (LOSS)	(257,808)	197,827	(455,635)	(230)	577,473	2,836,751	2,164,441	672,310	31	4,083,925
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	30,857	30,855	2	0	29,387	339,427	339,422	5	0	323,257
OTHER NON-OPER EXPENSE	(6,186)	(6,188)	0	0	(7,288)	(76,867)	(76,868)	1	0	(88,605)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	24,669	24,667	2	0	22,099	262,560	262,554	6	0	234,653
NET SURPLUS (LOSS)	(233,139)	222,494	(455,633)	(205)	599,572	3,099,311	2,426,995	672,316	28	4,318,578

HAZEL HAWKINS MEMORIAL HOSPITAL
HOLLISTER, CA
For the month ended 05/31/24

	CURR MONTH 05/31/24	PRIOR MONTH 04/30/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT ASSETS					
CASH & CASH EQUIVALENT	32,506,771	20,189,620	12,317,151	61	13,649,396
PATIENT ACCOUNTS RECEIVABLE	64,285,451	64,180,254	105,197	0	51,674,982
BAD DEBT ALLOWANCE	(9,170,314)	(8,878,567)	(291,748)	3	(5,227,791)
CONTRACTUAL RESERVES	(41,958,177)	(42,283,941)	325,764	(1)	(32,708,039)
OTHER RECEIVABLES	4,963,291	16,939,999	(11,976,709)	(71)	8,381,301
INVENTORIES	3,995,792	4,034,053	(38,261)	(1)	4,057,813
PREPAID EXPENSES	2,429,977	1,862,942	567,035	30	2,042,543
DUE TO\FROM THIRD PARTIES	1,892,052	1,978,192	(86,140)	(4)	2,784,747
TOTAL CURRENT ASSETS	58,944,842	58,022,552	922,289	2	44,654,951
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	6,660,740	5,492,717	1,168,023	21	3,825,798
TOTAL LIMITED USE ASSETS	6,660,740	5,492,717	1,168,023	21	3,825,798
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,098,374	100,098,374	0	0	100,098,374
EQUIPMENT	44,295,983	44,253,732	42,251	0	43,302,208
CONSTRUCTION IN PROGRESS	1,121,428	1,075,931	45,497	4	880,124
GROSS PROPERTY, PLANT, AND EQUIPMENT	148,886,258	148,798,511	87,747	0	147,651,180
ACCUMULATED DEPRECIATION	(94,075,683)	(93,739,517)	(336,166)	0	(90,362,507)
NET PROPERTY, PLANT, AND EQUIPMENT	54,810,575	55,058,993	(248,418)	(1)	57,288,673
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	404,219	410,289	(6,071)	(2)	470,999
PENSION DEFERRED OUTFLOWS NET	18,285,289	18,285,289	0	0	18,285,289
TOTAL OTHER ASSETS	18,689,508	18,695,578	(6,071)	0	18,756,288
TOTAL UNRESTRICTED ASSETS	139,105,664	137,269,841	1,835,823	1	124,525,709
RESTRICTED ASSETS	17,825	17,771	54	0	125,193
TOTAL ASSETS	139,123,489	137,287,612	1,835,877	1	124,650,902

HAZEL HAWKINS MEMORIAL HOSPITAL
HOLLISTER, CA
For the month ended 05/31/24

	CURR MONTH 05/31/24	PRIOR MONTH 04/30/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	5,473,563	6,093,464	619,901	(10)	4,938,613
ACCRUED PAYROLL	4,132,425	3,551,272	(581,153)	16	3,345,253
ACCRUED PAYROLL TAXES	1,498,122	1,482,578	(15,543)	1	1,497,221
ACCRUED BENEFITS	6,865,305	6,519,638	(345,667)	5	6,051,228
ACCRUED PENSION (CURRENT)	4,952,331	4,953,191	860	0	5,061,807
OTHER ACCRUED EXPENSES	108,875	101,412	(7,463)	7	84,460
PATIENT REFUNDS PAYABLE	8,639	3,331	(5,308)	159	961
DUE TO\FROM THIRD PARTIES	2,308,393	2,787,136	478,743	(17)	196,789
OTHER CURRENT LIABILITIES	1,553,286	1,448,430	(104,856)	7	3,132,834
TOTAL CURRENT LIABILITIES	26,900,938	26,940,452	39,514	0	24,309,166
LONG-TERM DEBT					
LEASES PAYABLE	5,449,158	5,455,915	6,757	0	5,529,504
BONDS PAYABLE	32,990,641	33,019,161	28,520	0	34,784,361
TOTAL LONG TERM DEBT	38,439,799	38,475,076	35,277	0	40,313,865
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	36,485,864	36,485,864	0	0	36,485,864
TOTAL OTHER LONG-TERM LIABILITIES	36,485,864	36,485,864	0	0	36,485,864
TOTAL LIABILITIES	101,826,601	101,901,392	74,791	0	101,108,895
NET ASSETS:					
UNRESTRICTED FUND BALANCE	23,376,814	23,376,814	0	0	23,376,814
RESTRICTED FUND BALANCE	93,825	93,771	(54)	0	165,193
NET REVENUE/(EXPENSES)	13,826,249	11,915,635	(1,910,614)	16	0
TOTAL NET ASSETS	37,296,888	35,386,221	(1,910,667)	5	23,542,007
TOTAL LIABILITIES AND NET ASSETS	139,123,489	137,287,612	(1,835,877)	1	124,650,902

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	19.25	13.65	14.72	18.30
Average Daily Census - SNF	90.00	80.10	89.74	90.00
Acute Length of Stay	2.76	2.64	2.88	2.95
<u>ER Visits:</u>				
Inpatient	132	131	1,333	1,713
Outpatient	2,027	2,459	23,137	21,402
Total	2,159	2,590	24,470	23,115
Days in Accounts Receivable	45.0	52.8	52.8	45.0
Productive Full-Time Equivalents	500.90	509.78	487.78	500.90
Net Patient Revenue	12,172,731	13,668,489	134,744,219	125,077,108
Payment-to-Charge Ratio	31.1%	35.5%	33.1%	31.4%
Medicare Traditional Payor Mix	30.13%	24.99%	26.86%	30.41%
Commercial Payor Mix	22.12%	22.65%	23.10%	21.56%
Bad Debt % of Gross Revenue	1.12%	2.00%	1.76%	1.12%
EBIDA	897,852	2,211,050	16,665,169	4,061,867
EBIDA %	7.04%	15.34%	11.80%	3.09%
Operating Margin	2.76%	11.59%	7.37%	-1.55%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue	58.95%	51.59%	55.62%	61.38%
by Total Operating Expense	60.63%	58.35%	60.05%	60.44%
<u>Bond Covenants:</u>				
Debt Service Ratio	1.25	9.62	9.62	1.25
Current Ratio	1.50	2.19	2.19	1.50
Days Cash on hand	30.00	85.60	85.60	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Eleven months ending May 31, 2024

	CASH FLOW		COMMENTS
	Current Month 5/31/2024	Current Year-To-Date 5/31/2024	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$1,910,614	\$13,826,249	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	336,166	3,713,182	
(Increase)/Decrease in Net Patient Accounts Receivable	(139,215)	582,190	
(Increase)/Decrease in Other Receivables	11,976,709	3,413,008	
(Increase)/Decrease in Inventories	38,261	62,021	
(Increase)/Decrease in Pre-Paid Expenses	(567,035)	(387,435)	
(Increase)/Decrease in Due From Third Parties	86,140	892,695	
Increase/(Decrease) in Accounts Payable	(619,901)	534,954	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	941,504	1,492,669	
Increase/(Decrease) in Accrued Expenses	7,463	24,413	
Increase/(Decrease) in Patient Refunds Payable	5,308	7,677	
Increase/(Decrease) in Third Party Advances/Liabilities	(478,743)	2,111,604	
Increase/(Decrease) in Other Current Liabilities	104,856	(1,579,547)	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
Net Cash Provided by Operating Activities:	11,691,513	10,867,431	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(87,747)	(1,235,079)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(1,188,023)	(2,834,942)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	6,071	66,781	Amortization
Net Cash Used by Investing Activities	(1,249,699)	(4,003,240)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Capital Lease Debt	(6,757)	(80,345)	
Increase/(Decrease) in Bond Mortgage Debt	(28,520)	(1,793,720)	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	(35,277)	(1,874,065)	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	41,000	
Net Increase/(Decrease) in Cash	12,317,151	18,857,375	
Cash, Beginning of Period	20,189,620	13,649,396	
Cash, End of Period	\$32,506,771	\$32,506,771	\$0

Cost per day to run the District

\$379,762

Operational Days Cash on Hand

85.60

Hazel Hawkins Memorial Hospital
Bad Debt Expense
For the Year Ending June 30, 2024

[illegible]

Hazel Hawkins Memorial Hospital
Supplemental Payment Programs
As of May 31, 2024

Payor	FY 2024	FY 2023	Notes:
Intergovernmental Transfer Programs:			
- AB 113 Non-Designated Public Hospital (NDPH)			
- SFY 2021/2022 True up for ACA	-	170,899	Received in June 2023.
- SFY 2022/2023 Interim	-	418,640	Letter to participate sent by March 24, 2023 deadline. Rec'd 06/15/23.
- SFY 2022/2023 Final Payment	421,872	-	Paid on 04/17/24, \$156,525.63, funds expected in May/June.
- SFY 2023/2024 Interim	434,472	-	Paid on 04/24/24, \$506,883.51, funds expected in May/June.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2022	2,405,548	2,277,244	Net amount rec'd on November 1, 2023 check for CY 2022.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2023	2,432,278	-	IGT by March 22, 2024 of \$1,257,738, funds expected in May/June.
- Rate Range Jan. 1, 2022 through Dec. 31, 2022	1,025,179	-	IGT by Feb. 23, 2024 of \$472,508, funds expected in April/May.
- Rate Range Jan. 1, 2021 through Dec. 31, 2021	-	1,180,145	Funding of \$347,021 sent by 02/17/2023. Rec'd in May 2023.
- QIP PY 5 Settlement	3,459,757	-	IGT by Feb. 16, 2024 of \$1,891,350.65, funds expected in April/May.
- QIP PY 4 1st Loan Repayment	(1,253,000)	-	Paid on 02/26/2024.
- QIP PY 4 2nd Loan Repayment	(1,222,438)	-	Paid on 04/08/2024.
- QIP PY 4 Settlement	-	3,713,527	\$ 1,044,187 funding sent by 02/17/2023. Plan returns May/June 2023.
- QIP PY 4 Final True-up	-	1,245,805	Final True-up payment received on 06/02/2023.
IGT sub-total	7,703,668	9,006,259	
Non-Intergovernmental Transfer Programs:			
- AB 915	5,351,107		
- SB 239 Hospital Quality Assurance Fund (HQAF)	4,143,717	3,029,540	Direct Payments. Received on March 11, 2024.
- SB 239 Hospital Quality Assurance Fund (HQAF)	2,139,154	3,919,883	Three of the four Qtrly payments should be received by June 30, 2024.
- Distinct Part, Nursing Facility (DP/NF)	2,139,154	-	1st & 2nd Qtrs rec'd on March 19, 2024. & May 23, 2024
- Medi-Cal Disproportionate Share (DSH)	1,297,140	-	Based on actual cost difference.
- QIP PY 5	-	1,048,233	Includes FY 2023 true-up \$607,644 and Jul - December FY 2024.
	-	3,090,086	Loan funds received 1st week of January. Due January 3, 2025.
Non-IGT sub-total	9,719,166	11,087,742	
CARES Act (COVID-19) Programs:			
- CARES Act Phase 4	-	-	Rec'd 12/16/2021. One-time funding.
- American Rescue Plan (ARP)	-	-	Rec'd 11/23/2021. One-time funding.
- SHIP Grant	-	258,376	Will be used for COVID expenses.
- Payroll Tax delay Pay dates 4/3 - 12/31/2020	-	(1,143,961)	Liability: 50% due 12/31/21 & 50% due 12/31/22.
sub-total	-	(885,585)	
Program Grand Totals	17,422,834	19,208,416	
Total Received	14,427,336	18,075,133	
Total Pending	2,995,498	1,133,283	
	17,422,834	19,208,416	



Policy : District Board Approval

PURPOSE

To provide guidelines for the San Benito Health Care District (District) Board Members for when their approval is required in addition to the CEO, COO, or CFO of the organization for contracting with the entities needed in order to operate the District.

The policy covers clinical and non-clinical service agreements including direct patient care and support service agreements.

CONTRACTS

1. Purchase Service Agreements are for services that the District does not provide with its own employees. Examples of these agreements would include the Pharmacy, HIM, and Security departments.
2. Operational Leases are for equipment that the District does not own. Examples of these agreements would be the E.H.R. systems such as MediTech and eCW and copier machines.
3. Maintenance Service Agreements are for service coverage for equipment whether it is owned or leased by the District. Examples would include but are not limited to the MRI, CT Scanners, and other machines used in the Radiology department.
4. Property Rental Leases are for property the District does not own. Examples include the Lab Draw station on McCray and the 4th Street, San Juan Bautista, and Barragan Rural Healthcare Clinics.

For all contracts listed under this section, only those that have a term of greater than one year and a cost in excess of \$100,000 annually are required to be presented to the Finance Committee and recommended to the District Board for approval. The CEO, COO, and CFO are authorized to approve the agreements that do not meet the aforementioned criteria.

CAPITAL EXPENDITURES

1. Budgeted capital expenditures that are included in the annual Capital Budget presented to the District Board with the annual Operational Budget for approval will be considered approved throughout the fiscal year. The CEO, COO, and CFO will be authorized to execute the expenditures when the timing is deemed appropriate and the cost is within 15% in excess of the approved budgeted cost.
2. Non-budgeted capital expenditures will be brought to the Finance Committee and District Board for approval if the cost exceeds \$100,000. This includes equipment that is required for new services and functions, to replace obsolete units, and add additional units.

PHYSICIAN / PROVIDER AGREEMENTS

1. Individual and Group Contracts including physician groups that provide medical coverage for the Hospital including but not limited to the Emergency Department, Hospitalists program, and Pediatric on-call for the OB department or whom are contracted to provide coverage in the District's clinics.
2. Extension of agreements that exceed the 90th %ile of Fair Market Value (FMV) of provider compensation with appropriate market justification.
3. Office Leases refer to the agreements where the District is the landlord and the physician is the tenant or the District is the tenant and the physician is the landlord. A fair market assessment for comparable rental units in the area will be completed prior to the agreement being presented to the District Board.

Prior to being presented to the Finance Committee for a recommendation, all physician agreements will comply with the **Fair Market Value Policy** and **Physician Services Contract Policy and Procedure** policies included in the Administrative Policy Manual. The CEO and CFO are authorized to approve the agreements that do not meet with aforementioned criteria.

Document Owner:

Robinson, Mark

Collaborators:

Breen-Lema, Amy
Matsui, Toshi
Pfeiffer, Kimberly

Approvals

- Committees:

- Signers:

Original Effective Date:

10/04/2022

Revision Date:

[08/27/2021], [08/02/2022], [10/04/2022 Rev. 0], [04/18/2023 Rev. 1]

Review Date:

[08/26/2021]

Attachments:

(REFERENCED BY THIS DOCUMENT)

Other Documents:

(WHICH REFERENCE THIS DOCUMENT)

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at

<http://hzh-iis.hazelhawkins.com/lucidoc/?returnto=%2Fcgi%2Fdoc-gw.pl%3Fref%3Dhmmh%3A11539%242>.

Board of Directors Contract Review Worksheet

Agreement for Professional Services with Kerri King, Ph. D.



Executive Summary:

Dr. Kerri King earned her Ph.D. in clinical psychology with a forensic emphasis from the California School of Professional Psychology. With over twenty years of experience, Dr. King maintains a local private practice specializing in psychotherapy, crisis intervention, and program management, offering valuable expertise that will enhance our hospital and clinics' behavioral health services.

Recommended Board Motion: It is recommended the Board of Directors approve the Professional Services Agreement with Kerri King, Ph. D. at a rate of \$225 per clinical hour.

Services Provided: Outpatient clinic & hospital psychology services, 51 weeks per year for a minimum of 10 hours per week.

Agreement Terms:

Contract Term	Effective Date	FMV %ile	Estimated Base Monthly Cost	Estimated Annual Cost	Term clause
1 year	7/19/2024	Median	\$9,562	\$114,750	60 days

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is entered into and effective as of **July 19, 2024** ("Effective Date"), by and between **San Benito Health Care District**, a local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Kerri King, Ph.D.** ("Provider").

RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a licensed general acute care facility located at 911 Sunset Drive, Hollister, California ("Hospital"). Hospital provides inpatient and outpatient services to residents of the San Benito Health Care District and surrounding communities which constitute the Hospital's service area ("Hospital Service Area").
- B. SBHCD owns and operates rural and specialty health clinics as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area ("Clinics"). Clinics operate under the name "Hazel Hawkins Community Health Clinics".
- C. Provider is licensed to provide psychological services in the State of California, is a member in good standing of the medical staff of Hospital, and is experienced and qualified to provide psychological services ("Services").
- D. Section 32129 of the California Health and Safety Code provides that a health care district may contract with a Provider to render professional health services in order to ensure that adequate health care is available to all residents within its service area.
- E. SBHCD has determined that entering into this Agreement with Provider is in the best interests of the Hospital and the public health of the residents of the Hospital Service Area, and is an appropriate way to assure availability of rural health clinic services to patients in the Hospital Service Area.
- F. The parties desire to enter into this Agreement to set forth their respective responsibilities in connection with the Services provided by Provider in the Hospital Service Area during the term of this Agreement.

The parties hereby agree as follows:

1. DUTIES AND OBLIGATIONS OF PROVIDER

- 1.1 Professional Services. Provider shall provide all Services reasonably required for coverage, patient care, and operation of the Clinics and will perform the duties as set forth in Exhibits A and B. Provider shall provide such services on a part-time basis at a minimum of ten (10) hours per week and pursuant to a mutually agreed upon schedule. If Provider cannot agree on such a schedule, SBHCD shall determine the schedule.
- 1.2 Qualifications of Provider. Provider shall: (i) be duly licensed to provide professional psychological services by the State of California; (ii) be an active member in good standing of the Hospital's medical staff; (iii) have levels of competence, experience and skill comparable to those prevailing in the community; and (iv) not be excluded from any governmental healthcare program.
- 1.3 Compliance. In connection with the operation and conduct of the Clinics and rendition of Services, Provider shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medical programs, and will at all times be aware of and participate in meeting the District Corporate Compliance program goals and objectives.
- 1.4 Credentialing. In order to be efficiently credentialed with payors contracted with SBHCD, Provider shall participate in the Council for Affordable Quality Healthcare ("CAQH") credentialing program and shall timely comply with requests from CAQH or SBHCD personnel for (i) credentialing information regarding Provider, and (ii) documents necessary for the credentialing of Provider.

- 1.5 Use of Premises. No part of the Clinics premises shall be used at any time by Provider as an office for the general or private practice of medicine.
- 1.6 Medical Records/Chart Notes. Provider shall provide appropriate and necessary documentation for each patient's medical record for all patient encounters in the Clinics.
- 1.7 Coding. Provider shall properly code all professional services rendered to patients for all visits to the Clinics. Provider's coding shall be used for purposes of billing for Services provided by Provider. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.

2. DUTIES AND OBLIGATIONS OF SBHCD

- 2.1 Duties. SBHCD agrees to furnish at its own cost and expense, for the operation of the Clinics, the following:
 - 2.1.1 Space and Equipment. Space and Equipment as may be reasonably required for the operation of the Clinics as approved by Hospital.
 - 2.1.2 Services and Supplies. Maintenance, repair and replacement of equipment as are reasonably required; all utilities, including telephone, power, light, gas and water; and all supplies that may be reasonably required for the operation of the Clinics.
 - 2.1.3 Non-physician Personnel. All non-physician personnel with appropriate education, training and experience required to operate the Clinics, including a qualified administrative manager. SBHCD shall have the sole right and responsibility for the hiring and termination of all its employees. SBHCD shall be responsible for the Clinics scheduling of non-physician Clinic personnel.
- 2.2 Eligibility. At all times during the term of this Agreement, Clinics shall remain eligible to participate in the Medicare and Medi-Cal programs.
- 2.3 Contracts. SBHCD shall be solely responsible for negotiating all contracts for the reimbursement of Services provided in the Clinics. SBHCD in its sole and absolute discretion shall determine the negotiation parameters for the terms, conditions and rates for such contracts.
- 2.4 Access to Records. Provider shall have access to the Clinics' patient medical and business records for quality of care and compliance purposes.

3. BILLING AND ASSIGNMENT OF REVENUE

- 3.1 Billing and Collection. SBHCD shall perform billing and collection services under this Agreement. Provider shall cooperate with SBHCD and shall use their best efforts to bill and collect for services in a diligent, timely, competent, effective, lawful, and commercially reasonable manner, maximizing the revenue to which Provider is legally and ethically entitled.
- 3.2 Assignment of Professional Service Revenues. Provider hereby assigns to SBHCD the right to all revenue from any and all patients, third-party payors, and governmental programs for all services rendered by Provider at the Hospital and the Clinics under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Provider services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

4. COMPENSATION FOR COVERAGE BY PROVIDER

- 4.1 Coverage Fee. As compensation for the provision of professional Services in the Clinics and Hospital, SBHCD shall compensate Provider a rate of **Two Hundred Twenty-Five Dollars and No Cents (\$225.00)** per hour. SBHCD shall pay Provider on a monthly basis in accordance with the normal SBHCD contract payment process, for Services provided by Provider during the immediately preceding monthly period. Provider shall not bill for facility fees, administrative, supervisory, medical director, or similar services.
- 4.2 Schedule of Charges. SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Clinics. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of

Directors may review the fees and charges for Services provided at the Clinics to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

5. TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year from the Effective Date, unless terminated earlier as provided in this Agreement, and shall renew by mutual agreement for successive one (1) year periods until terminated. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days prior written notice to the other party. If this Agreement is terminated prior to expiration of the initial year of the term, the parties shall not enter into any new agreement or arrangement during the remainder of such year.
- 5.2 Termination for Cause. Either party shall have the right to terminate the Agreement for cause upon not less than thirty (30) days written notice (provided that in the case of (i) Sections 5.3.3, 5.3.4, and 5.3.5, no additional notice beyond that specified therein shall be required, (ii) Section 5.3.6, no notice shall be required and this Agreement will terminate effective as of the date of such exclusion, suspension, debarment from, or ineligibility for, any federal or state health care program, and/or of such conviction of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program, and (iii) insolvency or bankruptcy described in Section 5.3.2, as of the date of such insolvency or declaration of bankruptcy, as applicable).
- 5.3 Definition of Cause. For purposes of this Agreement, "cause" shall include, but not be limited to, the occurrence of any of the following events:
- 5.3.1 SBHCD or Provider is in breach of any material term or condition of this Agreement and such breach has not been cured within thirty (30) days following notice of such breach.
- 5.3.2 SBHCD or Provider becomes insolvent or declares bankruptcy.
- 5.3.3 The license to practice medicine or to prescribe controlled substances of Provider is revoked or suspended, or Provider is suspended or removed from the Medical Staff of the Hospital, or no longer maintains the required membership status on the Medical Staff of the Hospital.
- 5.3.4 SBHCD fails to carry or reinstate the insurance required in Article 8 of this Agreement or such coverage is cancelled or revoked within ten (10) days following notice of revocation from its insurance carrier.
- 5.3.5 Upon the determination that Provider has violated a material term of Article 9 of this Agreement.
- 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital's participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital's full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital's bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.
- 5.4 Termination/Expiration Not Subject to Fair Hearing. It is agreed between the parties that should either party exercise its right to terminate this Agreement such decision to terminate, and the actual termination or expiration of this Agreement, shall apply to rights under this Agreement only and not to Provider's medical staff privileges or membership on the medical staff of Hospital. The termination or expiration of this Agreement shall not be subject to the Fair Hearing Plan of the Medical Staff Bylaws, the hearing procedures provided by Healthcare District Law, or any other fair hearing procedure regarding medical staff appointments or privileges.

6. INDEPENDENT CONTRACTOR

- 6.1 Independent Contractor Status. Provider is engaged in an independent contractor relationship with SBHCD in performing all work, services, duties and obligations pursuant to this Agreement. Neither SBHCD nor Hospital shall exercise any control or direction over the methods by which Provider performs Provider's work and functions, except that Provider shall perform at all times in strict accordance with then currently approved methods and practices of Provider's professional specialty. SBHCD's sole interest is to ensure that Provider performs and renders services in a competent, efficient and satisfactory manner in accordance with high medical standards.
- 6.2 Independent Contractor Responsibilities. The parties expressly agree that no work, act, commission or omission of Provider pursuant to the terms and conditions of this Agreement shall be construed to make or render Provider, the agent or employee of SBHCD or Hospital. Provider shall not be entitled to receive from SBHCD or Hospital vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability or unemployment insurance benefits or any other employee benefit.

7. REPRESENTATIONS AND WARRANTIES OF PARTIES

- 7.1 SBHCD for itself, and its directors, officers, employees and agents (collectively, "Agents"), and Provider (for Provider and Provider's Agents) hereby warrants and represent as follows:
- 7.1.1 Neither it nor any of its Agents (i) is excluded, suspended or debarred from, or otherwise ineligible for, participation in any federal or state health care program including, without limitation, Medicare or Medi-Cal, or (ii) has been convicted of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program including, without limitation, Medicare or Medi-Cal; and
- 7.1.2 It shall, and it shall ensure that each of its Agents shall, notify the other parties thereto immediately in writing of (i) any threatened, proposed or actual exclusion, suspension or debarment, and/or (ii) any conviction of a criminal offense related to conduct that would or could trigger an exclusion, of it or any of its Agents from any federal or state health care program.

8. LIABILITY/MALPRACTICE INSURANCE COVERAGE

- 8.1 SBHCD and Hospital shall maintain general and professional liability insurance coverage commencing on the Start Date and continuing for the term of this Agreement in minimum amounts of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD and/or Hospital obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD or Hospital, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD or Hospital, as applicable, shall immediately obtain and shall maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

9. PROTECTED HEALTH INFORMATION

- 9.1 Protected Health Information. Provider shall maintain the confidentiality of all Protected Health Information ("PHI") in accordance with all applicable federal, state and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder ("HIPAA"). Without limiting the foregoing, Provider agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Provider pursuant to this Agreement, in accordance with the requirements of HIPAA. Provider agrees that Provider shall:
- 9.1.1 Not use or further disclose PHI in a manner that would violate HIPAA if done by Hospital or violate the requirements of applicable laws or this Agreement;
- 9.1.2 Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by law and the terms of this Agreement, and report to Hospital any use or disclosure of PHI not permitted by law or by this Agreement of which Provider becomes aware;

- 9.1.3 Comply with the elements of any compliance program established by Hospital that applies to the use or disclosure of PHI and ensure that any subcontractors or agents to whom the Provider provides PHI agree to the same restrictions and conditions that apply to Provider with respect to such PHI;
- 9.1.4 In accordance with HIPAA, (i) make available PHI to the subject Patient; (ii) make available PHI for amendment and incorporate any amendments to PHI; and (iii) make available the information required to provide an accounting of disclosures of PHI to the subject Patient;
- 9.1.5 Make Provider's internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services for purposes of determining Hospital's and Provider's compliance with HIPAA;
- 9.1.6 At termination of this Agreement, return or destroy all PHI received from or created by SBHCD and retain no copies of such PHI or, if return or destruction is not permissible under law or the terms of this Agreement, continue to maintain all PHI in accordance with the provisions of this Section and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
- 9.2 Electronic Protected Health Information ("EPHI"). Provider agrees that Provider will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that Provider creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to EPHI of which Provider becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Provider provides EPHI agrees to implement reasonable and appropriate safeguards to protect such information.

10. GENERAL PROVISIONS

- 10.1 Notices. Any notice to be given to any party hereunder shall be deposited in the United States Mail, duly registered or certified, with return receipt requested, with postage paid, and addressed to the party for which intended, at the following addresses, or to such other address or addresses as the parties may hereafter designate in writing to each other.

SBHCD: San Benito Health Care District
Office of the Chief Executive Officer
911 Sunset Drive
Hollister, CA 95023

Provider: Kerri King, Ph.D.
1131 Rancho Way
San Juan Bautista, CA 95045

- 10.2 No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- 10.3 Governing Law and Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. Venue shall be in the County of San Benito, California.
- 10.4 Ownership of Patient Records. All Hospital, Skilled Nursing Facilities' and Clinics' patient records shall be maintained by SBHCD and are the property of SBHCD. Provider shall have the right to access such records during normal business hours.
- 10.5 Exclusive Property of SBHCD. All data, files, records, documents, specifications, promotional materials and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Provider or otherwise coming into Provider's possession shall remain the exclusive property of SBHCD and shall not be removed from SBHCD's facilities under any circumstances without the prior written consent of SBHCD.

- 10.6 No Referrals. Nothing in this Agreement is intended to obligate or induce any party to this Agreement to refer patients to any other party.
- 10.7 Confidentiality. The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Provider's duties hereunder, Provider shall have access to and become acquainted with information concerning the operation of District, and information which, pursuant to applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Provider agrees that such information shall not be disclosed either directly or indirectly to any other person or entity used by Provider in any way either during the term of this Agreement or at any other time thereafter, except as is required herein. Provider understands breach of this article will be an irremediable breach of this Agreement. Such breach will result in immediate termination of this Agreement.
- 10.8 Binding Agreement; No Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties to it and their respective legal representatives, successors and permitted assigns. No party may assign this Agreement or any rights hereunder, or may they delegate any of the duties to be performed hereunder without the prior written consent of the other party.
- 10.9 Dispute Resolution. If any dispute, controversy or claim arises out of this Agreement, for a period of thirty (30) days following written notice of the dispute, controversy or claim from one party to the other, the parties will use their good faith efforts to resolve the dispute, controversy or claim. If the matter cannot be resolved by the parties in this fashion, then such dispute, claim or controversy shall be heard in San Benito County, California, pursuant to the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The hearing shall be final and binding to the greatest extent permitted by law, and the cost thereof, including reasonable attorneys' fees, shall be borne by the losing party in such proportions as the referee may decide. Judgment on the award may be entered in any court having jurisdiction thereof.
- 10.10 Section 952 of Omnibus Budget Reconciliation Act of 1980. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), Provider agrees that the books and records of Provider will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the services to be performed under this Agreement are performed by any subcontractor of Provider at a value or cost of \$10,000 or more over a twelve (12) month period, Provider shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If regulations are issued at a later time which would determine that Section 952 of PL 96-499 is not applicable to this Agreement, this Section shall automatically be repealed.
- 10.11 Entire Agreement; Amendment. This Agreement, its exhibits, and all referenced documents constitute the entire agreement between the parties pertaining to the subject matter contained herein. This Agreement supersedes all prior and contemporaneous agreements, representations and understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing by all of the parties.

The parties hereby executed this Agreement as of the Effective Date first set forth above.

SBHCD
San Benito Health Care District

Provider
Kerri King, Ph.D.

By: _____
Mary T. Casillas, Chief Executive Officer

Kerri King, Ph.D.

Date: _____

Date: _____

EXHIBIT A

PROVIDER RESPONSIBILITIES

The duties of Provider shall include, but not be limited to, the following, as may be required by the SBHCD:

1. Render professional outpatient psychological healthcare services to patients of the Clinics including, but not limited to:
 - a) Diagnose, assess, and treat mental health and behavioral conditions for patients age 18 and older. Conduct comprehensive psychological assessments, including clinical interviews, behavioral assessments, and psychometric testing. Perform risk assessments for conditions such as suicidal and/or, homicidal ideations, and other high-risk behaviors. Provide individual, group, and family therapy, conduct psychological testing and evaluations, and develop treatment plans.
 - b) Ensuring the quality, availability, and expertise of psychological healthcare services rendered in the Clinics, and at Clinic-related activities;
 - c) The coordination of psychology healthcare services and activities of the Clinics as a whole to be accomplished through continuous communication with appropriate District administrative personnel regarding matters relating to the medical administration of the Clinics;
 - d) Assisting with the development of a plan for psychological quality assurance for the Clinics;
 - e) Complete all charting and billing within 24 hours of each encounter in compliance with established Clinic policy and procedures.
 - f) Render psychological healthcare services to SBHCD employees, contracted staff and patients of the hospital upon request and mutual agreement.

EXHIBIT B

SCHEDULE

1. **Schedule.** Provider shall provide professional services to SBHCD to patients, employees, and contracted staff on a part-time basis every Friday, fifty-one (51) weeks per year for a minimum of ten (10) hours per week and other days upon mutual agreement, with the exception of any District-observed holiday that occurs on a Friday.

**ADDENDUM NUMBER 4 TO
PROFESSIONAL SERVICES AGREEMENT**

This Addendum Number 4, effective July 1, 2024, is to that certain Professional Services Agreement effective April 1, 2007, by and between **San Benito Health Care District**, a public health care district organized and operated pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Ralph Armstrong, D.O.** ("Physician").

RECITALS

- A. SBHCD and Physician are parties to Physician Recruitment Agreement dated May 3, 2005, Physician Services Agreements dated April 1, 2007 and February 1, 2013, and Addenda dated February 1, 2015, April 1, 2018 and January 1, 2019 ("Agreements") respectively.
- B. This Addendum sets forth the compensation arrangement for obstetrics and gynecology emergency call coverage and term period as specified in the original Professional Services Agreement.
- C. SBHCD and Physician desire to modify the Agreements as set forth below.
 - 1. Term and Termination: Unless terminated earlier in accordance with Sections 4.3 and 4.4 of the Agreement, the term of this Agreement is hereby extended commencing July 1, 2024 and will automatically renew for successive one (1) years periods until terminated. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days prior written notice to the other party.
 - 2. Compensation: As compensation for the provision of emergency call coverage, SBHCD shall pay Physician the amount of One Thousand Five Hundred Dollars and No Cents (\$1,500.00) per twenty-four (24) shift in accordance with the normal SBHCD contract payment process for services provided by Physician during the immediately preceding monthly period. Physician shall not bill, or cause to be billed, for facility fees, administrative, supervisory, medical director or similar services. In the event Physician provides less than a full shift of coverage as defined by less than a twenty-four (24) shift, compensation will be pro-rated for the actual number of coverage hours provided.

All other sections and provisions of the Agreement will remain unchanged.

The parties hereby execute this Addendum as of the Addendum Effective Date first set forth above.

SBHCD

San Benito Health Care District

PHYSICIAN

Ralph Armstrong, D.O.

By: _____
Mary T. Casillas, Chief Executive Officer

By: _____
Ralph Armstrong, D.O.

**AMENDMENT NUMBER 2 TO
PROFESSIONAL SERVICES AGREEMENT**

This Amendment Number 2 ("Amendment") to that certain Professional Services Agreement (PSA) dated February 1, 2022 ("Agreement") by and between **San Benito Health Care District**, a public health care district organized and operated pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Jullian P. Nguyen, M.D., Sports & Family Medicine Corporation** (Provider) is effective as of July 1, 2024 ("Amendment Effective Date").

RECITALS

- A. SBHCD and Provider are parties to a PSA dated February 1, 2022, a Physician Recruitment Agreement dated February 1, 2022, and Amendment 1 dated August 8, 2023.
- B. The Agreement sets forth the compensation arrangement as specified in section 4.1 of the original Professional Services Agreement.
- C. SBHCD and Provider desire to modify the original Agreement to reflect a new compensation arrangement and extended term as set forth below.
 - 1. Compensation. The first sentence in the first paragraph of section 4.1 is hereby amended in its entirety to read as follows: "As compensation for the provisions of Services in the Clinics, SBHCD shall pay Provider annual base rate of Three Hundred Twenty-Eight Thousand Six Hundred Dollars (\$328,600.00) annually, which is payable in accordance in twelve (12) equal monthly installments."
 - 2. Term and Termination: Unless terminated earlier in accordance with Sections 5.1 and 5.2 of this Agreement, this Agreement is hereby extended commencing July 1, 2024 for a two (2) year term through July 1, 2026, and will automatically renew for successive one (1) year periods until terminated. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days prior written notice to the other party.

All other sections and provisions of the Agreement will remain unchanged.

The parties hereby execute this Amendment as of the Amendment Effective Date first set forth above.

SBHCD

San Benito Health Care District

PROVIDER

**Jullian P. Nguyen, M.D. for
Jullian Nguyen, M.D., Sports & Family
Medicine Corporation**

By: _____
Mary T. Casillas, Chief Executive Officer

By: _____
Jullian P. Nguyen, M.D., CEO

Date: _____

Date: _____

401a Information

Topic	401(a) –Defined Contribution Plan
Eligibility	Must work at least 1,000 hours in a calendar year (excluding Per-Diem and On-Call) to be eligible for benefit and vesting service accrual. Employees become eligible as soon as their 1,000 hours are met. In addition, employees must make contributions into the 457b Deferred Compensation plan.
Vesting	The plan will operate on a three-year cliff-vesting schedule (33% increments). This means that employees will become fully vested in their employer contributions after completing three years of service.
Years of Service	A year of service is credited if 1,000 hours are worked during the first year of employment and each subsequent 12-month period (calendar).
Retirement Age	Normal: Age 65 or fully vested as indicated above. Early: Age 55 and fully vested.
Benefit Formula	The benefit formula for a 401(a) plan with a 4% employer contribution means that the employer will contribute 4% of the employee's salary to their 401a account each year when the employee contributes at least 4% to their 457b Deferred Compensation account each year. For instance, if an employee earns \$50,000 annually, the employer would add a maximum of \$2,000 ($\$50,000 * 0.04$) to the employee's 401(a) account annually if the employee contributes at least \$2,000 ($\$50,000 * 0.04$) to their 457b.
Form of Benefit Payment	Installment Distribution: A participant may take a distribution over a specified period not to exceed the life or life expectancy of the participant or designated beneficiary. Partial Lump Sum: A participant may take a distribution of less than the entire vested account balance upon termination of employment. Annuity Distribution: A Participant may elect to have the Plan Administrator use the vested account balance to purchase an annuity.
Fund/Investment Management	The employee will contribute to the 457b and the Employer will contribute to the 401a employees' retirement funds. Investment options, like mutual funds, are provided for employees to choose from based on their preferences and risk tolerance. As a qualified plan, assets are protected from creditors and only can be used for paying participants and beneficiaries. . Employee have control to direct investments.
Contributions	The employer will match up to 4% of the employee's salary, but no more than \$13,800. The employee 457b annual contribution maximum is \$23,000. Both contributions may change annually. Contributions are pre taxed. As mentioned above, employees must contribute into the 457b Deferred Compensation plan. The 401a is strictly an employer contribution plan.

VALIC Retirement Services Company
NONSTANDARDIZED GOVERNMENTAL PROFIT SHARING/401(k) PLAN
ADOPTION AGREEMENT #001

By executing this Nonstandardized Governmental Profit Sharing/401(k) Plan Adoption Agreement (the "Adoption Agreement" or "AA"), the undersigned Employer agrees to establish or continue a Governmental Profit Sharing/401(k) Plan for its Employees. The Governmental Profit Sharing/401(k) Plan adopted by the Employer consists of the Governmental Defined Contribution Pre-Approved Plan Basic Plan Document #03 (the "BPD") and the elections made under this Adoption Agreement (collectively referred to as the "Plan"). An Employer may jointly co-sponsor the Plan by signing a Participating Employer Adoption Page, which is attached to this Adoption Agreement. **This Plan is effective as of the Effective Date identified on the Signature Page of this Adoption Agreement.**

SECTION 1
EMPLOYER INFORMATION

1-1 EMPLOYER INFORMATION.

Name: San Benito Health Care District

Address: 911 Sunset Drive

Hollister, California 95023

Telephone: (831) 637-5711

1-2 EMPLOYER IDENTIFICATION NUMBER (EIN). 94-6034863

1-3 FORM OF BUSINESS.

☐ State or political subdivision of a State

☐ State agency or instrumentality

☐ Indian Tribal Government

☒ Describe other Employer qualified to adopt a Governmental Plan: city or county government

1-4 EMPLOYER'S TAX YEAR END. The Employer's tax year ends June 30

1-5 RELATED EMPLOYERS. Is the Employer part of a group of Related Employers (as defined in Section 1.83 of the Plan)?

☐ Yes

☒ No

If yes, Related Employers may be listed below. A Related Employer must execute a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan.

[Note: This AA §1-5 is for informational purposes and the Employer need not list Related Employers. The failure to identify all Related Employers will not jeopardize the qualified status of the Plan.]

SECTION 2
PLAN INFORMATION

2-1 PLAN NAME. The San Benito Health Care District Defined Contribution Matching Plan

Original Effective Date: January 1, 1995

Restatement Effective Date: January 1, 2022

2-2 PLAN NUMBER. 002

2-3 TYPE OF PLAN.

☒ (a) This Plan is a Profit Sharing Plan. (**Note:** May also include Matching Contributions under AA §6B.)

☐ (b) This Plan is a Grandfathered Profit Sharing/401(k) Plan. [**Note:** To qualify as a Grandfathered Profit Sharing/401(k) Plan, the Employer must have maintained a 401(k) plan as of May 6, 1986. A Grandfathered Profit Sharing/401(k) Plan may also include a plan of an Indian Tribal Government, as defined in Section 1.58 of the Plan. See Section 1.55 of the Plan for a more detailed description of a Grandfathered Profit Sharing/401(k) Plan.]

- ☐ (c) The Plan is intended to be a FICA Replacement Plan (as described under Section 4.03 of the Plan). *[Note: If this subsection (c) is checked, elections under this AA must be consistent with the requirements of a FICA Replacement Plan as described under Section 4.03 of the Plan.]*

2-4 **PLAN YEAR.**

- ☒ (a) Calendar year.
☐ (b) The 12-consecutive month period ending on _____ each year.
☐ (c) The Plan has a Short Plan Year running from ____ to ____.

2-5 **FROZEN PLAN.** Check this AA §2-5 if the Plan is a frozen Plan to which no contributions will be made.

- ☐ This Plan is a frozen Plan effective _____. (See Section 3.02(a)(2) of the Plan.)

[Note: As a frozen Plan, the Employer will not make any contributions with respect to Plan Compensation earned after such date and no Participant will be permitted to make any contributions to the Plan after such date. In addition, no Employee will become a Participant after the date the Plan is frozen.]

2-6 **MULTIPLE EMPLOYER PLAN.** Is this Plan a Multiple Employer Plan as defined in Section 16.07 of the Plan? (See Section 16.07 of the Plan for special rules applicable to Multiple Employer Plans.)

- ☐ Yes
☒ No

2-7 **PLAN ADMINISTRATOR.**

- ☒ (a) The Employer identified in AA §1-1.

- ☐ (b) Name: _____
Address: _____
Telephone: _____

2-8 **DEFINITION OF DISABLED.** An individual is considered Disabled for purposes of applying the provisions of this Plan if:

- ☐ (a) The individual is covered by the Employer's disability insurance plan and is determined to be disabled under such plan.
☐ (b) The individual is determined to be disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.
☒ (c) The Plan Administrator determines an individual is unable to engage in any substantial gainful activity by reason of a 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 shall be supported by medical evidence. The Plan Administrator may establish reasonable procedures for determining whether a Participant is Disabled.

[Note: An Employer may elect any or all of (a), (b) and (c) above. If more than one of (a), (b) and (c) is selected, the hierarchy for determining whether an individual is considered Disabled is (a), then (b) and then (c), unless described otherwise under separate administrative procedures or under subsection (d) below.]

- ☐ (d) Alternative definition of Disabled: _____

[Note: Any alternative definition described in this subsection (d) will apply uniformly to all Participants under the Plan and will be applied in a nondiscretionary manner. The Employer may describe different definitions of Disabled for different purposes under the plan.]

SECTION 3
ELIGIBLE EMPLOYEES

- 3-1 **ELIGIBLE EMPLOYEES.** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.

- | Deferral | Match | ER | |
|--------------------------|--------------------------|--------------------------|-------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (a) No exclusions |

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Collectively Bargained Employees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(d) Leased Employees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Employees paid on an hourly basis
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Employees paid on a salaried basis
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Employees in an elected or appointed position.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Part-Time Employees (as defined in Section 1.71 of the Plan)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) Seasonal Employees (as defined in Section 1.89 of the Plan)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Temporary Employees (as defined in Section 1.93 of the Plan)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(k) Employees eligible for another qualified plan sponsored by the Employer or a Related Employer Specify name of other qualified plan (optional): _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(l) Other: <u>Per Diem and Contract Employees</u>

[Note: The elections under the ER column apply to any Pick-Up Contributions and any After-Tax Employee Contributions authorized under AA §6-7, unless elected otherwise under subsection (l) above. The exclusions inserted may not result in a specifically named individual or a finite group (such as employees hired before a certain date) being the only employee or employees participating under the plan in violation of the permanency requirements or Treas. Reg. §1.401-1(b)(2). It is permissible to limit participation under the plan to an employee or employees of a specifically named position or positions.]

SECTION 4 MINIMUM AGE AND SERVICE REQUIREMENTS

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below).

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(1) There is no minimum service requirement for participation in the Plan.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(2) <u>1</u> Year(s) of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) The completion of at least ____ Hours of Service during the first ____ months of employment (or the first ____ days of employment) or the completion of a Year of Service (as defined in AA §4-3), if earlier. <input type="checkbox"/> (i) An Employee who completes the required Hours of Service satisfies eligibility at the end of the designated period, regardless if the Employee actually works for the entire period. <input type="checkbox"/> (ii) An Employee who completes the required Hours of Service must also be employed continuously during the designated period of employment. See Section 2.03(a)(2) of the Plan for rules regarding the application of this subsection (ii).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) The completion of ____ Hours of Service during an Eligibility Computation Period. [Note: An Employee satisfies the service requirement immediately upon completion of the designated Hours of Service rather than at the end of the Eligibility Computation Period.]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(5) Full-time Employees are eligible to participate as set forth in subsection (i) below. Employees who are "part-time" Employees must complete a Year of

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Service (as defined in AA §4-3). For this purpose, a full-time Employee is any Employee not defined in subsection (ii) below.

(i) Full-time Employees must complete the following minimum service requirements to participate in the Plan:

- ☐ (A) There is no minimum service requirement for participation in the Plan.
- ☐ (B) The completion of at least ____ Hours of Service during the first ____ months of employment or the completion of a Year of Service (as defined in AA §4-3), if earlier.
- ☐ (C) Under the Elapsed Time method as defined in AA §4-3(c) below.
- ☐ (D) Describe: _____

[Note: Any conditions provided under this subsection (D) must be definitely determinable.]

(ii) Part-time Employees must complete a Year of Service (as defined in AA §4-3). For this purpose, a part-time Employee is any Employee (including a temporary or seasonal Employee) whose normal work schedule is less than:

☐ (A) For this purpose, a part-time Employee is any Employee (including a temporary or seasonal Employee) whose normal work schedule is less than:

- ☐ (I) ____ hours per week.
- ☐ (II) ____ hours per month.
- ☐ (III) ____ hours per year.

☐ (B) Describe part-time Employees for this purpose: _____

[Note: A part-time employee must be described as an individual who works less than a specified number of hours (no greater than 40) during a standard work week.]

- | | | | |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (6) Under the Elapsed Time method as described in AA §4-3(c) below. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (7) Describe eligibility conditions: _____ |

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

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- | | | | |
|--------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (1) There is no minimum age for Plan eligibility. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (2) Age 21. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (3) Age 18. |

☐ (c) **Special eligibility rules.** The following special eligibility rules apply with respect to the Plan: _____

[Note: Any elections under the ER column under this AA §4-1 apply to any Pick-Up Contributions authorized under AA §6-1(d) and any After-Tax Employee Contributions authorized under AA §6-7, unless elected otherwise under subsection (c) above. Subsection (c) above may be used to apply the eligibility conditions selected under this AA §4-1 separately with respect to different Employee groups or different contribution formulas under the Plan. Any special rules under subsection (c) above must be definitely determinable.]

- 4-2 **ENTRY DATE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) Immediate. The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Semi-annual. The first day of the 1st and 7th month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Quarterly. The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Monthly. The first day of each calendar month.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) Payroll period. The first day of the payroll period.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) The first day of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Describe Entry Date: _____

[Note: Entry Date under this subsection (g) must be no later than 3 years after the date described under (a).]

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) next following satisfaction of the minimum age and service requirements.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(i) coinciding with or next following satisfaction of the minimum age and service requirements.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(j) nearest the satisfaction of the minimum age and service requirements.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(k) preceding the satisfaction of the minimum age and service requirements.

This section may be used to describe any special rules for determining Entry Dates under the Plan. For example, if different Entry Date provisions apply for the same contribution sources with respect to different groups of Employees, such different Entry Date provisions may be described below.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(l) Describe any special rules that apply with respect to the Entry Dates under this AA §4-2: _____

[Note: The elections under the ER column under this AA §4-2 apply to any Pick-Up Contributions selected under AA §6-1(d) and any After-Tax Employee Contributions selected under AA §6-7, unless elected otherwise under subsection (l) above. Any special rules under subsection (l) above must be definitely determinable.]

- 4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.57 of the Plan for the definition of Hour of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years. (See Section 2.03(a)(3)(i) of the Plan). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years. (See Section 2.03(a)(3)(ii) of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. **If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.**

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) Year of Service. Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ Hours of Service during an Eligibility Computation Period.

Deferral Match ER
☐ ☐ ☐

(b) **Eligibility Computation Period (ECP).** The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years if the Employee does not earn a Year of Service during the first Eligibility Computation Period. (See Section 2.03(a)(3)(ii) of the Plan.)

☐ ☐ ☐

(c) **Elapsed Time method.** Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a period of service, as designated below, to participate in the Plan. (See Section 2.03(a)(6) of the Plan.)

- ☐ (1) For Deferral, must complete a ____ period of service
☐ (2) For Match, must complete a ____ period of service
☐ (3) For ER, must complete a ____ period of service

[Note: Under the Elapsed Time method, service will be measured from the Employee's employment commencement date (or reemployment commencement date, if applicable) without regard to the Eligibility Computation Period designated in Section 2.03(a)(3) of the Plan.]

☐ ☐ ☐

(d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(5) of the Plan). The Equivalency Method will apply to:

- ☐ (1) All Employees.
☐ (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.

Hours of Service for eligibility will be determined under the following Equivalency Method.

- ☐ (3) **Monthly.** 190 Hours of Service for each month worked.
☐ (4) **Weekly.** 45 Hours of Service for each week worked.
☐ (5) **Daily.** 10 Hours of Service for each day worked.
☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked.
☐ (7) **Describe Equivalency Method:** _____

[Note: Any description of an Equivalency Method under this subsection (7) must be definitely determinable.]

☐ ☐ ☐

(e) **Special eligibility provisions.** _____

[Note: The elections under the ER column under this AA §4-3 apply to any Pick-Up Contributions authorized under AA §6-1(d) and any After-Tax Employee Contributions selected under AA §6-7, unless elected otherwise under subsection (e) above. Any special rules under subsection (e) above must be definitely determinable.]

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees employed on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

Deferral Match ER
☐ ☐ ☐

An Eligible Employee who is employed by the Employer on the following designated date will enter the Plan on the designated date without regard to minimum age and/or service requirements (as designated below):

- ☐ (a) the Effective Date of this Plan (as designated in the Employer Signature Page).
- ☐ (b) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).
- ☐ (c) _____ [insert date no earlier than the Effective Date of this Plan]

An Eligible Employee who is employed on the designated date will enter the Plan on the designated date without regard to the minimum age and service requirements under AA §4-1. If both minimum age and service conditions are not waived, select subsection (d) or (e) below to designate which condition is waived under this AA §4-4.

- ☐ (d) This AA §4-4 only applies to the minimum service condition.
- ☐ (e) This AA §4-4 only applies to the minimum age condition.

The provisions of this AA §4-4 apply to all Eligible Employees employed on the designated date unless designated otherwise under subsection (f) or (g) below.

- ☐ (f) The provisions of this AA §4-4 apply to the following group of Employees employed on the designated date: _____
- ☐ (g) Describe special rules: _____

[Note: An Employee who is employed as of the designated date described in this AA §4-4 will enter the Plan as of such date unless a different Entry Date is designated under subsection (g) above. The elections under the ER column apply to any Pick-Up Contributions authorized under AA §6-1(d) and any After-Tax Employee Contributions selected under AA §6-7, unless elected otherwise under subsection (g) above. Any special rules under subsection (g) above must be definitely determinable.]

- 4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** Service with the following Predecessor Employers will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan, unless designated otherwise under subsection (a) or (b) below. (See Sections 2.06, 3.07(b) and 6.07 of the Plan.)

- ☐ (a) The Plan will count service with the following Predecessor Employers:

	Name of Predecessor Employer	Eligibility	Vesting	Allocation Conditions
<input type="checkbox"/> (1)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- ☐ (b) **Describe** any special provisions applicable to Predecessor Employer service: _____

- 4-6 **BREAKS IN SERVICE.** Generally, an Employee will be credited with all service earned with the Employer, including service earned prior to a Break in Service. To disregard service earned prior to a Break in Service for eligibility purposes, complete this AA §4-6. (See Section 2.07 of the Plan.)

- ☐ (a) If an Employee incurs at least one Break in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining eligibility to participate.
- ☐ (b) If an Employee incurs at least _____ Breaks in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining eligibility to participate. [Enter "0" if prior service will be disregarded for all rehired Employees.]
- ☐ (c) The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.
- ☐ (d) Describe: _____

**SECTION 5
COMPENSATION DEFINITIONS**

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.94 of the Plan for a specific definition of the various types of Total Compensation.

- ☐ (a) W-2 Wages
☒ (b) Code §415 Compensation
☐ (c) Wages under Code §3401(a)

[Note: For purposes of determining Total Compensation, each definition includes Elective Deferrals as defined in Section 1.36 of the Plan, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]

5-2 **POST-SEVERANCE COMPENSATION.** Total Compensation includes post-severance compensation, to the extent provided in Section 1.94(b) of the Plan, unless otherwise elected below.

- ☐ (a) **Exclusion of post-severance compensation from Total Compensation.** The following amounts paid after a Participant's severance of employment are excluded from Total Compensation.
- ☐ (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.
- ☐ (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

[Note: Plan Compensation (as defined in Section 1.75 of the Plan) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment from the definition of Plan Compensation under AA §5-3(j) below or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3(l) below.]

- ☐ (b) **Continuation payments for disabled Participants.** If this subsection (b) is not elected, Total Compensation does not include continuation payments for disabled Participants. If this subsection (b) is elected, Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.94(c) of the Plan.

5-3 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No exclusions.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(b) Elective Deferrals (as defined in Section 1.36 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Compensation above \$___ is excluded.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) Amounts received as a bonus are excluded.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) Amounts received as commissions are excluded.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(g) Overtime payments are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Amounts received for services performed for a non-signatory Related Employer are excluded. (See Section 2.02(c) of the Plan.)
			<i>[Note: If this subsection (h) is not elected, amounts received for services performed for a non-signatory Related Employer are INCLUDED in Plan Compensation.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) "Deemed §125 compensation" as defined in Section 1.94(d) of the Plan.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Amounts received after termination of employment are excluded. (See Section 1.94(b) of the Plan.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(k) Differential Pay (as defined in Section 1.94(e) of the Plan).
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(l) Describe adjustments to Plan Compensation: <u>Call Backs, Call Pay, and shift differential pay</u>

[Note: Any modification under subsection (l) must be definitely determinable and preclude Employer discretion. The elections under the ER column under this AA §5-3 apply to any Pick-Up Contributions authorized under AA §6-1(d) and any After-Tax Employee Contributions selected under AA §6-7, unless elected otherwise under subsection (l).]

5-4 PERIOD FOR DETERMINING COMPENSATION.

- (a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. [Note: If a period other than the Plan Year applies for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated under this AA §5-4.]

Deferral	Match	ER	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(1) The Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) The calendar year ending in the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) The Employer's fiscal tax year ending in the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) The 12-month period ending on ____ which ends during the Plan Year.

- (b) **Compensation while a Participant.** Unless provided otherwise under this subsection (b), in determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account.

To count compensation for the entire Plan Year for a particular contribution source, including compensation earned while an individual is not a Participant with respect to such contribution source, check below. (See Section 1.75(b) of the Plan.)

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.

- (c) **Few weeks rule.** The few weeks rule (as described in Section 5.02(c)(7)(i) of the Plan) will not apply unless designated otherwise under this subsection (c).

- ☐ Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates shall be included in Total Compensation for the Limitation Year, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year.

SECTION 6 EMPLOYER AND EMPLOYEE CONTRIBUTIONS

- 6-1 **EMPLOYER / EMPLOYEE CONTRIBUTIONS.** The Employer/Employee may make the following contributions under the Plan:

- ☐ (a) Employer Contributions under AA §6-2
- ☐ (b) Voluntary After-Tax Employee Contributions under AA §6-7(a)
- ☐ (c) Mandatory After-Tax Employee Contributions under AA §6-7(b)
- ☐ (d) Employer Pick-Up Contributions under AA §6-7(c)
- ☒ (e) N/A. No Employer/Employee Contributions are permitted under the Plan [Skip to Section 6A]

6-2 **EMPLOYER CONTRIBUTION FORMULA.** For the period designated in AA §6-5(a) below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-6 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3.

- ☐ (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.
- ☐ (b) **Fixed contribution.**
- ☐ (1) **Fixed percentage.** ___% of each Participant's Plan Compensation.
- ☐ (2) **Fixed dollar.** \$___ for each Participant.
- ☐ (3) **Determined in accordance with the terms of the Employment contract** between an Eligible Employee and the Employer. *[Note: If this subsection (3) is checked, the provisions of an Employment contract addressing retirement benefits will override any selection under this AA §6-2.]*
- ☐ (c) **Contributions under Collective Bargaining Agreement, employment contract or equivalent arrangement.** The Employer will make an Employer Contribution based on a Collective Bargaining Agreement, employment agreement or equivalent arrangement as follows: _____
- [Note: Insert the appropriate contribution formula (and allocation formula, if applicable) from the Collective Bargaining Agreement, employment agreement or equivalent arrangement. The formula must be definitely determinable as required under Treas. Reg. §1.401-1.]*
- ☐ (d) **Service-based contribution.** The Employer will make the following contribution:
- ☐ (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation for each period of service designated below.
- ☐ (2) **Fixed percentage.** ___% of Plan Compensation paid for each period of service designated below.
- ☐ (3) **Fixed dollar.** \$___ for each period of service designated below.
- The service-based contribution will be based on the following periods of service:
- ☐ (4) Each Hour of Service
- ☐ (5) Each week of employment
- ☐ (6) Describe period: _____
- The service-based contribution is subject to the following rules.
- ☐ (7) Describe any special provisions that apply to service-based contribution: _____
- ☐ (e) **Describe special rules for determining contributions under Plan:** _____
- [Note: Any special rules under this subsection (e) may only describe the basis for determining a discretionary service-based contribution, such as a uniform dollar amount, and must be definitely determinable.]*

6-3 **ALLOCATION FORMULA.**

- ☐ (a) **Pro rata allocation.** The discretionary Employer Contribution under AA §6-2(a) will be allocated:
- ☐ (1) as a uniform percentage of Plan Compensation.
- ☐ (2) as a uniform dollar amount.
- ☐ (b) **Fixed contribution.** The fixed Employer Contribution under AA §6-2 will be allocated in accordance with the selections made with respect to fixed Employer Contributions under AA §6-2.

- ☐ (c) **Permitted disparity allocation.** The discretionary Employer Contribution under AA §6-2(a) will be allocated under the two-step method (as defined in Section 3.02(a)(1)(i)(B)(I) of the Plan), using the Taxable Wage Base (as defined in Section 1.92 of the Plan) as the Integration Level.

To modify these default rules, complete the appropriate provision(s) below.

- ☐ (1) **Integration Level.** Instead of the Taxable Wage Base, the Integration Level is:

- ☐ (i) _____% of the Taxable Wage Base, increased (but not above the Taxable Wage Base) to the next higher:

- | | |
|------------------------------------|--------------------------------------|
| <input type="checkbox"/> (A) N/A | <input type="checkbox"/> (B) \$1 |
| <input type="checkbox"/> (C) \$100 | <input type="checkbox"/> (D) \$1,000 |

- ☐ (ii) \$_____ (not to exceed the Taxable Wage Base)

- ☐ (iii) 20% of the Taxable Wage Base

[Note: See Section 3.02(a)(1)(i)(B)(IV) of the Plan for rules regarding the Maximum Disparity Rate that may be used where an Integration Level other than the Taxable Wage Base is selected.]

- ☐ (2) **Describe** special rules for applying permitted disparity allocation formula: _____

[Note: Any special rules under subsection (2) must be definitely determinable.]

- ☐ (d) **Uniform points allocation.** The discretionary Employer Contribution designated in AA §6-2(a) will be allocated to each Participant in the ratio that each Participant's total points bears to the total points of all Participants. A Participant will receive the following points:

- ☐ (1) _____ point(s) for each _____ year(s) of age (attained as of the end of the Plan Year).

- ☐ (2) _____ points for each \$_____ of Plan Compensation.

- ☐ (3) _____ point(s) for each _____ Year(s) of Service. For this purpose, Years of Service are determined:

- ☐ (i) In the same manner as determined for eligibility.
☐ (ii) In the same manner as determined for vesting.
☐ (iii) Points will not be provided with respect to Years of Service in excess of _____.

- ☐ (e) **Employee group allocation.** The Employer may make a separate discretionary Employer Contribution to the Participants in the following allocation groups. The Employer must notify the Trustee in writing of the amount of the contribution to be allocated to each allocation group.

- ☐ (1) A separate discretionary Employer Contribution may be made to each Participant of the Employer (i.e., each Participant is in his/her own allocation group).

- ☐ (2) A separate discretionary or fixed Employer Contribution may be made to the following allocation groups. If no fixed amount is designated for a particular allocation group, the contribution made for such allocation group will be allocated as a uniform percentage of Plan Compensation to all Participants within that allocation group, unless otherwise designated as a uniform dollar amount below.

- ☐ The contribution made for each allocation group will be allocated as a uniform dollar amount to all Participants within the allocation group.

Group 1: _____

[Note: The Employee allocation groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii).]

- (3) **Special rules.** Unless designated otherwise under this subsection (3), if a Participant is in more than one allocation group described in (2) above during the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the Plan Year. (See Section 3.02(a)(1)(i)(D) of the Plan.)

- ☐ (i) **Determined separately for each Employee group.** If a Participant is in more than one allocation group during the Plan Year, the Participant's share of the Employer Contribution will be based on the Participant's status for the part of the year the Participant is in each allocation group.

- ☐ (ii) **Describe:** _____

[Note: This subsection (ii) may only describe the amount of the Employer Contribution a Participant will receive when such Participant is in more than one allocation group. Any language under this subsection (ii) must be definitely determinable.]

- ☐ (f) **Age-based allocation.** The discretionary Employer Contribution designated in AA §6-2(a) will be allocated under the age-based allocation formula so that each Participant receives a pro rata allocation based on adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 1.03 of the Plan).
A Participant's Actuarial Factor is determined based on a specified interest rate and mortality table. Unless designated otherwise under subsection (1) or (2) below, the Plan will use an applicable interest rate of 8.5% and a UP-1984 mortality table.
- ☐ (1) **Applicable interest rate.** Instead of 8.5%, the Plan will use an interest rate of ____% (must be between 7.5% and 8.5%) in determining a Participant's Actuarial Factor.
- ☐ (2) **Applicable mortality table.** Instead of the UP-1984 mortality table, the Plan will use the following mortality table in determining a Participant's Actuarial Factor: _____
- ☐ (3) **Describe special rules applicable to age-based allocation:** _____
- [Note: See Appendix A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Subsection (3) must provide for a definitely determinable allocation method.]*
- ☐ (g) **Service-based allocation formula.** The service-based Employer Contribution selected in AA §6-2(d) will be allocated in accordance with the selections made in AA §6-2(d).
- ☐ (h) **Describe special rules for determining allocation formula:** _____

[Note: Any special rules under this subsection (h) must be described in a manner that precludes Employer discretion.]

6-4 **CONTRIBUTIONS OF ACCRUED SICK, PTO AND/OR VACATION LEAVE.** *[Note: Do not complete this AA §6-4 and instead use AA§6-7(c) if this is an Employer Pick-Up Contribution.]*

- ☐ (a) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid sick leave, as described below: _____
- ☐ (b) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid vacation leave, as described below: _____

[Note: The Employer must describe an Employer Contribution of accrued unpaid sick, and/or vacation leave that meets the following requirements:

- *The leave converted under the arrangement can only be accrued unpaid leave;*
- *The leave converted can only be sick and/or vacation leave;*
- *The Employer must designate how often the conversions occur under this AA §6-4;*
- *The eligibility requirements for participation in the plan cannot be such that an Employee becomes a Participant only in the plan year in which the Employee terminates employment;*
- *The only accrued unpaid leave which can be converted under the arrangement must only be leave for which the Employee has no right to request a cash payment;*
- *The leave conversion formula can only be one which involves multiplying an Employee's current daily rate of pay against the amount of accrued unpaid leave being converted; and*
- *The leave conversion formula is definitely determinable.]*

6-5 **SPECIAL RULES.** No special rules apply with respect to Employer/Employee Contributions under the Plan, except to the extent designated under this AA §6-5. Unless designated otherwise, in determining the amount of the Employer/Employee Contributions to be allocated under this AA §6, the contribution will be based on Plan Compensation earned during the Plan Year.

- ☐ (a) **Period for determining Employer/Employee Contributions.** Instead of the Plan Year, Employer/Employee Contributions will be determined based on Plan Compensation earned during the following period: [*Note: The Plan Year must be used if the permitted disparity allocation method is selected under AA §6-3(c) above.*]

☐ (1) Plan Year quarter

☐ (2) calendar month

☐ (3) payroll period

☐ (4) Other: _____

[*Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Employer Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415(c)-1(b)(6)(B), regardless of the period selected under this subsection (a).*]

- ☐ (b) **Limit on Employer Contributions.** The Employer Contribution elected in AA §6-2 may not exceed:

☐ (1) ____% of Plan Compensation

☐ (2) \$____

☐ (3) A discretionary amount determined by the Employer applied in a uniform manner for all eligible Participants for the Plan Year.

- ☐ (c) **Offset of Employer Contribution.**

☐ (1) A Participant's allocation of Employer Contributions under AA §6-2 of this Plan is reduced by contributions under _____ [*insert name of plan(s)*]. (See Section 3.02(a)(1) of the Plan.)

☐ (2) In applying the offset under this subsection (c), the following rules apply: _____

- ☐ (d) **Special rules:** _____

[*Note: Any special rules under this subsection (d) must be definitely determinable.*]

6-6 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6-6 to receive an allocation of Employer Contributions under the Plan. [*Note: No allocation conditions apply to After-Tax Employee Contributions or Employer Pick-Up Contributions under AA §6-7.*]

- ☐ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.

- ☐ (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

- ☐ (c) **Minimum service condition.** An Employee must be credited with at least:

☐ (1) ____ Hours of Service during the Plan Year.

☐ (i) Hours of Service are determined using actual Hours of Service.

☐ (ii) Hours of Service are determined using the following Equivalency Method (as defined under Section 2.03(a)(5) of the Plan):

☐ (A) Monthly

☐ (B) Weekly

☐ (C) Daily

☐ (D) Semi-monthly

☐ (E) Describe: _____

[*Note: Any description under this subsection (E) must be definitely determinable.*]

☐ (2) ____ consecutive days of employment with the Employer during the Plan Year.

☐ (d) **Exceptions.**

☐ (1) The above allocation condition(s) will **not** apply if the Employee:

- ☐ (i) dies.
- ☐ (ii) terminates employment due to becoming Disabled.
- ☐ (iii) becomes Disabled.
- ☐ (iv) terminates employment after attaining Normal Retirement Age.

[Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule in subsection (e) below.]

☐ (v) terminates employment after attaining Early Retirement Age.

[Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule in subsection (e) below.]

☐ (vi) is on an authorized leave of absence from the Employer.

☐ (2) The exceptions selected under subsection (1) above will apply even if an Employee has not terminated employment at the time of the selected event(s).

☐ (3) The exceptions selected under subsection (1) above do not apply to:

- ☐ (i) an employment condition under subsection (b) above.
- ☐ (ii) a minimum service condition under subsection (c) above.

☐ (e) **Describe** any special rules governing the allocation conditions under the Plan: _____

[Note: Any special rules under this subsection (e) must be definitely determinable.]

6-7 **AFTER-TAX EMPLOYEE CONTRIBUTIONS AND EMPLOYER PICK-UP CONTRIBUTIONS.**

☐ (a) **Voluntary After-Tax Employee Contributions.** If permitted under this subsection (a), a Participant may contribute any amount as Voluntary After-Tax Employee Contributions up to the Code §415 Limitation (as defined in Section 5.02 of the Plan), except as limited under this subsection (a).

☐ (1) **Limits on Voluntary After-Tax Employee Contributions.** If this subsection (1) is checked, the following limits apply to Voluntary After-Tax Employee Contributions:

☐ (i) **Maximum limit.** A Participant may make Voluntary After-Tax Employee Contributions up to:

☐ (A) _____% of Plan Compensation

☐ (B) \$_____

for the following period:

☐ (C) the entire Plan Year.

☐ (D) the portion of the Plan Year during which the Employee is eligible to participate.

☐ (E) each separate payroll period during which the Employee is eligible to participate.

☐ (ii) **Minimum limit.** The amount of Voluntary After-Tax Employee Contributions a Participant may make for any payroll period may not be less than:

☐ (A) _____% of Plan Compensation

☐ (B) \$_____

(2) **Change or revocation of Voluntary After-Tax Employee Contributions.** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume an after-tax election will be effective as set forth under the After-Tax Employee Contributions election form or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke an after-tax election at least once per year. Unless the After-Tax Employee Contributions election form or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke an after-tax election (on a prospective basis) at any time. Unless designated otherwise in a Participant's after-tax election form, a Participant's affirmative election to make an After-Tax Employee Contribution will cease upon termination of employment and the Participant will need to make a new election upon rehire.

- ☐ (3) **Other limits or special rules relating to Voluntary After-Tax Employee Contributions:** _____
[Note: Any limits described under this subsection (3) must be consistent with the provisions of Section 3.04 of the Plan.]
- ☐ (b) **Mandatory After-Tax Employee Contributions.** If this subsection (b) is checked, Employees are required to make Mandatory After-Tax Employee Contributions in order to participate under the Plan.
- ☐ (1) **Amount of Mandatory After-Tax Employee Contributions.** Employees are required to contribute the following amount in order to participate in the Plan:
- ☐ (i) _____% of each Employee's Total Compensation.
- ☐ (ii) \$_____ for each Participant.
- ☐ (iii) Describe rate or amount: _____
- ☐ (2) **Special rules applicable to Mandatory After-Tax Employee Contributions:** _____
- ☐ (c) **Employer Pick-Up Contributions.** Each Participant will be required to make a Pick-up Contribution to the Plan equal to the amount specified under this subsection (c). Any amounts contributed pursuant to this subsection (c) will be picked up by the Employer pursuant to Code §414(h) and will be treated as Employer Contributions under the Plan. Such contributions and earnings thereon will be 100% vested at all times. (See Section 3.03 of the Plan.)
- ☐ (1) The following amounts will be contributed to the Plan as an Employer Pick-Up Contribution:
- ☐ (i) _____% of Plan Compensation.
- ☐ (ii) \$_____ per pay period.
- ☐ (iii) Any amount from _____% to _____% of Plan Compensation, as designated by the Employee.
[Note: This subsection (iii) may only be selected if the Employee designates the amount as a one-time irrevocable election.]
- ☐ (2) Elect this subsection (2) if an Employee may make a one-time irrevocable election not to make Employer Pick-Up Contributions under the Plan.
- ☐ (3) Special rules applicable to Employer Pick-Up Contributions: _____
- [Note: Any Employer Pick-Up Contributions made under this subsection (c) must satisfy the requirements of Section 3.03 of the Plan. See AA §11-4 for an Employee's ability to elect out of making Employer Pick-Up Contributions.]

SECTION 6A
SALARY DEFERRALS

6A-1 **SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?

- ☐ Yes.
- ☒ No. [If "No" is checked, skip to Section 6B.]

6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** Unless designated otherwise under this AA §6A-2, a Participant may defer any amount up to the Elective Deferral Dollar Limit and the Code §415 Limitation (as set forth in Sections 5.02 and 5.03 of the Plan).

☐ (a) **Salary Deferral Limit.** A Participant may not defer an amount in excess of:

- ☐ (1) _____% of Plan Compensation.
- ☐ (2) \$_____.

[Note: If both subsection (1) and (2) above are checked, the deferral limit is the lesser of the amounts selected.]

Any limit described in subsection (1) or (2) above applies with respect to the following period:

- ☐ (3) Plan Year.
- ☐ (4) the portion of the Plan Year during which the individual is eligible to participate.
- ☐ (5) each separate payroll period during which the individual is eligible to participate.
- ☐ (b) **Limits on deferrals on bonus payments.** [Note: This §6A-2(b) only may be selected, if bonus payments are not excluded under AA §5-3.]

- ☐ (1) The same limits specified in (a)(1) and (a)(2) above apply to bonus and non-bonus Plan Compensation, Employees may defer any amounts out of bonus payments, subject to the Elective Deferral Dollar Limit and the Code §415 Limitation (as defined in Sections 5.02 and 5.03 of the Plan) and any other limit on Salary Deferrals under this AA 6A-2. The Employer may impose special limits on bonus payments or may impose special limits on bonus payments under the Salary Deferral Election. (See Section 3.02(c)(2) of the Plan.)
- ☐ (2) A Participant may defer up to ____% (not to exceed 100%) of any bonus payment (subject to the Elective Deferral Dollar Limit and the Code §415 Limitation), without regard to any other limits described under this AA §6A-2. The Employer may impose special limits on bonus payments under the Salary Deferral Election. (See Section 3.02(c)(2) of the Plan.)
- ☐ (3) Describe special rules applicable to deferrals on bonus payments: _____

[Note: If this subsection (b) is checked, bonus payments may not be excluded from Plan Compensation in the Deferral column under AA §5-3(e).]

- ☐ (c) Describe any other limits that apply with respect to Salary Deferrals under the Plan: _____

6A-3 **MINIMUM DEFERRAL RATE.** Unless designated otherwise under this AA §6A-3, no minimum deferral requirement applies under the Plan. Alternatively, a Participant must defer at least the following amount in order to make Salary Deferrals under the Plan.

- ☐ (a) ____% of Plan Compensation for a payroll period.
- ☐ (b) \$____ for a payroll period.
- ☐ (c) Describe: _____

[Note: If more than one limit applies under this AA §6A-3, the minimum deferral rate is the lesser of the amounts designated under this AA §6A-3.]

6A-4 **CATCH-UP CONTRIBUTIONS.** Catch-Up Contributions (as defined in Section 3.02(c)(2)(iv) of the Plan) are permitted under the Plan, unless designated otherwise under this AA §6A-4.

- ☐ Catch-Up Contributions are not permitted under the Plan.

6A-5 **ROTH DEFERRALS.** Roth Deferrals (as defined in Section 3.02(c)(2)(v) of the Plan) are not permitted under the Plan, unless designated otherwise under this AA §6A-5.

- ☐ (a) **Availability of Roth Deferrals.** Roth Deferrals are permitted under the Plan. *[Note: If Roth Deferrals are effective as of a date later than the Effective Date of the Plan, designate such special Effective Date in AA §6A-8(b) below. Roth Deferrals may not be made prior to January 1, 2006.]*

- (b) **Distribution of Roth Deferrals.** Unless designated otherwise under this subsection (b), to the extent a Participant takes a distribution or withdrawal from his/her Salary Deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. (As described under Section 7.11(b)(2) of the Plan for default distribution rules if a Participant fails to designate the appropriate Account for corrective distributions from the Plan, such distribution may be withdrawn equally from both the Pre-Tax Salary Deferral Account and the Roth Deferral Account or the Employer may withdraw such amounts first from either the Pre-Tax Salary Deferral Account or the Roth Deferral Account.)

Alternatively, the Employer may designate the order of distributions as listed below:

- ☐ (1) Any distribution will be taken on a pro rata basis from the Participant's Pre-Tax Deferral Account and Roth Deferral Account.
- ☐ (2) Any distribution will be taken first from the Participant's Roth Deferral Account and then from the Participant's Pre-Tax Deferral Account.
- ☐ (3) Any distribution will be taken first from the Participant's Pre-Tax Deferral Account and then from the Participant's Roth Deferral Account.

- (c) **In-Plan Roth Conversions.** Unless elected under this AA §6A-5(c), the Plan does not permit a Participant to make an In-Plan Roth Conversion under the Plan. To override this provision to allow Participants to make an In-Plan Roth Conversion, subsection (1) below must be checked.

- ☐ (1) **Effective date.** Effective _____ [not earlier than 1/1/2013], a Participant may elect to convert all or any portion of his/her non-Roth vested Account Balance to an In-Plan Roth Conversion Account.

[*Note: The Plan must provide for Roth Deferrals under AA §6A-5(a) above as of the effective date designated in this subsection (1). An election under this subsection (1) does not affect an In-Plan Roth Conversion that was allowed under prior Plan provisions.*]

(2) **In-Service Distribution.**

- ☐ (i) For a Participant to convert his/her eligible contributions to Roth Deferrals through an In-Plan Roth Conversion, the Participant need not be eligible to take a distribution from the Plan. [*Note: If this subsection (i) is checked, a Participant may convert any or all of the eligible contribution sources to Roth Deferrals through an In-Plan Roth Conversion.*]
- ☐ (ii) For a Participant to convert his/her eligible contributions to Roth Deferrals through an In-Plan Roth Conversion, a Participant must be eligible for a distribution of any amounts converted to Roth Deferrals through an In-Plan Roth Conversion. Thus, only amounts that are eligible for distribution under AA §9 or AA §10 are eligible for In-Plan Roth Conversion.

(3) **Contribution sources.** An Employee may elect to make an In-Plan Roth Conversion from all available contribution sources under the Plan.

To override this default provision to limit the contributions sources available for In-Plan Roth Conversion, select the applicable contribution sources from which an In-Plan Roth Conversion is available:

- ☐ (i) Pre-tax Salary Deferrals
- ☐ (ii) Employer Contributions
- ☐ (iii) Matching Contributions
- ☐ (iv) After-Tax Contributions
- ☐ (v) Rollover Contributions
- ☐ (vi) Employer Pick-Up Contributions
- ☐ (vii) Describe: _____

[*Note: Any contribution sources described in this subsection (vii) must be definitely determinable and not subject to Employer discretion.*]

(4) **Limits applicable to In-Plan Roth Conversions.** No limits apply with respect to In-Plan Roth Conversions, unless designated otherwise under this subsection (4).

- ☐ (i) Roth conversions may only be made from contribution sources that are fully vested (i.e., 100% vested).
- [*Note: If an In-Plan Roth Conversion is permitted from partially-vested sources, special rules apply for determining the vested percentage of such amounts after conversion. See Section 6.09 of the Plan.*]
- ☐ (ii) A Participant may not make an In-Plan Roth Conversion of less than \$____ (may not exceed \$1,000).
- ☐ (iii) A Participant may not make an In-Plan Roth Conversion of any outstanding loan amount.
- [*Note: If this subsection (iii) is not checked, a Participant may convert amounts that are attributable to an outstanding loan, to the extent the loan relates to a contribution source that is eligible for conversion under subsection (3) above.*]
- ☐ (iv) Describe: _____

[*Note: Any selection in this subsection (iv) must be definitely determinable and not subject to Employer discretion.*]

(5) **Amounts available to pay federal and state taxes generated from an In-Plan Roth Conversion.** No special provisions apply to allow Participants to withdraw funds to pay federal or state taxes generated from an In-Plan Roth Conversion, except as provided otherwise under this subsection (5).

- ☐ (i) **In-service distribution.** If the Plan does not otherwise permit an in-service distribution at the time of the In-Plan Roth Conversion and this subsection (i) is checked, a Participant may elect to take an in-service distribution solely to pay taxes generated from the In-Plan Roth Conversion to the extent such in-service distribution would otherwise be permitted under Section 7.10 of the Plan.

[*Note: If this subsection (i) is checked, a Participant may take an in-service distribution only to the extent such distribution would otherwise be permitted under the provisions of Section 7.10 of the*

Plan. Thus, for example, a Participant may not take an in-service distribution of amounts attributable to Salary Deferrals prior to age 59½.

- ☐ (ii) **Participant loan.** Generally, a Participant may request a loan from the Plan to the extent permitted under Section 13 of the Plan and AA §B. However, to the extent a Participant loan is not otherwise allowed and this subsection (ii) is selected, a Participant may receive a Participant loan solely to pay taxes generated from an In-Plan Roth Conversion.

[Note: If this subsection (ii) is selected and Participant loans are not otherwise authorized under the Plan, any Participant loan made pursuant to this subsection (ii) will be made in accordance with the default loan policy described in Section 13 of the Plan.]

- (6) **Distribution from In-Plan Roth Conversion Account.** Distributions from the In-Plan Roth Conversion Account will be permitted at the same time as permitted for Roth Deferrals, as set forth under AA §10-1, unless designated otherwise under this subsection (6).

- ☐ (i) In-service distributions will not be permitted from an In-Plan Roth Conversion Account.
- ☐ (ii) An in-service distribution may be made from the In-Plan Roth Conversion Account at any time.
- ☐ (iii) Describe distribution options: _____

- ☐ (d) **Describe** any special rules that apply to Roth Deferrals under the Plan: _____

6A-6 SALARY DEFERRAL ELECTIONS.

- (a) **Change or revocation of deferral election:** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume a deferral election will be effective as set forth under the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke a deferral election at least once per year. Unless the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke a deferral election (on a prospective basis) at any time.
- (b) **Salary deferral elections of rehired participants:** Unless designated otherwise below, a Participant's affirmative election to defer (or to not defer) will cease upon termination of employment and the Participant will need to make a new election upon rehire.
- ☐ **Participant's affirmative election does not cease upon termination of employment.** If this subsection (b) is selected, a terminated Participant's affirmative election to defer (or to not defer) **will not cease** upon termination of employment and the Participant's affirmative election to defer (or to not defer) in effect at the time of employment termination will apply upon rehire.

[Note: The Employer may modify the rules applicable to rehired employees under the Salary Reduction Agreement or other administrative procedures.]

6A-7 AUTOMATIC CONTRIBUTION ARRANGEMENT. No automatic contribution provisions apply under Section 3.02(c)(2)(iii) of the Plan, unless provided otherwise under this AA §6A-7.

- ☐ (a) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), a Participant will be deemed to have entered into a Salary Deferral Election for each payroll period, unless the Participant completes a Salary Deferral Election (subject to the limitations under AA §6A-2 and AA §6A-3) in accordance with procedures adopted by the Plan Administrator.
- ☐ (1) **Effective date of Automatic Contribution Arrangement.** The automatic deferral provisions under this AA §6A-7 are effective as of:
- ☐ (i) The Effective Date of this Plan as set forth under the Employer Signature Page.
- ☐ (ii) _____ *[insert date no earlier than the Effective Date of the Plan]*
- ☐ (iii) As set forth under a prior Plan document. *[Note: If this subsection (iii) is checked, the automatic deferral provisions under this AA §6A-7 will apply as of the original Effective Date of the automatic contribution arrangement. Unless provided otherwise under this AA §6A-7, an Employee who is automatically enrolled under a prior Plan document will continue to be automatically enrolled under the current Plan document.]*
- ☐ (2) **Automatic Contribution Arrangement.** Check this subsection (2) if the Plan is designated as an Automatic Contribution Arrangement, as described under Section 3.02(c)(2)(iii) of the Plan. *[Note: Unless an election is made under this AA §6A-7 that is inconsistent with the requirements of an Eligible Automatic Contribution Arrangement (EACA), the Automatic Contribution Arrangement will qualify as an EACA, as described in Code §414(w).]*

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- ☐ (i) **Automatic deferral amount.**
- ☐ (A) ____% of Plan Compensation.
- ☐ (B) \$_____.
- ☐ (ii) **Automatic increase.** If elected under this subsection (ii), the automatic deferral amount will increase each Plan Year by the following amount.
- ☐ (A) ____% of Plan Compensation.
- ☐ (B) \$_____.
- ☐ (C) If this (C) and subsection (3)(iii) below (relating to the expiration of affirmative deferral elections) are both elected, the automatic increase will apply to all Participants, including those Participants whose affirmative deferral elections have expired and no subsequent affirmative election is made.

Any automatic increase elected under this subsection (ii) will not cause the automatic deferral amount to exceed:

- ☐ (D) ____% of Plan Compensation.
- ☐ (E) \$_____.
- ☐ (F) Describe: _____

[Note: Any special application of the automatic increase provisions must be definitely determinable and must provide for Employer discretion.]

- (3) **Application of automatic deferral provisions.** The automatic deferral election under subsection (2) will apply to new Participants and existing Participants as set forth under this subsection (3):
- (i) **New Participants.** The automatic deferral provisions apply to all Participants who become eligible on or after the effective date.
- (ii) **Current Participants.** The automatic deferral provisions apply to all other eligible Participants as follows:
- ☐ (A) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election (including an election not to defer under the Plan).
- ☐ (B) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election that is at least equal to the automatic deferral amount under subsection (2)(i) above. Current Participants who have made a Salary Deferral Election that is less than the automatic deferral amount or who have not made a Salary Deferral Election will automatically be increased to the automatic deferral amount unless the Participant enters into a new Salary Deferral election on or after the effective date of the automatic deferral provisions.
- ☐ (C) Automatic deferral provisions do not apply to current Participants. Only new Participants described in subsection (i) above are subject to the automatic deferral provisions.
- ☐ (D) Describe: _____
- ☐ (iii) **Expiration of affirmative deferral elections.** Unless this subsection (iii) is elected, for purposes of the automatic deferral provisions of the Plan, a Participant's affirmative elective deferral election will not expire. If this subsection (iii) is elected, a Participant's affirmative deferral election will expire:
- ☐ (A) at the end of each Plan Year.
- ☐ (B) Describe date that the affirmative election will expire: _____
- [Note: The date must be definite and not discriminate in favor of Highly Compensated Employees.]*

If a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. Each year, the Participant can always complete a new affirmative election and designate a new deferral percentage.

- (iv) **Treatment of automatic deferrals.** Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals, unless designated otherwise under this subsection (iv).

☐ Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Roth Deferrals. [Note: This subsection (iv) may only be checked if Roth Deferrals are permitted under AA §6A-5.]

- ☐ (v) **Special rules:** _____

[Note: Any Salary Deferral Election (including an election not to defer under the Plan) made after the effective date of the automatic deferral provisions will override such automatic deferral provisions.]

- (4) **Application of automatic increase.** Unless designated otherwise under this subsection (4), if an automatic increase is selected under subsection (2)(ii) above, the automatic increase will take effect as of the first day of the second Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.

☐ (i) **First Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) above takes effect as of the appropriate date within the first Plan Year following the date automatic contributions begin.

☐ (ii) **Designated Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) above takes effect as of the appropriate date within the _____ Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.

☐ (iii) **Effective date.** The automatic increase described under subsection (2)(ii) above is generally effective as of the first day of the Plan Year. If this subsection (iii) is checked, instead of becoming effective on the first day of the Plan Year, the automatic increase will be effective on:

☐ (A) The anniversary of the Participant's date of hire.

☐ (B) The anniversary of the Participant's first automatic deferral contribution.

☐ (C) The first day of each calendar year.

☐ (D) Other date: _____

- ☐ (iv) **Special rules:** _____

- (5) **Treatment of terminated Employees who are rehired.** Unless designated otherwise below, in applying the automatic deferral provisions under this AA§6A-7, including the automatic increase provisions, a rehired Participant is treated as a new Employee (regardless of the amount of time since the rehired Employee terminated employment).

☐ (i) **Rehired Employees not treated as new Employee.** In applying the automatic deferral provisions under this AA§6A-7, including the automatic increase provisions, a rehired Participant is not treated as a new Employee. Thus, for example, a rehired Participant's deferral percentage will be calculated based on the date the individual first began making automatic deferrals under the Plan.

☐ (ii) **Describe special rules applicable to rehired employees:** _____

[Note: Any special rules under this subsection (ii) must satisfy the rules applicable to automatic enrollment under Treas. Reg. §1.401(k)-1, if applicable.]

- (b) **Permissible Withdrawals under Automatic Contribution Arrangement.**

☐ (1) **Permissible withdrawals allowed.** An Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election under this AA §6A-7 may elect to withdraw such contributions (and earnings attributable thereto) within 90 days after the date such Salary Deferrals would otherwise have been included in gross income, unless designated otherwise under subsection (3) below. Unless elected otherwise below, if an Employee does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to termination of employment), the Plan may allow such Employee to take a permissive withdrawal, but only with respect to default contributions made after the Employee's return to employment.).

☐ The ability to take permissible withdrawals does not apply to rehired Employees, even if such Employees have not made automatic deferrals to the Plan for an entire Plan Year due to termination of employment.

☐ (2) **No permissible withdrawals.** The permissible withdrawal provisions under this subsection (b) are not available.

- ☐ (3) **Time period for electing a permissible withdrawal.** Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than ____ days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.

☐ (c) **Other automatic deferral provisions:** _____

6A-8 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-8, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in the Employer Signature Page). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.02(c)(2)(i) of the Plan.)

To designate a later Effective Date for Salary Deferrals or Roth Deferrals, complete this AA §6A-8.

☐ (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:

☐ (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).

☐ (2) ____ (insert date no earlier than the date the Plan is executed by the Employer).

☐ (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-5 are effective as of _____. *[If Roth Deferrals are permitted under AA §6A-5 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-8, unless a later date is designated under this subsection.]*

SECTION 6B MATCHING CONTRIBUTIONS

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions under the Plan?

☒ **Yes.**

☐ **No.** *[If "No" is checked, skip to Section 7.]*

6B-2 **MATCHING CONTRIBUTION FORMULA:** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-6 below. *[See AA §6B-3 for the definition of Eligible Contributions for purposes of the Matching Contributions under the Plan.]*

☒ (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution. Such amount will be allocated as a uniform percentage of Eligible Contributions, unless designated otherwise below. (See AA §6B-5 relating to period for determining Matching Contributions and true-up requirements.)

☐ (1) Discretionary matching contributions will be allocated as a flat dollar amount.

☐ (2) Allocation of discretionary Matching Contribution determined by written instructions to Plan Administrator (or Trustee). If a discretionary Matching Contribution formula applies (i.e., a formula that provides an Employer with discretion regarding how to allocate a Matching Contribution to Participants) and the Employer makes a discretionary Matching Contribution to the Plan, the Employer must provide the Plan Administrator (or Trustee, if applicable), written instructions describing: (1) how the discretionary Matching Contribution formula will be allocated to Participants (e.g., a uniform percentage of Eligible Contributions or a flat dollar amount), (2) the computation period(s) to which the discretionary Matching Contribution formula applies (unless otherwise designated under AA §6B-5), and (3) if applicable, a description of each business location or business classification subject to separate discretionary Matching Contribution allocation formulas.

Such instructions must be provided no later than the date on which the discretionary Matching Contribution is made to the Plan. A summary of these instructions must be communicated to Participants who receive discretionary Matching Contributions no later than 60 days following the last date on which the discretionary Matching Contribution is made to the Plan for the Plan Year. If this AA §6B-2(a)(2) is elected, the written instruction requirement does not take effect until the first day of the Plan Year following the Plan Year in which this Plan's Cycle 3 restatement is executed.

☐ (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:

☐ (1) ____% of Eligible Contributions made for each period designated in AA §6B-5 below.

☐ (2) \$____ for each period designated in AA §6B-5 below.

- ☐ (c) **Matching Contributions under Collective Bargaining Agreement, employment contract or equivalent arrangement.** The Employer will make a Matching Contribution based on a Collective Bargaining Agreement, employment agreement or equivalent arrangement as follows: _____

[Note: Insert the appropriate Matching Contribution formula from the Collective Bargaining Agreement, employment agreement or equivalent arrangement. The formula must be definitely determinable as required under Treas. Reg. §1.401-1.]

- ☐ (d) **Tiered match.** The Employer may make a Matching Contribution to all Participants based on the following tiers of Eligible Contributions as a percentage of Plan Compensation. If discretionary Match is elected, the discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each tier.

Eligible Contributions	Fixed Match	Discretionary Match
<input type="checkbox"/> (1) Up to ____% of Plan Compensation	_____%	<input type="checkbox"/>
<input type="checkbox"/> (2) From ____% up to ____% of Plan Compensation	_____%	<input type="checkbox"/>
<input type="checkbox"/> (3) From ____% up to ____% of Plan Compensation	_____%	<input type="checkbox"/>
<input type="checkbox"/> (4) From ____% up to ____% of Plan Compensation	_____%	<input type="checkbox"/>

- ☐ (e) **Year of Service match.** The Employer will make a Matching Contribution as a uniform percentage of Eligible Contributions to all Participants based on Years of Service with the Employer. If discretionary Match is elected, the discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each Year of Service level.

Years of Service	Fixed Match	Discretionary Match
<input type="checkbox"/> (1) From ____ up to ____ Years of Service	_____%	<input type="checkbox"/>
<input type="checkbox"/> (2) From ____ up to ____ Years of Service	_____%	<input type="checkbox"/>
<input type="checkbox"/> (3) From ____ up to ____ Years of Service	_____%	<input type="checkbox"/>
<input type="checkbox"/> (4) From ____ up to ____ Years of Service	_____%	<input type="checkbox"/>
<input type="checkbox"/> (5) Years of Service equal to and above ____	_____%	<input type="checkbox"/>

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: _____

[Note: Any alternative definition of a Year of Service must meet the requirements of a Year of Service as defined in Section 2.03(a)(1) of the Plan.]

- ☐ (f) **Different Employee groups.** The Employer may make a different Matching Contribution to the Employee groups designated under subsection (1) below. The Matching Contribution will be allocated separately to each designated Employee group in accordance with the formula designated under subsection (2) below.

(1) **Designated Employee groups.**

[Note: Each group designation must describe a group of Employees which is definitely determinable with no Employer discretion.]

(2) **Matching Contribution formulas.**

- ☐ (i) **Discretionary Matching Contribution.** The Employer may make a different discretionary Matching Contribution for each Employee group designated under subsection (1) above. The discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each Employee group. (See AA §6B-5 relating to period for determining Matching Contributions and true-up requirements.)

- ☐ (ii) **Different Matching Contribution formula.** The following Matching Contribution will apply for each Employee group designated under subsection (1) above.

[Note: Each separate rate of Matching Contribution must be definitely determinable and will be allocated uniformly to the members of the group.]

- ☐ (g) **Describe special rules for determining Matching Contribution formula:** _____

[*Note: Any special rules may not provide for a discretionary Matching Contribution allocation formula, must be described in a manner that precludes Employer discretion and must satisfy the definitely determinable requirements of Treas. Reg. §1.401-1.*]

6B-3 **ELIGIBLE CONTRIBUTIONS.** Unless designated otherwise under this AA §6B-3, the Matching Contribution described in AA §6B-2 will apply to all Eligible Contributions authorized under AA §6-7 and/or AA §6A.

- ☐ (a) **Designated Eligible Contributions.** If this subsection (a) is checked, the Matching Contribution described in AA §6B-2 will apply only to the Eligible Contributions selected below:
- ☐ (1) Pre-tax Salary Deferrals under AA §6A.
 - ☐ (2) Roth Deferrals under AA §6A-5.
 - ☐ (3) Catch-Up Contributions under AA §6A-4.
 - ☐ (4) Voluntary After-Tax Employee Contributions under AA §6-7(a).
 - ☐ (5) Mandatory After-Tax Employee Contributions under AA §6-7(b).
 - ☐ (6) Employer Pick-Up Contributions under AA §6-7(c).

- ☒ (b) **Elective deferrals under another plan.** If this subsection (b) is checked, the Matching Contributions described in AA §6B-2 will apply to elective deferrals made under another plan maintained by the Employer.
- ☒ (1) The Matching Contribution designated in AA §6B-2 above will apply to elective deferrals under the following plan maintained by the Employer: San Benito Health Care District Deferred Compensation Plan
 - ☐ (2) The following special rules apply in determining the amount of Matching Contributions under this Plan with respect to elective deferrals under the plan described in subsection (1) above: _____

[*Note: This subsection (b) may be used to describe special provisions applicable to Matching Contributions provided with respect to elective deferrals under another plan maintained by the Employer, including another qualified plan or Code §403(b) or Code §457(b) plan.*]

- (c) **Calculation of Matching Contributions if Plan uses dual eligibility and/or multiple entry dates.** Unless designated otherwise below, if the Plan has dual eligibility and/or multiple entry dates (or the Employer chooses to use the Plan's optional true-up provisions), the Matching Contribution formula(s) will be based on Eligible Contributions and Plan Compensation for the period designated under AA §6B-5.
- ☐ The Plan will make Matching Contributions only on Salary Deferrals and After-Tax Employee Contributions (if applicable) made after the Participant becomes eligible for Matching Contributions, regardless of the period designated under AA §6B-5.

- ☐ (d) **Special rules.** The following special rules apply for purposes of determining the Matching Contribution under this AA §6B-3: _____

[*Note: Any special rules under this subsection (d) must be definitely determinable.*]

6B-4 **LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, all Eligible Contributions designated under AA §6B-3 are eligible for Matching Contributions, unless elected otherwise under this AA §6B-4.

- ☐ (a) **Limit on amount of Eligible Contributions.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Eligible Contributions under AA §6B-3 that do not exceed:
- ☐ (1) _____% of Plan Compensation.
 - ☐ (2) \$_____.
 - ☐ (3) A discretionary amount determined by the Employer that will be applied in a uniform manner for all eligible Participants for the Plan Year.

[*Note: If both subsections (1) and (2) above are selected, the limit under this subsection (a) is the lesser of the percentage selected in subsection (1) or the dollar amount selected in subsection (2).*]

- ☐ (b) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:
- ☐ (1) _____% of Plan Compensation.
 - ☐ (2) \$_____.

- ☐ (c) **Special limits applicable to Matching Contributions:** _____

6B-5 **PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-4) are based on Eligible Contributions under AA §6B-3 and Plan Compensation for the Plan Year. To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-4, complete this AA §6B-5.

- ☒ (a) payroll period
☐ (b) Plan Year quarter
☐ (c) calendar month
☐ (d) Other: _____

[Note: Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Matching Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415(c)-1(b)(6)(B), regardless of the period selected under this AA §6B-5.]

[Note: In determining the amount of Matching Contributions for a particular period, if the Employer actually makes Matching Contributions to the Plan on a more frequent basis than the period selected in this AA §6B-5, a Participant will be entitled to a true-up contribution to the extent he/she does not receive a Matching Contribution based on the Eligible Contributions and/or Plan Compensation for the entire period selected in this AA §6B-5. If a period other than the Plan Year is selected under this AA §6B-5, the Employer may make an additional discretionary Matching Contribution equal to the true-up contribution that would otherwise be required if Plan Year was selected under this AA §6B-5. See Section 3.02(c)(3)(iii) of the Plan.]

6B-6 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6B-6 to receive an allocation of Matching Contributions under the Plan.

☐ (a) **Application of allocation conditions.**

- ☐ (1) **No allocation conditions** apply with respect to Matching Contributions under the Plan.
☐ (2) Allocation conditions only apply to discretionary Matching Contributions under the Plan.
☐ (3) Allocation conditions only apply to fixed Matching Contributions under the Plan.

[Note: (2) or (3) above should be selected only if the Plan provides for both Fixed and Discretionary Matching Contributions.]

☒ (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☒ (c) **Minimum service condition.** An Employee must be credited with at least:

- ☒ (1) 1,000 Hours of Service during the Plan Year.
☒ (i) Hours of Service are determined using actual Hours of Service.
☐ (ii) Hours of Service are determined using the following Equivalency Method (as defined under AA §4-3):

<input type="checkbox"/> (A) Monthly	<input type="checkbox"/> (B) Weekly
<input type="checkbox"/> (C) Daily	<input type="checkbox"/> (D) Semi-monthly
<input type="checkbox"/> (E) Describe: _____	

[Note: Any description under subsection (E) above must be definitely determinable.]

☐ (2) _____ consecutive days of employment with the Employer during the Plan Year.

☐ (d) **Exceptions.**

- ☐ (1) The above allocation condition(s) will **not** apply if the Employee, during the Plan Year:
☐ (i) dies.
☐ (ii) terminates employment due to becoming Disabled.
☐ (iii) becomes Disabled.
☐ (iv) terminates employment after attaining Normal Retirement Age.

[Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule in (e) below.]

☐ (v) terminates employment after attaining Early Retirement Age.

[Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule in (e) below.]

- ☐ (vi) is on an authorized leave of absence from the Employer.
- ☐ (2) The exceptions selected under subsection (1) above will apply even if an Employee has not terminated employment at the time of the selected event(s).
- ☐ (3) The exceptions selected under subsection (1) above do not apply to:
- ☐ (i) an employment condition designated under subsection (b) above.
- ☐ (ii) a minimum service condition designated under subsection (c) above.
- ☐ (e) Describe any special rules governing the allocation conditions under the Plan: _____

SECTION 7 RETIREMENT AGES

7-1 NORMAL RETIREMENT AGE. Normal Retirement Age under the Plan is:

- ☒ (a) Age 63 (not to exceed 65).
- ☐ (b) The later of age ____ (not to exceed 65) or the ____ (not to exceed 5th) anniversary of:
- ☐ (1) the Employee's participation commencement date (as defined in Section 1.68 of the Plan).
- ☐ (2) the Employee's employment commencement date.
- ☐ (c) Describe Normal Retirement Age: _____

[Note: The Normal Retirement Age must be reasonably representative of the typical retirement age for the industry in which the Plan Participants work. A Normal Retirement Age of at least age 62 is deemed to be reasonable while a Normal Retirement Age under age 55 is presumed not to satisfy this requirement unless facts and circumstances show otherwise. Whether a Normal Retirement Age between 55 and 62 satisfies this requirement depends on the facts and circumstances. A Governmental Plan must comply with the final Normal Retirement Age regulations under Treas. Reg. §1.401(a)-1, as amended, effective for Annuity Starting Dates occurring in Plan Years beginning on or after the later of the two dates described in IRS Notice 2012-29. The Employer may use AA §7-1(c), for example, to describe a reasonable Normal Retirement Age that is between age 55 and 62 that takes into account service as well as age.]

7-2 EARLY RETIREMENT AGE. Unless designated otherwise under this AA §7-2, there is no Early Retirement Age under the Plan.

- ☐ (a) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:
- ☐ (1) Attainment of age ____
- ☐ (2) The ____ anniversary of the date the Employee commenced participation in the Plan, and/or
- ☐ (3) The completion of ____ Years of Service, determined as follows:
- ☐ (i) Same as for eligibility.
- ☐ (ii) Same as for vesting
- ☒ (b) Describe. the later of attainment of age 55 or the 5th anniversary of Plan participation

SECTION 8 VESTING AND FORFEITURES

8-1 CONTRIBUTIONS SUBJECT TO VESTING. Does the Plan provide for any Employer and/or Matching Contributions that are subject to a vesting schedule under AA §8-2?

- ☒ Yes
- ☐ No [If "No" is checked, skip to Section 9.]

[Note: "Yes" should be checked under this AA §8-1 if the Plan provides for Employer Contributions and/or Matching Contributions that are subject to a vesting schedule, even if such contributions are always 100% vested under AA §8-2. "No" should be checked if the only contributions under the Plan are Salary Deferrals, After-Tax Employee Contributions and/or Employer Pick-Up Contributions. If the Plan holds Employer Contributions and/or Matching Contributions that are subject to

vesting but the Plan no longer provides for such contributions, see Sections 6.03(d) and 6.11(e) of the Plan for default rules for applying the vesting and forfeiture rules to such contributions.]

- 8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under the Plan. See Section 6.02 of the Plan for a description of the various vesting schedules under this AA §8-2.

☒ (a) **Vesting schedule for Employer Contributions and Matching Contributions:**

ER Match

- | | | |
|--------------------------|-------------------------------------|---------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | (1) Full and immediate vesting. |
| <input type="checkbox"/> | <input type="checkbox"/> | (2) Three-year cliff vesting schedule |
| <input type="checkbox"/> | <input type="checkbox"/> | (3) Six-year graded vesting schedule |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | (4) Modified vesting schedule |
| | | 0 % immediately on Plan participation |
| | | 0 % after 1 Year of Service |
| | | 0 % after 2 Years of Service |
| | | 0 % after 3 Years of Service |
| | | 0 % after 4 Years of Service |
| | | 100 % after 5 Years of Service |
| | | 100 % after 6 Years of Service |
| | | 100 % after 7 Years of Service |
| | | 100 % after 8 Years of Service |
| | | 100 % after 9 Years of Service |
| | | 100% after 10 Years of Service |

- ☐ ☐ (5) Other: vesting schedule: _____
[Note: If a modified vesting schedule is selected under this subsection (a), the vested schedule must satisfy the pre-ERISA Code vesting requirements.]

☐ (b) **Special provisions applicable to vesting schedule:** _____

[Note: This subsection (b) may be used to apply a different vesting schedule for different contribution formulas or different Employee groups under the Plan. Any special provision must satisfy the pre-ERISA Code vesting requirements.]

- 8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, all service with the Employer counts for vesting purposes, unless designated otherwise under this AA §8-3.

- ☐ (a) Service before the original Effective Date of this Plan (or a Predecessor Plan) is excluded.
☐ (b) Service completed before the Employee's _____ birthday is excluded.
☐ (c) Describe vesting service exclusions: _____

[Note: See Section 6.07 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.]

- 8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

- ☒ (a) dies
☒ (b) terminates employment due to becoming Disabled
☒ (c) becomes Disabled
☒ (d) reaches Early Retirement Age
☐ (e) Not applicable. No increase in vesting applies.

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply. [Note: No election should be made under this AA §8-5 if all contributions are 100% vested.]

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period. (See Section 1.57 of the Plan for the definition of Hour of Service.)
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

ER	Match	
<input type="checkbox"/>	<input type="checkbox"/>	(a) Year of Service. Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ Hours of Service during a Vesting Computation Period.
<input type="checkbox"/>	<input type="checkbox"/>	(b) Vesting Computation Period. Instead of the Plan Year, the Vesting Computation Period is: <ul style="list-style-type: none"> <input type="checkbox"/> (1) The 12-month period beginning with the Employee's Employment Commencement Date and, for subsequent Vesting Computation Periods, the 12-month period beginning with the anniversary of the Employee's Employment Commencement Date. <input type="checkbox"/> (2) Describe: _____ [Note: Any Vesting Computation Period described in this subsection (2) must be a 12-consecutive month period and must apply uniformly to all Participants.]
<input type="checkbox"/>	<input type="checkbox"/>	(c) Elapsed Time Method. Instead of determining vesting service based on actual Hours of Service, vesting service will be determined under the Elapsed Time Method. If this subsection (c) is checked, service will be measured from the Employee's Employment Commencement Date (or Reemployment Commencement Date, if applicable) without regard to the Vesting Computation Period designated in Section 6.05 of the Plan. (See Section 6.04(b) of the Plan.)
<input type="checkbox"/>	<input type="checkbox"/>	(d) Equivalency Method. For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 6.04(a)(2) of the Plan). The Equivalency Method will apply to: <ul style="list-style-type: none"> <input type="checkbox"/> (1) All Employees. <input type="checkbox"/> (2) Only to Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, vesting will be determined based on actual hours worked. Hours of Service for vesting will be determined under the following Equivalency Method. <ul style="list-style-type: none"> <input type="checkbox"/> (3) Monthly. 190 Hours of Service for each month worked. <input type="checkbox"/> (4) Weekly. 45 Hours of Service for each week worked. <input type="checkbox"/> (5) Daily. 10 Hours of Service for each day worked. <input type="checkbox"/> (6) Semi-monthly. 95 Hours of Service for each semi-monthly period. <input type="checkbox"/> (7) Describe Equivalency Method: _____ [Note: Any description of an Equivalency Method must be definitely determinable.]
<input type="checkbox"/>	<input type="checkbox"/>	(e) Special rules: _____ [Note: Any special rules under this subsection (e) must be definitely determinable.]

8-6 **BREAKS IN SERVICE.** Generally, an Employee will be credited with all service earned with the Employer, including service earned prior to a Break in Service. To disregard service earned prior to a Break in Service for vesting purposes, complete this AA §8-6. (See Section 6.08 of the Plan.)

- ☐ (a) If an Employee incurs at least one Break in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining vesting under the Plan.
- ☐ (b) If an Employee incurs at least _____ consecutive Breaks in Service, the Plan will disregard all service earned prior to such consecutive Breaks in Service for purposes of determining vesting under the Plan. [Enter "0" if prior service will be disregarded for all rehired Employees.]

☐ (c) The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.

☐ (d) Describe any special rules for applying the vesting Break in Service rules: _____

[Note: Any special rules under this subsection (d) must be definitely determinable.]

8-7 ALLOCATION OF FORFEITURES.

The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under this AA §8-7 how forfeitures occurring during a Plan Year will be treated. (See Section 6.11 of the Plan.)

ER Match

☐ ☐ (a) N/A. All contributions are 100% vested. [Do not complete the rest of this AA §8-7.]

☐ ☐ (b) Reallocated as additional Employer Contributions or as additional Matching Contributions.

☐ ☐ (c) Used to reduce Employer and/or Matching Contributions.

For purposes of subsection (b) or (c) above, forfeitures will be applied:

☐ ☐ (d) for the Plan Year in which the forfeiture occurs.

☐ ☐ (e) for the Plan Year following the Plan Year in which the forfeitures occur.

Prior to applying forfeitures under subsection (b) or (c):

☐ ☐ (f) Forfeitures may be used to pay Plan expenses. (See Section 6.11(d) of the Plan.)

☐ ☐ (g) Forfeitures may not be used to pay Plan expenses.

In determining the amount of forfeitures to be allocated under subsection (b) above, the same allocation conditions apply as for the source for which the forfeiture is being allocated, unless designated otherwise below.

☐ ☐ (h) Forfeitures are not subject to any allocation conditions.

☐ ☐ (i) Forfeitures are subject to a last day of employment allocation condition.

☐ ☐ (j) Forfeitures are subject to a ____ Hours of Service minimum service requirement.

In determining the treatment of forfeitures under this AA §8-7, the following special rules apply:

☐ ☐ (k) Describe: _____

8-8 SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.

(a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 6.10(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-8(a).

☐ The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

(b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 6.10(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-8(b).

☐ A forfeiture will occur upon the completion of ____ consecutive Breaks in Service (as defined in Section 6.08 of the Plan).

- (c) **Repayment of Cash-Out Distribution.** Unless elected otherwise under this AA §8-8(c), if a Participant receives a Cash-Out Distribution that results in a forfeiture, and the Participant resumes employment covered under the Plan, such Participant may repay to the Plan the amount received as a Cash-Out Distribution.
- ☐ If a Participant receives a Cash-Out Distribution that results in a forfeiture, and the Participant resumes employment covered under the Plan, such Participant may NOT repay to the Plan the amount received as a Cash-Out Distribution and the provisions of Section 6.10(a)(2) do not apply.

8-9 **SPECIAL RULE FOR FORFEITURE UPON DEATH OF A PARTICIPANT.** Unless elected below, no vested benefits are forfeited upon the death of a Participant.

To modify this default forfeiture rule, check to box below.

- ☐ The Plan will forfeit benefits (including vested benefits) upon the death of a Participant, if not precluded by law. In no event may the Plan forfeit any amounts attributable to a Participant's Salary Deferrals or After-Tax Employee Contributions under the Plan or if the Plan has commenced distributions prior to the Participant's death.

SECTION 9

DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT

9-1 **AVAILABLE FORMS OF DISTRIBUTION.**

Lump sum distribution. A Participant may take a distribution of his/her entire vested Account Balance in a single lump sum upon termination of employment. In addition, the Plan Administrator may permit a Participant to take partial distributions or installment distributions solely to the extent necessary to satisfy the required minimum distribution rules under Section 8 of the Plan.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1.

- ☒ (a) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).
- ☒ (b) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.
- ☐ Minimum distribution amount. A Participant may not take a partial lump sum distribution of less than \$_____.
- ☒ (c) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 7.01 of the Plan.
- ☐ (d) **Describe distribution options:** _____
- [Note: Any distribution option described in this subsection (d) may not be subject to the discretion of the Employer or Plan Administrator.]

9-2 **PARTICIPANT AND SPOUSAL CONSENT.**

- ☒ (a) **Involuntary Cash-Out Distribution.** A Participant who terminates employment with a vested Account Balance of \$5,000 or less will receive an Involuntary Cash-Out Distribution, unless elected otherwise under this AA §9-2. If a Participant's vested Account Balance exceeds \$5,000, the Participant generally must consent to a distribution from the Plan, except to the extent provided otherwise under this AA §9-2. See Section 7.03 of the Plan for additional rules regarding the Participant consent requirements under the Plan.
- ☐ (1) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan. (See Section 14.02(b) of the Plan for special rules upon Plan termination.)
- ☒ (2) **Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to \$1,000.
- ☐ (3) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 7.05 of the Plan do not apply to any Involuntary Cash-Out Distribution below \$1,000, unless elected otherwise under this subsection (3). If this subsection (3) is checked, the Automatic Rollover provisions apply to all Involuntary Cash-Out Distributions (including those below \$1,000).
- ☐ (4) **Distribution upon attainment of stated age.** Participant consent will not be required with respect to distributions made upon attainment of Normal Retirement Age (or age 62, if later), regardless of the value of the Participant's vested Account Balance.

- ☐ (5) **Treatment of Rollover Contributions.** Unless elected otherwise under this subsection (5), Rollover Contributions will be excluded in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and the Automatic Rollover provisions under Section 7.05 of the Plan. To include Rollover Contributions in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, check this subsection (5).
- ☐ (b) **Spousal consent.** Spousal consent is not required for a Participant to receive a distribution or name an alternate beneficiary, unless designated otherwise under this subsection (b). See Section 9.02 of the Plan for rules regarding Spousal consent under the Plan.
- ☐ (1) **Distribution consent.** A Participant's Spouse must consent to any distribution or loan, provided the Participant's vested Account Balance exceeds \$_____.
- ☐ (2) **Beneficiary consent.** A Participant's Spouse must consent to naming someone other than the Spouse as beneficiary under the Plan.
- ☐ (c) **Describe** any special rules affecting Participant or Spousal consent: _____
[Note: Any special rules under this subsection (c) must be definitely determinable.]

9-3 **TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.**

- (a) **Distribution of vested Account Balances exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance exceeding \$5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:
- ☒ (1) the date the Participant terminates employment.
- ☐ (2) the last day of the Plan Year during which the Participant terminates employment.
- ☐ (3) the first Valuation Date following the Participant's termination of employment.
- ☐ (4) the end of the calendar quarter following the date the Participant terminates employment.
- ☐ (5) attainment of Normal Retirement Age, death or becoming Disabled.
- ☐ (6) Describe: _____
[Note: Any special rules under this subsection (6) must be definitely determinable.]
- (b) **Distribution of vested Account Balances not exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed \$5,000 will receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:
- ☒ (1) the date the Participant terminates employment.
- ☐ (2) the last day of the Plan Year during which the Participant terminates employment.
- ☐ (3) the first Valuation Date following the Participant's termination of employment.
- ☐ (4) the end of the calendar quarter following the date the Participant terminates employment.
- ☐ (5) Describe: _____
[Note: Any special rules under this subsection (5) must be definitely determinable.]
- ☐ (c) **Alternate Cash-Out distribution threshold.** Instead of a vested Account Balance Cash-Out threshold of \$5,000, for purposes of applying the Cash-Out distribution provisions under this AA §9-3, the threshold for distributions upon termination of employment will be based on a vested Account Balance of \$_____.
- ☐ (d) **Describe additional distribution options:** _____
[Note: Any additional distribution option described in this subsection (d) may not be subject to the discretion of the Employer or Plan Administrator.]

9-4 **DISTRIBUTION UPON DISABILITY.** Unless designated otherwise under this AA §9-4, a Participant who terminates employment on account of becoming Disabled may receive a distribution of his/her vested Account Balance in the same manner as a regular distribution upon termination.

- ☐ (a) **Immediate distribution upon termination of employment.** Distribution will be made as soon as reasonable following the date the Participant terminates employment on account of becoming Disabled.
- ☐ (b) **Following year distribution upon termination of employment.** Distribution will be made as soon as reasonable following the last day of the Plan Year during which the Participant terminates employment on account of becoming Disabled.

- ☐ (c) **Describe:** _____
- [*Note: Any distribution event described in this subsection (c) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.*]

9-5 DETERMINATION OF BENEFICIARY.

- (a) **Default beneficiaries.** Under Section 7.07(c) of the Plan, to the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rules) and is not designated under the terms of the Investment Arrangement(s) to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving Spouse (if the Participant was married at the time of death) who shall be considered the designated Beneficiary. If the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate.
- ☐ If this subsection (a) is checked, the default beneficiaries under Section 7.07(c) of the Plan are modified as follows:
- ☐ (1) The Plan adopts the default beneficiary rules under Section 7.07(c) of the Plan, except, if the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes**.
- ☐ (2) Describe other modifications to the default beneficiaries under Section 7.07(c) of the Plan: _____
- [*Note: The description of the modifications to the default beneficiaries must be sufficiently clear for the Plan Administrator to determine the beneficiaries and the method of distribution of the Participant's death benefit.*]
- (b) **One-year marriage rule.** For purposes of determining whether an individual is considered the surviving Spouse of the Participant, the determination is based on the marital status as of the date of the Participant's death, unless designated otherwise under this subsection (b).
- ☐ If this subsection (b) is checked, in order to be considered the surviving Spouse, the Participant and surviving Spouse must have been married for the entire one-year period ending on the date of the Participant's death. If the Participant and surviving Spouse are not married for at least one year as of the date of the Participant's death, the Spouse will not be treated as the surviving Spouse for purposes of applying the distribution provisions of the Plan. (See Section 9.03 of the Plan.)
- (c) **Divorce of Spouse.** Unless elected otherwise under this subsection (c), if a Participant designates his/her Spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and Spouse are divorced, the designation of the Spouse as Beneficiary under the Plan is automatically rescinded as set forth under Section 7.07(c)(6) of the Plan.
- ☐ If this subsection (c) is checked, a Beneficiary designation will not be rescinded upon divorce of the Participant and Spouse.
- [*Note: Section 7.07(c)(6) of the Plan and this subsection (c) will be subject to the provisions of a Beneficiary designation entered into by the Participant. Thus, if a Beneficiary designation specifically overrides the election under this subsection (c), the provisions of the Beneficiary designation will control. See Section 7.07(c)(6) of the Plan.*]

SECTION 10

IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS

- 10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of any of the event(s) selected under this AA §10-1. If more than one option is selected for a particular contribution source under this AA §10-1, a Participant may take an in-service distribution upon the occurrence of any of the selected events, unless designated otherwise under this AA §10-1.

Deferral	Match	ER	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) No in-service distributions are permitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Attainment of age 59½.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Attainment of age _____. (Not greater than age 70 1/2)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) A Hardship that satisfies the safe harbor rules under Section 7.10(e)(1) of the Plan.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) A non-safe harbor Hardship described in Section 7.10(c)(2) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Attainment of Normal Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Attainment of Early Retirement Age.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(h) The Participant has participated in the Plan for at least ____ (cannot be less than 60) months.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(i) The amounts being withdrawn have been held in the Trust for at least two years.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Upon a Participant becoming Disabled (as defined in AA §9-4(b)).
<input type="checkbox"/>	N/A	N/A	(k) As a Qualified Reservist Distribution.
<input type="checkbox"/>	N/A	N/A	(l) Upon a deemed separation of employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(m) Describe: _____

[Note: No in-service distribution of Salary Deferrals is permitted prior to age 59½, except for Hardship, or Disability. If Normal Retirement Age or Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for purposes of determining eligibility to distribute Salary Deferrals (if subsection (f) or (g) above is checked under the Deferral column). If this Plan has accepted a transfer of assets from a pension plan (e.g., a money purchase plan), no in-service distribution from amounts attributable to such transferred assets is permitted prior to age 62, except for Disability.]

10-2 **APPLICATION TO OTHER CONTRIBUTION SOURCES.** If the Plan allows for Rollover Contributions under AA §C-2 or After-Tax Employee Contributions under AA §6-7, unless elected otherwise under this AA §10-2, a Participant may take an in-service distribution from his/her Rollover Account and After-Tax Employee Contribution Account at any time. Employer Pick-Up Contributions will not be eligible for in-service distribution.

Alternatively, if this AA §10-2 is completed, the following in-service distribution provisions apply for Rollover Contributions, After-Tax Employee Contributions and/or Employer Pick-Up Contributions:

Rollover	After-Tax	Pick-Up	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No in-service distributions are permitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Attainment of age 59½.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Attainment of age _____. (Not greater than age 70 1/2)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) A Hardship (that satisfies the safe harbor rules under Section 7.10(e)(1) of the Plan).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) A non-safe harbor Hardship described in Section 7.10(e)(2) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Attainment of Normal Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Attainment of Early Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Upon a Participant becoming Disabled (as defined in AA §9-4(b)).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) Describe: _____

10-3 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-3.

☐ (a) In-service distributions will only be permitted if the Participant is 100% vested in the source from which the withdrawal is taken.

☐ (b) A Participant may take no more than ____ in-service distribution(s) in a Plan Year.

☐ (c) A Participant may not take an in-service distribution of less than \$_____.

☐ (d) A Participant may not take an in-service distribution of more than \$_____.

☐ (e) Unless elected otherwise under this subsection (e), the hardship distribution provisions of the Plan are not expanded to cover primary beneficiaries as set forth in Section 7.10(e)(5) of the Plan. If this subsection (e) is checked, the hardship provisions of the Plan will apply with respect to individuals named as primary beneficiaries under the Plan.

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- ☐ (f) In determining whether a Participant has an immediate and heavy financial need for purposes of applying the non-safe harbor Hardship provisions under Section 7.10(e)(2) of the Plan, the following modifications are made to the permissible events listed under Section 7.10(e)(1) of the Plan: _____
- [Note: This subsection (f) may only be used to the extent a non-safe harbor Hardship distribution is authorized under AA §10-1 or AA §10-2.]
- ☐ (g) If the Plan includes Accounts that hold inactive sources of contributions, the Employer may designate under this AA §10-3(g) the in-service distribution options available to such Accounts: _____
- ☐ (h) Other distribution rules: _____

10-4 REQUIRED MINIMUM DISTRIBUTIONS.

- (a) **Required distributions after death.** If a Participant dies before distributions begin and there is a Designated Beneficiary, the Participant or Beneficiary may elect on an individual basis whether the 5-year rule (as described in Section 8.06(a) of the Plan) or the life expectancy method described under Sections 8.02 of the Plan applies. See Section 8.06(b) of the Plan for rules regarding the timing of an election authorized under this AA §10-4.
- Alternatively, if selected under this subsection (a), any death distributions to a Designated Beneficiary will be made only under either the 5-year rule or the life expectancy method, as elected below:
- ☐ (1) The five-year rule under Section 8.06(a) of the Plan applies (instead of the life expectancy method). Thus, the entire death benefit must be distributed by the end of the fifth year following the year of the Participant's death. Death distributions to a Designated Beneficiary may not be made under the life expectancy method.
- ☐ (2) The life expectancy method under Sections 8.02 and 8.04 of the Plan (and not the 5-year rule).
- ☐ (b) **Describe any special rules applicable to required minimum distributions:** _____
- [Note: Any special rule under this subsection (b) must satisfy the requirements of Code §401(a)(9). This subsection (b) may be used to override the default provision under Section 8.06(b) of the Plan. For example, the Employer may designate the life expectancy rules as the default rather than the five-year rule when a Participant or Beneficiary fails to make an election.]

SECTION 11 MISCELLANEOUS PROVISIONS

11-1 PLAN VALUATION. The Plan is valued **annually**, as of the last day of the Plan Year.

- ☒ (a) **Additional valuation dates.** In addition, the Plan will be valued on the following dates:
- | Deferral | Match | ER | |
|--------------------------|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (1) Daily. The Plan is valued at the end of each business day during which the New York Stock Exchange is open. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (2) Monthly. The Plan is valued at the end of each month of the Plan Year. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (3) Quarterly. The Plan is valued at the end of each Plan Year quarter. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (4) Describe: _____ |

[Note: The Employer may elect operationally to perform interim valuations, regardless of any selection in this subsection (a).]

- ☐ (b) **Special rules.** The following special rules apply in determining the amount of income or loss allocated to Participants' Accounts: _____

11-2 SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION. The provisions under Section 5.02 of the Plan apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-2 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.02 of the Plan.

- ☐ (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending _____.
- [Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year.]

- ☐ (b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Participant who terminates employment on account of becoming disabled. (See Section 5.02(c)(7)(ii) of the Plan.)

- ☐ (c) **Special rules:** _____

[Note: Any special rules under this subsection (c) must be consistent with the requirements of Code §415.]

- 11-3 **MILITARY SERVICE PROVISIONS -- BENEFIT ACCRUALS.** The benefit accrual provisions under Section 15.04 of the Plan do not apply. To apply the benefit accrual provisions under Section 15.04 of the Plan, check the box below.

- ☐ (a) **Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section 15.04 of the Plan. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.

- (b) **Deemed separation from service.** Unless otherwise elected under AA§10-1(l), an individual shall not be treated as having been severed from employment during any period the individual is performing service in the Uniformed Services for purposes of receiving a Plan distribution under Code §401(k)(2)(B)(i)(I).

- 11-4 **ELECTION NOT TO PARTICIPATE (see Section 2.08 of the Plan).** All Participants share in any allocation under this Plan and no Employee may waive out of Plan participation.

To allow Employees to make a one-time irrevocable waiver, check below.

- ☐ An Employee may make a one-time irrevocable election not to participate under the Plan.

- 11-5 **TREATMENT OF CERTAIN BENEFITS.** The protected benefits rules under Code §411(d)(6)) do not apply to the Plan. However, the Employer may describe below (or in a separate addendum attached to this Adoption Agreement) the treatment of certain benefits following events such as plan merger or consolidation, transfer of assets or similar events.

Describe treatment of benefits: _____

[Note: If the benefit described here in the Plan or a plan being merged into the Plan is not either (i) available as a provision through the Pre-Approved Plan or (ii) the subject of a prior determination, advisory, or opinion letter, the Employer cannot rely on the Pre-Approved Plan Provider's opinion letter for qualification with respect to such benefit. If the benefit described here in the Plan or a plan being merged into the Plan is not permitted in a pre-approved plan, as described in Section 6.03 of Revenue Procedure 2017-41, such provision must be discontinued no later than the date the Employer adopts this Pre-Approved Plan or, in the case of a merger, the merger date.]

- 11-6 **SPECIAL RULES FOR MULTIPLE EMPLOYER PLANS.** If the Plan is a Multiple Employer Plan (as designated under AA §2-6), the rules applicable to Multiple Employer Plans under Section 16.07 of the Plan apply.

- ☐ The following special rules apply with respect to Multiple Employer Plans: _____

[Note: Any special rules under this AA §11-6 must satisfy the nondiscrimination requirements under Code §401(a)(4) and must satisfy the rules applicable to Multiple Employer Plans under Code §413(c).]

APPENDIX A
SPECIAL EFFECTIVE DATES

[Note: This Appendix A may be used to memorialize prior Plan provisions that pertain to sources that no longer accept new contributions under the Plan.]

- ☐ A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:

- ☐ A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:

- ☐ A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:

- ☐ A-4 **Employer Contributions.** The Employer Contribution provisions under the Plan are effective as follows:

- ☐ A-5 **After-Tax Employee and Pick-Up Contributions.** The provisions of the Plan addressing Employee After-Tax Contributions and Pick-Up Contribution provisions under the Plan are effective as follows:

- ☐ A-6 **Salary Deferrals.** The Salary Deferral provisions under AA §6A are effective as follows:

- ☐ A-7 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:

- ☐ A-8 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:

- ☐ A-9 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:

- ☐ A-10 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:

- ☐ A-11 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:

- ☐ A-12 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:

- ☐ A-13 **Special effective date provisions for merged plans.** If any qualified retirement plans have been merged into this Plan, the provisions of Section 14.03 of the Plan apply, as follows:

- ☐ A-14 **Other special effective dates:**

- ☐ A-15 **Special effective dates for restated pre-approved plans:** Use this A-15 to memorialize plan operational changes that have occurred after the general effective date of the plan and the actual plan restatement adoption date. Adopting employers may use the above Special Effective Date options (A-1 through A-14) to memorialize these changes or they may use this A-15.

**APPENDIX B
LOAN POLICY**

Use this Appendix B to identify elections dealing with the administration of Participant loans. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix B with new elections. Any modifications to this Appendix B, or any modifications to a separate loan policy describing the loan provisions selected under the Plan, will not affect an Employer's reliance on the IRS Favorable Letter. Loans are subject to any internal limitations or rules imposed by the Investment Arrangement or the service provider or platform.

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

- ☒ (a) Yes
☐ (b) No

B-2 **LOAN PROCEDURES.**

- ☐ (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.
☒ (b) Loans will be provided under a separate written loan policy. *[Note: If this subsection (b) is checked, do not complete the rest of this Appendix B.]*

B-3 **AVAILABILITY OF LOANS.** Participant loans are available to all active Participants and Beneficiaries. Participant loans are not available to a former Employee or Beneficiary (including an Alternate Payee under a QDRO). To override this default provision, complete this AA §B-3:

- ☐ (a) A former Employee or Beneficiary (including an Alternate Payee) who has a vested Account Balance may request a loan from the Plan.
☐ (b) A "limited participant" as defined in Section 3.05 of the Plan may not request a loan from the Plan.
☐ (c) An officer or director of the Employer, as defined for purposes of the Sarbanes-Oxley Act, may **not** request a loan from the Plan.
☐ (d) Describe limitations on receiving loans under the Plan: _____
[Note: Any limitation under subsection (d) must be definitely determinable and not provide any Employer discretion.]

B-4 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to \$10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-4.

- ☐ A Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance.
[Note: If this AA §B-4 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]

B-5 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete subsection (a) or (b) below.

- ☐ (a) A Participant may have ____ loans outstanding at any time.
☐ (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-6 **LOAN AMOUNT.** The default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than \$1,000. To modify the minimum loan amount or to add a maximum loan amount, complete this AA §B-6.

- ☐ (a) There is no minimum loan amount.
☐ (b) The minimum loan amount is \$ _____.
☐ (c) The maximum loan amount is \$ _____.

B-7 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-7.

- ☐ (a) The prime interest rate plus ____ percentage point(s).
☐ (b) The interest rate is determined in accordance with the terms of the Investment Arrangement, service provider procedures, or other loan policy document adopted by the Plan Administrator.
☐ (c) Describe: _____

[Note: Any interest rate described in this AA §B-7 must be reasonable and must apply uniformly to all Participants.]

- B-8 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans to hardship events, check this AA §B-8.
- ☐ (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 7.10(e)(1)(i) of the Plan.
- ☐ (b) A Participant may only receive a Participant loan under the following circumstances: _____
- B-9 **APPLICATION OF LOAN LIMITS.** If Participant loans are not available from all contribution sources, the limitations under Code §72(p) and the adequate security requirements of the Department of Labor regulations will be applied by taking into account the Participant's entire Account Balance. To override this provision, complete this AA §B-9.
- ☐ The loan limits and adequate security requirements will be applied by taking into account only those contribution Accounts which are available for Participant loans.
- B-10 **CURE PERIOD.** The Plan provides that a Participant incurs a loan default if a Participant does not repay a missed payment by the end of the calendar quarter following the calendar quarter in which the missed payment was due. To override this default provision to apply a shorter cure period, complete this AA §B-10.
- ☐ The cure period for determining when a Participant loan is treated as in default will be _____ days (cannot exceed 90) following the end of the month in which the loan payment is missed.
- ☐ (b) The cure period for determining when a Participant loan is treated as in default will be the greater of _____ days (cannot exceed 90) following the end of the month in which the loan payment is missed or the last day of the second calendar quarter following the calendar quarter in which the missed payment was due.
- ☐ (c) The cure period for determining when a loan is treated as in default will be _____ days (cannot exceed 90) following the first missed loan payment.
- B-11 **PERIODIC REPAYMENT – PRINCIPAL RESIDENCE.** If a Participant loan is for the purchase of a Participant's primary residence, the loan repayment period for the purchase of a principal residence may not exceed ten (10) years. To override this default provision, complete this AA §B-11.
- ☐ (a) The Plan does not permit loan payments to exceed five (5) years, even for the purchase of a principal residence.
- ☐ (b) The loan repayment period for the purchase of a principal residence may not exceed _____ years (may not exceed 30).
- ☐ (c) Loans for the purchase of a Participant's primary residence may be payable over any reasonable period commensurate with the period permitted by commercial lenders for similar loans.
- B-12 **TERMINATION OF EMPLOYMENT.** Section 13.10(a) of the Plan provides that a Participant loan becomes due and payable in full upon the Participant's termination of employment. To override this default provision, complete this AA §B-12.
- ☐ A Participant loan will not become due and payable in full upon the Participant's termination of employment.
- B-13 **DIRECT ROLLOVER OF A LOAN NOTE.** Section 13.10(b) of the Plan provides that upon termination of employment a Participant may request the Direct Rollover of a loan note. To override this default provision, complete this AA §B-13.
- ☐ A Participant may **not** request the Direct Rollover of the loan note upon termination of employment.
- B-14 **LOAN RENEGOTIATION.** The default loan policy provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a non-discriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-14.
- ☐ (a) A Participant may **not** renegotiate the terms of a loan.
- ☐ (b) The following special provisions apply with respect to renegotiated loans: _____
- B-15 **SOURCE OF LOAN.** Participant loans may be made from all available contribution sources, to the extent vested, unless designated otherwise under this AA §B-15.
- ☐ Participant loans will not be available from the following contribution sources: _____
- ☐ Participant loans will only be available from the following contribution sources: _____
- B-16 **SPOUSAL CONSENT.** Spousal consent is not required for a Participant to receive a loan, unless required by State law. To override this provision, complete this AA §B-16.
- ☐ Spousal consent is required to receive a Participant loan.

B-17 MODIFICATIONS TO DEFAULT LOAN PROVISIONS.

☐ The following special rules will apply with respect to Participant loans under the Plan: _____

[Note: Any provision under this AA §B-17 must satisfy the requirements under Code §72(p) and the regulations thereunder and will control over any inconsistent provisions of the Plan dealing with the administration of Participant loans.]

APPENDIX C
ADMINISTRATIVE ELECTIONS

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix C with new elections. The provisions selected under this Appendix C do not create qualification issues and any changes to the provisions under this Appendix C will not affect the Employer's reliance on the IRS Favorable Letter.

C-1 DIRECTION OF INVESTMENTS. Are Participants permitted to **direct investments**? (See Section 10.07 of the Plan.)

☐ (a) No

☒ (b) Yes, but subject to the following restrictions:

☒ (1) No restrictions apply

☐ (2) Only for Accounts that are 100% vested

☐ (3) Specify Accounts: _____

☐ (4) Describe any special rules that apply for purposes of direction of investments: _____

[Note: This subsection (4) may be used to describe special investment provisions for specific types of investments.]

C-2 ROLLOVER CONTRIBUTIONS. Does the Plan accept **Rollover Contributions**? (See Section 3.05 of the Plan.)

☐ (a) No

☒ (b) Yes

☐ (1) If this subsection (1) is checked, an Employee may make a Rollover Contribution to the Plan prior to becoming a Participant in the Plan.

☐ (2) Check this subsection (2) if the Plan will accept Rollover Contributions from former Employees with an Account Balance under the Plan.

☐ (3) Describe any special rules for accepting Rollover Contributions: _____

[Note: The Employer may designate in this subsection (3), or in separate written procedures, the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs). Any special rollover procedures will apply uniformly to all Participants under the Plan.]

C-3 LIFE INSURANCE. Are **life insurance** investments permitted? (See Section 10.08 of the Plan.)

☒ (a) No

☐ (b) Yes

C-4 QDRO PROCEDURES. Although the requirements of Code §414(p) do not apply to the Plan, the Employer may elect to apply the procedures set forth under Section 11.05 of the Plan (which are patterned after the rules under Code §414(p)) by electing subsection (a) below or may elect not to apply the procedures set forth under Section 11.05 of the Plan and instead, describe the Plan's procedures for addressing domestic relations orders below or in separate administrative procedures.

☒ (a) The Employer elects to have the requirements of Section 11.05 of the Plan apply to its Plan.

☐ (b) The requirements of Section 11.05 of the Plan do not apply to the Plan. The procedures for addressing the receipt of domestic relations orders are either set forth below or in separate administrative procedures.

Describe domestic relations procedures: _____

**INTERIM AMENDMENT - HARDSHIP DISTRIBUTIONS
ELECTIVE PROVISIONS**

These Elective Provisions provide for elections as allowed by the Final Regulations and the Hardship Distribution Interim Amendment, attached to the Basic Plan Document. In some cases, the Pre-Approved Plan Provider has Defaults as indicated by the items marked as Default under these Elective Provisions. If the adopting Employer approves of the Defaults of the Pre-Approved Plan Provider, the adopting Employer does not need to execute this Hardship Distribution Interim Amendment. If the adopting Employer wishes to override any of the Defaults of the Pre-Approved Plan Provider, the adopting Employer should make the appropriate election(s) in the Elective Provisions below and sign this Hardship Distribution Interim Amendment. If the Plan does not permit Hardship distributions, no elections should be made below.

HD-1 SOURCES FOR HARDSHIP DISTRIBUTIONS

- (a) **Source accounts (not including earnings).** For Plan Years beginning after December 31, 2018 (or such later date specified under HD-1(a)(8) or HD-1(a)(9) below or the effective date of a new Plan), a Participant may take an in-service distribution upon the occurrence of a Hardship that satisfies the Hardship distribution rules under Section 8.10(c) of the Plan, as amended by this interim amendment, with respect to the following sources:

- ☐ (1) No change to current Plan sources available for Hardship distributions under AA §§10-1 and 10-2.
- ☐ (2) Qualified Nonelective Contribution (QNEC) Account (Not applicable to 401(a) Governmental Plans)
- ☐ (3) Qualified Matching Contribution (QMAC) Account (Not applicable to 401(a) Governmental Plans)
- ☐ (4) Safe Harbor Employer Contribution Account (Not applicable to 401(a) Governmental Plans)
- ☐ (5) Safe Harbor Matching Contribution Account (Not applicable to 401(a) Governmental Plans)
- ☐ (6) QACA Safe Harbor Employer Contribution Account (Not applicable to 401(a) Governmental Plans)
- ☐ (7) QACA Safe Harbor Matching Contribution Account (Not applicable to 401(a) Governmental Plans)
- ☐ (8) Effective date is January 1, 2020, whether Plan has a calendar or fiscal Plan Year.
- ☐ (9) Describe effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: _____

- (b) **Earnings on source accounts.** For Plan Years beginning after December 31, 2018 (or such later date specified under HD-1(b)(11) or HD-1(b)(12) below or the effective date of a new Plan), amounts available for Hardship distributions include earnings on the following available sources:

- ☐ (1) Amounts available for Hardship include earnings on all available sources.
- ☐ (2) No change to current Plan rule (i.e., earnings are not available on Salary Deferrals, except for those on grandfathered (pre-1989) earnings, if applicable).
- ☐ (3) Pre-Tax Salary Deferral Account
- ☐ (4) Roth Deferral Account
- ☐ (5) Qualified Nonelective Contribution (QNEC) Account (Not applicable to 401(a) Governmental Plans)
- ☐ (6) Qualified Matching Contribution (QMAC) Account (Not applicable to 401(a) Governmental Plans)
- ☐ (7) Safe Harbor Employer Contribution Account (Not applicable to 401(a) Governmental Plans)
- ☐ (8) Safe Harbor Matching Contribution Account (Not applicable to 401(a) Governmental Plans)
- ☐ (9) QACA Safe Harbor Employer Contribution Account (Not applicable to 401(a) Governmental Plans)
- ☐ (10) QACA Safe Harbor Matching Contribution Account (Not applicable to 401(a) Governmental Plans)
- ☐ (11) Effective date is January 1, 2020, whether Plan has a calendar or fiscal Plan Year.
- ☐ (12) Describe effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: _____

HD-2 NEED TO OBTAIN ALL AVAILABLE LOANS (Complete only if Employer maintains any qualified plan(s) that permits Participant loans.)

- ☐ (a) For Plan Years beginning after December 31, 2018 (or such later date specified in HD-2(d) or HD-2(e) below or the effective date of a new Plan), if a Participant requests a Hardship distribution from any of the Accounts specified in HD-1 above and AA §§10-1 and 10-2, the Participant is **NO LONGER** required to obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer.
- ☐ (b) No change to current Plan provisions. Participants are required to obtain all nontaxable loans available under the Plan and all plans maintained by the Employer.
- ☐ (c) Describe any special requirements with respect to the need to first obtain all available loans: _____
- ☐ (d) Effective date is January 1, 2020, whether Plan has a calendar or fiscal Plan Year.
- ☐ (e) Describe other effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: _____

HD-3 SUSPENSION OF ABILITY TO MAKE SALARY DEFERRALS AND AFTER-TAX EMPLOYEE CONTRIBUTIONS DURING 2019. (Applicable only to Plans that were using the safe harbor Hardship distribution suspension rule.)

[Note: Under the Final Regulations, adopting Employers may continue to apply the suspension of Salary Deferrals and After-Tax Employee Contributions rules for the 2019 Plan Year. However, in no event, may the Plan provide for a suspension of an Employee's Salary Deferrals or After-Tax Employee Contributions as a condition of obtaining a Hardship distribution for Hardship distributions made on or after January 1, 2020.]

- ☐ (a) For Plan Years beginning after December 31, 2018 (or such later date specified in HD-3(d) below) and applicable to Hardship distributions made before January 1, 2020, if a Participant takes a Hardship distribution as permitted under the Plan, the Participant was NOT suspended from making Salary Deferrals (and After-Tax Employee Contributions, if applicable) for any period of time after the receipt of the Hardship distribution.
- ☐ (b) No change to current Plan provisions. For Hardship distributions made before January 1, 2020, the Participant continued to be suspended from making Salary Deferrals (and After-Tax Employee Contributions, if applicable) for a period of 6 months after the receipt of the Hardship distribution.
 - ☐ Suspensions on Hardship distributions made after July 1, 2019 will cease effective January 1, 2020.
- ☐ (c) Describe any special requirements with respect to the suspension from making Salary Deferrals (and After-Tax Employee Contributions, if applicable): _____
- ☐ (d) Describe the effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: _____

HD-4 APPLICATION OF SUSPENSION REQUIREMENT FOR PRE-2019 PLAN YEAR HARDSHIP DISTRIBUTIONS. (Applicable only to Plans that were using the Hardship distribution suspension rule as of the last day of the 2018 Plan Year.)

- ☐ (a) No change to current Plan provisions. A Participant who received a Hardship distribution prior to the beginning of the 2019 Plan Year continued to be suspended from making Salary Deferrals (and After-Tax Employee Contributions, if applicable) for a period of 6 months after the receipt of the Hardship distribution.
- ☐ (b) Effective on the first day of the Plan Year beginning after December 31, 2018 (or such later date specified in HD-4(d) below), a Participant who received a Hardship distribution prior to the beginning of the 2019 Plan Year was no longer suspended from making Salary Deferrals (and After-Tax Employee Contributions, if applicable).
- ☐ (c) Describe any special rules with respect to the suspension from making Salary Deferrals (and After-Tax Employee Contributions, if applicable) for Participants who have received pre-2019 Hardship distributions: _____
- ☐ (d) Describe the effective date (if later than the beginning of the Plan Year beginning after December 31, 2018) for which the election(s) above apply: _____

HD-5 OTHER APPLICABLE RULES. Describe any other rules, such as conditions for receiving a Hardship distribution, not otherwise reflected in the Plan or Hardship Distribution Interim Amendment: _____

HD-6 MEMORIALIZATION OF PRIOR OPERATION. The elections in this Hardship Distribution Interim Amendment should reflect current Plan operations. The Employer may memorialize prior plan operations relevant to the implementation of the Final Regulations by describing such operations below: _____

APPLICATION OF AMENDMENT

Pursuant to Revenue Procedure 2015-36 and Revenue Procedure 2017-41 (as applicable), these Hardship Distribution Interim Amendment Elective Provisions have been adopted by the Pre-Approved Plan Provider on behalf of all adopting Employers. This amendment supersedes any contrary provisions under the Plan. If the Employer wishes to override the Default elections of the Pre-Approved Plan Provider, the Employer (or the authorized representative of the Employer) must execute this Hardship Distribution Interim Amendment by signing below. This amendment applies to the signatory Employer and all Participating Employers under the Plan.

San Benito Health Care District

(Name of Employer)

(Name of Authorized Representative, if applicable)

(Title)

(Signature)

(Date)

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed for The San Benito Health Care District Defined Contribution Matching Plan to effect:

- ☐ (a) The adoption of a **new plan**, effective ____ [insert Effective Date of Plan]. [Note: Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.]
- ☒ (b) The **restatement** of an existing plan in order to comply with the requirements for Cycle 3 Pre-Approved Plans, pursuant to Rev. Proc. 2017-41.
- (1) Effective date of restatement: 1-1-2022. [Note: Date can be no earlier than the first day of the Plan Year in which the restatement is adopted.]
- (2) Name of plan(s) being restated: The San Benito Health Care District Defined Contribution Matching Plan
- (3) The original effective date of the plan(s) being restated: 1-1-1995
- ☐ (c) An **amendment or restatement** of the Plan (other than to comply with the requirements for Cycle 3 Pre-Approved Plans under Rev. Proc. 2017-41). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date(s) of amendment/restatement: _____
- (2) Name of plan being amended/restated: _____
- (3) The original effective date of the plan being amended/restated: _____
- (4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: _____

PRE-APPROVED PLAN PROVIDER INFORMATION. The Pre-Approved Plan Provider (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Pre-Approved Plan Provider (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the IRS Opinion Letter to the Pre-Approved Plan Provider (or authorized representative) at the following location:

Name of Pre-Approved Plan Provider (or authorized representative): VALIC Retirement Services Company

Address: 2929 Allen Parkway L-10 Houston, TX 77019

Telephone number: 888-478-7020

IMPORTANT INFORMATION ABOUT THIS PRE-APPROVED PLAN. A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. The Employer may rely on the Favorable IRS Letter issued by the Internal Revenue Service to the Pre-Approved Plan Provider as evidence that the Plan is qualified under Code §401(a), to the extent provided in Rev. Proc. 2017-41. The Employer may not rely on the Favorable IRS Letter in certain circumstances or with respect to certain qualification requirements, which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2017-41. In order to obtain reliance in such circumstances or with respect to such qualification requirements, the Employer may need to apply to the Internal Revenue Service for a determination letter.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that he/she has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #03. The Employer understands that the Pre-Approved Plan Provider has no responsibility or liability regarding the suitability of the Plan for the Employer's needs, or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

San Benito Health Care District

(Name of Employer)

Mark Robinson

(Name of authorized representative)

CFO

(Title)

an

(Signature)

5-3-2022

(Date)

TRUST DECLARATION

This Trust Declaration may be used to identify and adopt the Trust associated with the Plan.

[Note: The Internal Revenue Service does not review the Trust Declaration, or the trust provisions associated with Pre-Approved Plans. Therefore, the provisions of the Trust Declaration, ASC Trust Agreement or any separate Trust agreement have not been approved by the IRS and the IRS opinion letter does not cover such Trust Agreement. The Provider, the Trustee and the adopting Employer should review the applicable Trust provisions, and any modifications thereto, with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]

Name of Plan. The San Benito Health Care District Defined Contribution Matching Plan

Name of Employer. San Benito Health Care District

Effective date of Trust Agreement: 1-1-2022

(a) **The Trust terms are:**

☐ (1) **Determined under the Trust provisions contained in the ASC Trust Agreement - Standard.**

[Note: Trustee must complete the Trustee Signature section under Section (b) below.]

☐ (i) **Directed Trustee.** The Trustee may only invest Plan assets as directed by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

☐ (ii) **Discretionary Trustee.** The Trustee has discretion to invest Plan assets, unless specifically directed otherwise by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

[Modification of ASC Trust Agreement Provisions. The Employer may amend the Trust provisions as provided under Section 1.18 of the ASC Trust Agreement. Plan provisions will override any conflicting provisions in the Trust Agreement, including any modification thereto. The Provider and the adopting Employer should review any modifications of the ASC Trust Agreement with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]

☐ (2) **Determined under a separate Trust agreement(s).** The Trust provisions are contained in a separate Trust Agreement that has been furnished to the Employer. Notwithstanding the terms of the Plan, the terms of the Trust Agreement shall control the rights and responsibilities of the Trustee with respect to the Trust and the assets held in such Trust.

Name of Trustee. _____

Title of Trust Agreement. _____

Address of Trustee. _____

[Note: In using a separate Trust Agreement, the Trustee may adopt such Trust Agreement by either completing the Trustee Signature section under Section (b) below or may execute the separate Trust Agreement. In either case, the information above – Name of Trustee, Title of Trust Agreement and Address of Trustee – must be completed.]

☒ (3) **Plan is funded with custodial accounts, annuity contracts and/or insurance contracts.** There is no Trust associated with the Plan because the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts.

[Note: No signature is required under this Trust Declaration if the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts. The Employer or Plan Administrator may enter into a separate agreement with the custodian or insurance company. Such separate agreement must be consistent with the terms of the Plan.]

FYE June 30, 2025

San Benito Health Care District Operational Budget

Statistics:

The acute facility's inpatient admissions and days are budgeted to remain the same for FYE June 30, 2025 as the projected census for FYE June 30, 2024. YTD as of March 31, 2024, the admissions decreased from last year's (YTD March 31, 2023) 1,685 to 1,404 (16.7%) and patient days decreased from 4,977 to 4,155 (16.5%). Admissions for ICU decreased by 6.2%, Med/Surg decreased 20.8% and OB decreased by 9.5%. OB deliveries decreased by 25, 7.7%. YTD as of March 31, 2024 the acute ADC is 15.11 compared to the March 31, 2023 ADC of 18.16. This is a decrease of 16.8%.

The budgeted days are 793 in ICU, 3,732 in Med/Surg, 901 in OB resulting in an acute ADC for the year of **14.9**. The low ADCs for the 4th quarter of FY 2024 caused the budgeted ADC to be under 15.

In aggregate, outpatient services are budgeted to increase by **2%**.

The Skilled Nursing Facilities are budgeted to have a combined average daily census of **85**. The census is budgeted to be 82 in Q1, 84 in Q2, 86 in Q3 and 88 in Q4. YTD as of March 31, 2024, the combined ADC is 91.83. However, the ADC has been 80 the last two months.

Revenue:

The budgeted acute gross revenue for FYE June 30, 2025 is increasing by the increase in outpatient volumes. Patient charges for I/P and O/P services were not increased in aggregate. Instead, the District is working with Innova Revenue Group to rebalance the current charges. Some charges will be increased and others decreased to reflect what is reasonable and customer in the market area.

As of March 31, 2024, Medi-Cal and Medicare total approximately 73.9% of gross charges, 38.1% and 35.8% respectively. Commercial insurance comprises approximately 24.7% and self-pay under 2%. .

The net revenue (payment) by the insurers is: 1) Medicare is reimbursed at a 101% of recognized cost. An annual cost report is prepared and filed by a consultant on behalf of the District. The intermediary for CMS is Noridian which provides the interim rates for the fiscal year. 2) Medi-Cal is determined by the State government with no correlation to the charge for care. Supplemental programs such as AB113 Non-Designated Public Hospitals (NDPH), SB 239 Hospital Quality Assurance Fund (HQAF), AB 915 Outpatient Supplemental and Medi-Cal Disproportionate Share (DSH) are the main funding programs to make up for the underpayments made by the State and Managed Care plans. 3) The majority of commercial insurances reimburse the District based on their contracted rates with an annual allowance for price increases. 4) Approximately half of the commercial insurance business is from Anthem Blue Cross which reimburses the District on a fee schedule.

Net Operating Revenue for the acute facility is budgeted to increase by \$1.84 million. The increase is mainly due to the net revenue from the 2% increase outpatient services. However, the net operating revenue for the Skilled Nursing Facilities is expected to decrease by approximately \$800,000 due to the 5% decline in patient days. The combined increase for the District is \$1.04 million.

Expenses:

The District's Productive FTEs are budgeted to increase by 39.42 from 481.05 (annualized) in FY 2024 to 520.47 budgeted in FY 2025. The annualized total is less than the District current average of 512 per month due to the vacancies earlier in the fiscal year.

The productive FTEs were budgeted for 500.9 in FY 2024. The difference in the year to year budgets is an increase of 19.57 FTEs.

The District will only increase its FTEs if required to meet staffing needs.

Annual average raises of 3% are included in the budget.

Overall, the acute expenses are budgeted to increase by 5% and SNF expenses by 8%. The increases are mainly due to salaries and wages if additional productive FTES are hired. In addition, a new 401(a) pension plan is included in the employee benefit expense.

The changes made to the employee benefits in FYE June 30, 2024 have not been reinstated in this year's budget.

Combined Net Operating Expenses are budgeted to increase by \$7.3 million, 5.2%.

The District management will work to identify and implement cost savings strategies on an ongoing basis.

Outstanding Issues:

- The District filed for Chapter 9 on May 23, 2023. The District is working toward exiting the Chapter 9 process while an appeal is pending.
- The District is actively working toward a partnership, lease or sale with another entity that can continue providing quality care to the residents of San Benito County.
- The District was approved for a \$10 million loan from the Distressed Hospital Loan Program (DHLP). The 1st draft of \$2.7 million is expected to be received in the 1st quarter of FY 2025.
- The District is waiting for confirmation it will receive the net ERC funding of approximately \$7 million.
- The District is negotiating with N.U.H.W. The other 3 bargaining units are under contract for FYE June 30, 2025. These include C.N.A., C.L.V.N.A and E.S.C.

Conclusion:

The District's budget reflects the trend of non-growth in the acute inpatient census for the year. The SNFs will need to steadily increase their census in order to meet an ADC of 85 for the new fiscal year. The District's Net Surplus (Loss) is budgeted to be **\$6.87** million compared to an estimated pre-audited earnings of **\$12.68** million for FYE June 30, 2024. The EBIDA target for the FY 2025 budget is **\$9.67** million (6.4%). The estimated FY 2024 pre-audit EBIDA is **\$15.7** million (10.5%). The earnings growth results in a net gain in cash flow of **\$7.78** million.

The District is budgeted to meet its Cal-Mortgage Bond requirements for the FYE June 30, 2025. The District should remain a Critical Access Hospital in order to remain financially viable until an alternative strategy for growth can be implemented.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
BUDGET COMPARISON
FOR PERIOD 06/30/25

	BUDGET 07/31/24	BUDGET 08/31/24	BUDGET 09/30/24	BUDGET 10/31/24	BUDGET 11/30/24	BUDGET 12/31/24	BUDGET 01/31/25	BUDGET 02/28/25	BUDGET 03/31/25	BUDGET 04/30/25	BUDGET 05/31/25	BUDGET 06/30/25	TWELVE MONTH TOTAL
GROSS PATIENT REVENUE:													
ACUTE ROUTINE REVENUE	2,751,303	2,671,109	3,412,524	3,520,684	3,180,466	3,691,413	3,856,433	3,205,234	3,700,860	2,663,375	3,248,014	3,248,015	39,149,430
SNF ROUTINE REVENUE	1,933,008	1,933,008	1,870,654	1,980,154	1,916,278	1,980,154	2,027,302	1,831,113	2,027,302	2,007,529	2,074,448	2,007,529	23,588,479
ANCILLARY INPATIENT REVENUE	3,549,220	3,472,676	4,298,129	3,798,347	3,699,366	5,024,986	4,088,889	4,311,085	4,597,037	3,346,525	4,019,444	4,008,406	48,214,110
HOSPITALIST\IPEDS I/P REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS INPATIENT REVENUE	8,233,531	8,076,793	9,581,307	9,299,185	8,796,110	10,696,553	9,972,624	9,347,432	10,325,199	8,017,429	9,341,906	9,263,950	110,952,019
ANCILLARY OUTPATIENT REVENUE	26,217,811	28,313,033	27,049,898	28,041,982	27,572,275	26,989,365	28,499,815	27,289,211	27,811,551	27,881,289	27,881,294	27,881,281	331,428,805
HOSPITALIST\OPEDS O/P REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS OUTPATIENT REVENUE	26,217,811	28,313,033	27,049,898	28,041,982	27,572,275	26,989,365	28,499,815	27,289,211	27,811,551	27,881,289	27,881,294	27,881,281	331,428,805
TOTAL GROSS PATIENT REVENUE	34,451,342	36,389,826	36,631,205	37,341,167	36,368,385	37,685,918	38,472,439	36,636,643	38,136,750	35,898,718	37,223,200	37,145,231	442,380,824
DEDUCTIONS FROM REVENUE:													
MEDICARE CONTRACTUAL ALLOWANCES	9,312,632	9,837,137	9,988,601	10,141,406	9,868,548	10,299,799	10,469,946	9,989,886	10,393,983	9,679,962	10,085,998	10,078,796	120,146,694
MEDI-CAL CONTRACTUAL ALLOWANCES	9,241,700	9,807,142	9,844,007	10,032,269	9,782,095	10,087,640	10,326,827	9,862,365	10,218,590	9,649,360	9,974,451	9,970,246	118,796,692
BAD DEBT EXPENSE	489,000	518,137	522,857	531,611	518,107	536,792	547,792	523,630	542,744	509,449	528,186	528,187	6,296,494
CHARITY CARE	36,429	38,621	38,976	39,636	38,618	40,026	40,852	39,034	40,473	37,968	39,381	39,377	469,391
OTHER CONTRACTUALS AND ADJUSTMENTS	4,064,788	4,334,468	4,293,801	4,395,469	4,295,511	4,369,322	4,509,294	4,309,866	4,445,671	4,265,316	4,369,765	4,368,677	52,021,948
HOSPITALIST\IPEDS CONTRACTUAL ALLOW	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEDUCTIONS FROM REVENUE	23,144,549	24,535,505	24,688,242	25,140,391	24,502,879	25,333,581	25,894,711	24,724,781	25,641,461	24,142,055	24,997,781	24,985,283	297,731,219
NET PATIENT REVENUE	11,306,793	11,854,321	11,942,963	12,200,776	11,865,506	12,352,337	12,577,728	11,911,862	12,495,289	11,756,663	12,225,419	12,159,948	144,649,605
OTHER OPERATING REVENUE	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	6,581,572
NET OPERATING REVENUE	11,854,674	12,402,202	12,490,844	12,748,657	12,413,387	12,900,218	13,125,609	12,459,743	13,043,170	12,304,544	12,780,300	12,707,829	151,231,177
OPERATING EXPENSES:													
SALARIES & WAGES	5,177,667	5,177,667	5,006,256	5,178,258	5,006,828	5,178,258	5,282,544	4,783,156	5,307,544	5,133,335	5,308,135	5,133,335	61,672,983
REGISTRY	229,839	229,839	228,877	229,839	228,877	229,839	229,839	226,951	229,839	228,877	229,839	228,877	2,751,332
EMPLOYEE BENEFITS	2,375,126	2,371,069	2,273,075	2,317,831	2,200,959	2,229,828	2,422,063	2,191,132	2,435,287	2,354,113	2,430,458	2,338,406	27,939,347
PROFESSIONAL FEES	1,656,213	1,656,213	1,602,929	1,656,213	1,602,929	1,656,213	1,656,213	1,496,355	1,656,213	1,602,929	1,656,213	1,602,929	19,501,562
SUPPLIES	943,127	963,157	1,009,940	997,005	998,469	1,010,191	1,029,585	1,001,715	1,093,298	1,018,646	1,025,255	977,516	12,067,904
PURCHASED SERVICES	1,151,622	1,151,622	1,114,480	1,151,622	1,114,480	1,151,622	1,151,622	1,040,185	1,151,622	1,114,480	1,151,622	1,114,480	13,559,459
RENTAL	150,183	150,183	145,342	150,183	145,342	150,183	135,655	135,655	150,183	145,342	150,183	145,342	1,768,304
DEPRECIATION & AMORT	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	3,821,724
INTEREST	28,179	28,126	28,073	28,018	27,964	27,910	27,867	27,824	27,781	27,737	27,693	27,649	334,821
OTHER	441,612	441,612	428,427	442,362	428,427	441,612	441,612	402,053	441,612	428,427	441,612	428,427	5,207,795
TOTAL EXPENSES	12,472,045	12,487,965	12,155,876	12,469,808	12,072,752	12,394,133	12,710,005	11,623,503	12,811,856	12,372,363	12,739,487	12,315,438	148,625,231
NET OPERATING INCOME (LOSS)	(617,371)	(85,763)	334,968	278,849	340,635	506,085	415,604	836,240	231,314	(67,819)	40,813	392,391	2,605,946
NON-OPERATING REVENUE\EXPENSE:													
DONATIONS	5,000	5,000	5,000	5,000	5,000	5,000	105,000	5,000	5,000	5,000	5,000	5,000	160,000
PROPERTY TAX REVENUE	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	2,893,464
GO BOND PROP TAXES	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	2,110,980
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(780,972)
OTHER NON-OPER REVENUE	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	190,896
OTHER NON-OPER EXPENSE	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(312,732)
INVESTMENT INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0	0	0

**HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
BUDGET COMPARISON
FOR PERIOD 06/30/25**

	BUDGET 07/31/24	BUDGET 08/31/24	BUDGET 09/30/24	BUDGET 10/31/24	BUDGET 11/30/24	BUDGET 12/31/24	BUDGET 01/31/25	BUDGET 02/28/25	BUDGET 03/31/25	BUDGET 04/30/25	BUDGET 05/31/25	BUDGET 06/30/25	TWELVE MONTH TOTAL
TOTAL NON-OPERATING REVENUE/ (EXPENSE)	345,098	345,098	345,098	345,098	345,098	345,098	445,098	345,098	350,213	350,213	350,213	350,213	4,261,636
NET SURPLUS (LOSS)	(272,273)	259,335	680,066	623,947	685,733	851,183	860,702	1,181,338	581,527	282,394	391,026	742,604	6,867,582

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY

BUDGET COMPARISON
FOR PERIOD 06/30/25

	BUDGET 07/31/24	BUDGET 08/31/24	BUDGET 09/30/24	BUDGET 10/31/24	BUDGET 11/30/24	BUDGET 12/31/24	BUDGET 01/31/25	BUDGET 02/28/25	BUDGET 03/31/25	BUDGET 04/30/25	BUDGET 05/31/25	BUDGET 06/30/25	TWELVE MONTH TOTAL
GROSS PATIENT REVENUE:													
ROUTINE REVENUE	2,751,303	2,671,109	3,412,524	3,520,684	3,180,466	3,691,413	3,856,433	3,205,234	3,700,860	2,663,375	3,248,014	3,248,015	39,149,430
ANCILLARY INPATIENT REVENUE	3,230,268	3,153,724	3,989,452	3,471,615	3,383,170	4,698,253	3,754,379	4,008,945	4,262,527	3,035,272	3,677,154	3,677,153	44,321,922
HOSPITALIST\PEDS I\P REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS INPATIENT REVENUE	5,981,571	5,824,833	7,401,986	6,992,299	6,563,636	8,389,666	7,610,812	7,214,179	7,963,387	5,678,647	6,925,168	6,925,168	83,471,352
ANCILLARY OUTPATIENT REVENUE	26,217,811	28,313,033	27,049,898	28,041,982	27,572,275	26,989,365	28,499,815	27,289,211	27,811,551	27,881,289	27,881,294	27,881,281	331,428,805
HOSPITALISTS\PEDS O\P REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS OUTPATIENT REVENUE	26,217,811	28,313,033	27,049,898	28,041,982	27,572,275	26,989,365	28,499,815	27,289,211	27,811,551	27,881,289	27,881,294	27,881,281	331,428,805
TOTAL GROSS ACUTE PATIENT REVENUE	32,199,382	34,137,866	34,451,884	35,034,281	34,135,911	35,379,031	36,110,627	34,503,390	35,774,938	33,559,936	34,806,462	34,806,449	414,900,157
DEDUCTIONS FROM REVENUE ACUTE:													
MEDICARE CONTRACTUAL ALLOWANCES	9,104,621	9,629,126	9,787,300	9,928,321	9,662,337	10,086,714	10,251,788	9,792,840	10,175,825	9,463,932	9,862,767	9,862,766	117,608,337
MEDI-CAL CONTRACTUAL ALLOWANCES	9,120,222	9,685,664	9,726,447	9,907,828	9,661,668	9,963,199	10,199,423	9,747,290	10,091,186	9,523,198	9,844,084	9,844,084	117,314,293
BAD DEBT EXPENSE	484,000	513,137	517,857	526,611	513,107	531,794	542,792	518,630	537,744	504,449	523,186	523,187	6,236,494
CHARITY CARE	36,429	38,621	38,976	39,636	38,618	40,026	40,852	39,034	40,473	37,968	39,381	39,377	469,391
OTHER CONTRACTUALS AND ADJUSTMENTS	4,033,160	4,302,840	4,263,194	4,363,072	4,264,157	4,336,925	4,476,125	4,279,907	4,412,502	4,232,471	4,335,825	4,335,831	51,636,009
HOSPITALIST\PEDS CONTRACTUAL ALLOW	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ACUTE DEDUCTIONS FROM REVENUE	22,778,432	24,169,388	24,333,774	24,765,468	24,139,887	24,958,658	25,510,980	24,377,701	25,257,730	23,762,018	24,605,243	24,605,245	293,264,524
NET ACUTE PATIENT REVENUE	9,420,950	9,968,478	10,118,110	10,268,813	9,996,024	10,420,373	10,599,647	10,125,689	10,517,208	9,797,918	10,201,219	10,201,204	121,635,633
OTHER OPERATING REVENUE	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	6,581,572
NET ACUTE OPERATING REVENUE	9,968,831	10,516,359	10,665,991	10,816,694	10,543,905	10,968,254	11,147,528	10,673,570	11,065,089	10,345,799	10,756,100	10,749,085	128,217,205
OPERATING EXPENSES:													
SALARIES & WAGES	4,163,334	4,163,334	4,026,177	4,163,334	4,026,177	4,163,334	4,246,854	3,827,305	4,246,854	4,107,008	4,246,854	4,107,008	49,487,573
REGISTRY	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
EMPLOYEE BENEFITS	1,850,087	1,846,084	1,766,691	1,794,152	1,696,200	1,712,255	1,890,379	1,699,793	1,826,856	1,885,694	1,811,741	1,811,741	21,670,311
PROFESSIONAL FEES	1,653,831	1,653,831	1,600,625	1,653,831	1,600,625	1,653,831	1,653,831	1,494,203	1,653,831	1,600,625	1,653,831	1,600,625	19,473,520
SUPPLIES	847,001	867,031	914,793	900,394	902,853	913,580	932,494	907,660	996,207	922,092	927,678	880,962	10,912,745
PURCHASED SERVICES	1,062,336	1,062,336	1,028,073	1,062,336	1,028,073	1,062,336	1,062,336	959,537	1,062,336	1,028,073	1,062,336	1,028,073	12,508,181
RENTAL	149,089	149,089	144,283	149,089	144,283	149,089	149,089	134,668	149,089	144,283	149,089	144,283	1,755,423
DEPRECIATION & AMORT	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	3,347,280
INTEREST	28,179	28,126	28,073	28,018	27,964	27,910	27,867	27,824	27,781	27,737	27,693	27,649	334,821
OTHER	385,147	385,147	373,693	385,097	373,693	385,147	385,147	350,784	385,147	373,693	385,147	373,693	4,542,335
TOTAL EXPENSES	10,617,944	10,633,918	10,361,348	10,615,991	10,278,808	10,546,422	10,826,937	9,880,714	10,890,564	10,509,307	10,817,262	10,452,974	126,432,189
NET OPERATING INCOME (LOSS)	(649,113)	(117,559)	304,643	200,703	265,097	421,832	320,591	792,856	174,525	(163,508)	(61,162)	296,111	1,785,016
NON-OPERATING REVENUE\EXPENSE:													
DONATIONS	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	160,000
PROPERTY TAX REVENUE	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	2,459,448
GO BOND PROP TAXES	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	2,110,980
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(780,972)
OTHER NON-OPER REVENUE	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	190,896
OTHER NON-OPER EXPENSE	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,603)	(17,603)	(17,603)	(17,603)	(243,036)
INVESTMENT INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0	0	0

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
BUDGET COMPARISON
FOR PERIOD 06/30/25

	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	TWELVE MONTH TOTAL
	07/31/24	08/31/24	09/30/24	10/31/24	11/30/24	12/31/24	01/31/25	02/28/25	03/31/25	04/30/25	05/31/25	06/30/25	
TOTAL NON-OPERATING REVENUE/(EXPENSE)	315,118	315,118	315,118	315,118	315,118	315,118	415,118	315,118	319,093	319,093	319,093	319,093	3,897,316
NET SURPLUS (LOSS)	(333,995)	137,559	619,761	515,821	580,215	736,950	735,709	1,107,974	493,618	155,585	257,931	615,204	5,682,332

HAZEL HAWKINS SKILLED NURSING FACILITIES
HOLLISTER, CA
FOR PERIOD 05/31/24

	CURRENT MONTH				YEAR-TO-DATE			
	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE
GROSS SNF PATIENT REVENUE:								
ROUTINE SNF REVENUE	1,868,700	2,092,500	(223,800)	(11)	2,188,650	22,866,868	22,680,000	186,868
ANCILLARY SNF REVENUE	217,639	377,470	(159,831)	(42)	412,238	3,329,661	4,046,509	(716,848)
TOTAL GROSS SNF PATIENT REVENUE	2,086,339	2,469,970	(383,631)	(16)	2,600,888	26,196,529	26,726,509	(529,981)
DEDUCTIONS FROM REVENUE SNF:								
MEDICARE CONTRACTUAL ALLOWANCES	180,840	282,446	(101,606)	(36)	244,250	2,428,890	3,025,530	(596,640)
MEDI-CAL CONTRACTUAL ALLOWANCES	401,909	108,308	293,601	271	46,026	1,699,935	1,173,926	526,009
BAD DEBT EXPENSE	17,243	10,000	7,243	72	(38,717)	(91,867)	110,000	(201,867)
CHARITY CARE	645	0	645		1,957	3,702	0	3,702
OTHER CONTRACTUALS AND ADJUSTMENTS	(5,386)	66,960	(72,346)	(108)	74,324	368,652	725,760	(357,108)
TOTAL SNF DEDUCTIONS FROM REVENUE	595,252	467,714	127,538	27	327,839	4,409,312	5,035,216	(625,904)
NET SNF PATIENT REVENUE	1,491,087	2,002,256	(511,169)	(26)	2,273,049	21,787,216	21,691,293	95,923
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	1,491,087	2,002,256	(511,169)	(26)	2,273,049	21,787,216	21,691,293	95,923
OPERATING EXPENSES:								
SALARIES & WAGES	962,955	939,787	23,168	3	900,196	10,368,013	10,193,347	174,666
REGISTRY	45,267	33,000	12,267	37	32,522	400,851	363,000	37,851
EMPLOYEE BENEFITS	443,879	533,788	(89,909)	(17)	510,258	5,128,602	5,726,060	(597,458)
PROFESSIONAL FEES	2,210	2,337	(127)	(5)	2,210	24,310	25,703	(1,393)
SUPPLIES	91,843	89,358	2,485	3	91,974	1,054,744	977,695	77,049
PURCHASED SERVICES	93,118	107,463	(14,345)	(13)	77,974	938,635	1,164,747	(226,113)
RENTAL	1,742	1,044	698	67	756	12,872	11,389	1,483
DEPRECIATION	38,987	39,453	(466)	(1)	39,486	433,451	434,014	(563)
INTEREST	0	0	0	0	0	0	0	0
OTHER	68,892	58,199	10,693	18	40,200	588,988	630,897	(41,909)
TOTAL EXPENSES	1,748,895	1,804,429	(55,535)	(3)	1,695,576	18,950,466	19,526,852	(576,386)
NET OPERATING INCOME (LOSS)	(257,808)	197,827	(455,635)	(230)	577,473	2,836,751	2,164,441	672,310
NON-OPERATING REVENUE\EXPENSE:								
DONATIONS	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	30,857	30,855	2	0	29,387	339,427	339,422	5
OTHER NON-OPER EXPENSE	(6,188)	(6,188)	0	0	(7,288)	(76,867)	(76,868)	1
TOTAL NON-OPERATING REVENUE/(EXPENSE)	24,669	24,667	2	0	22,099	262,560	262,554	6
NET SURPLUS (LOSS)	(233,139)	222,494	(455,633)	(205)	599,572	3,099,311	2,426,995	672,316

San Benito Health Care District
Budgeted Cash Flow
FYE June 30, 2025

Description	FY 2025												Total
	Budget July 2024	Budget August 2024	Budget September 2024	Budget October 2024	Budget November 2024	Budget December 2024	Budget January 2025	Budget February 2025	Budget March 2025	Budget April 2025	Budget May 2025	Budget June 2025	
Recurring Revenue	\$ 10,679,923	\$ 11,625,000	\$ 11,000,000	\$ 11,625,000	\$ 11,625,000	\$ 11,000,000	\$ 11,625,001	\$ 11,730,000	\$ 11,857,500	\$ 11,857,500	\$ 10,710,000	\$ 11,857,500	\$ 137,192,423
Net Supplemental Revenue	-	-	1,069,577	(200,000)	1,070,000	2,420,000	(1,770,086)	(3,461,475)	-	(410,000)	9,933,500	6,894,100	15,545,616
Total Cash Receipts	10,679,923	11,625,000	12,069,577	11,425,000	12,695,000	13,420,000	9,854,915	8,268,525	11,857,500	11,447,500	20,643,500	18,751,600	152,738,039
Operating Cash Disbursements	12,153,581	12,169,505	11,637,390	12,151,344	11,754,271	12,075,664	12,391,552	11,305,010	12,493,395	12,053,883	12,421,031	11,996,954	144,803,580
Operating Cash Flow	(1,473,658)	(544,505)	232,187	(726,344)	940,729	1,344,336	(2,536,637)	(3,036,485)	(635,895)	(606,383)	8,222,469	6,754,646	7,934,459
Other Non-Operating Revenue/Expenses:	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	1,591,410	-	-	-	-	1,302,062	-	2,893,472
Capital Expenditures	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,200,000
2021 Revenue Bonds	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	1,847,733
Net Cash Flow	\$ (1,727,636)	\$ (798,483)	\$ (21,791)	\$ (980,322)	\$ 686,751	\$ 2,681,768	\$ (2,790,615)	\$ (3,290,463)	\$ (889,873)	\$ (860,361)	\$ 9,270,554	\$ 6,500,668	\$ 7,780,198
% of Revenue	-16%	-7%	0%	-9%	5%	20%	-28%	-40%	-8%	-8%	45%	35%	5%
Beginning Cash Balance	\$ 32,506,771	\$ 30,779,135	\$ 29,980,652	\$ 29,958,862	\$ 28,978,540	\$ 29,665,291	\$ 32,347,059	\$ 29,556,444	\$ 26,265,981	\$ 25,376,108	\$ 24,515,748	\$ 33,786,301	\$ 32,506,771
Net Cash Flow	(1,727,636)	(798,483)	(21,791)	(980,322)	686,751	2,681,768	(2,790,615)	(3,290,463)	(889,873)	(860,361)	9,270,554	6,500,668	7,780,198
DHLP Funding - Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage of DHLP	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	\$ 30,779,135	\$ 29,980,652	\$ 29,958,862	\$ 28,978,540	\$ 29,665,291	\$ 32,347,059	\$ 29,556,444	\$ 26,265,981	\$ 25,376,108	\$ 24,515,748	\$ 33,786,301	\$ 40,286,969	\$ 40,286,969

Productive FTE Comparison Worksheet

Hazel Hawkins Memorial Hospital

DEPT	Description	2024 Actual	2025 Budget	Variance From
		Prod* FTE's	Prod FTE's	2024 Actual
16010	HHH Intensive Care Unit	10.42	10.40	(0.02)
16170	HHH Med/Surg	25.44	26.07	0.63
16380	HHH Obstetrics	17.36	18.87	1.51
16580	HHH SNF Mabie	32.97	37.87	4.90
16587	HHH SNF Northside	34.39	36.91	2.52
17010	HHH Emergency Room	29.25	31.10	1.85
17076	HHH Orthopedic Specialty Clinic	3.79	5.94	2.15
17077	HHH Multi-Specialty Clinic	5.07	6.42	1.35
17086	HHH Barragan Diabetes Clinic	7.04	7.85	0.82
17180	HHH Sunset Community Health Clinic	9.71	11.54	1.84
17181	HHH San Juan Bautista Clinic	3.34	4.77	1.43
17182	HHH Surgery Clinic	2.61	5.31	2.71
17187	HHH Fourth Street Clinic (4Th)San Juan	11.09	13.35	2.26
17189	HHH Mabie First (1st) Street	7.92	9.53	1.61
17400	HHH Labor/Delivery	0.00	0.00	0.00
17420	HHH Surgery	13.12	14.11	0.99
17427	HHH Recovery-Pacu	4.31	6.41	2.10
17500	HHH Laboratory	27.64	30.24	2.60
17510	HHH Lab Draw Stn-Mccray	2.14	2.36	0.22
17530	HHH Lab Draw Station-Sun	0.90	0.97	0.07
17560	HHH Echocardiology	0.85	0.90	0.05
17580	HHH 4Th St Draw Station	0.10	0.20	0.10
17590	HHH Sjb CI Draw Stat	0.10	0.13	0.03
17591	HHH Ekg	1.01	1.39	0.38
17630	HHH Radiology	12.37	12.74	0.37
17633	HHH Mammography	3.69	4.44	0.75
17660	HHH Mri	1.12	1.41	0.29
17670	HHH Ultrasound	5.05	5.12	0.07
17674	HHH Ultrasound-4Th St Cl	0.36	0.40	0.04
17680	HHH Ct Scan	5.97	6.61	0.63
17690	HHH Radiology Diag Clini	0.01	0.90	0.89
17720	HHH Respiratory Therapy	9.40	9.43	0.04
17770	HHH Physical Therapy	6.08	7.18	1.11
17778	HHH Phys Ther SNF Mabie	2.08	3.28	1.20

Productive FTE Comparison Worksheet

Hazel Hawkins Memorial Hospital

DEPT	Description	2024 Actual	2025 Budget	Variance From
		Prod* FTE's	Prod FTE's	2024 Actual
17780	HHH Speech Therapy	0.34	0.51	0.17
17788	HHH Speech Th SNF Mabie	0.41	0.40	(0.01)
17790	HHH Occupational Therapy	0.81	0.85	0.03
17798	HHH Occup Ther Mabie	0.71	1.80	1.09
17802	HHH Rec Therapy Mabie	3.41	3.56	0.16
17807	HHH Rec Therapy Northside	3.61	3.84	0.23
18328	HHH Nutrition Mabie	0.71	0.46	(0.25)
18340	HHH Dietary	11.64	10.59	(1.05)
18347	HHH Dietary Northside	6.82	6.79	(0.03)
18348	HHH Dietary Mabie	6.74	6.42	(0.32)
18357	HHH Laundry Northside	0.38	0.80	0.42
18358	HHH Laundry Mabie	0.88	0.88	0.00
18380	HHH Central Supply	2.36	2.62	0.26
18388	HHH Cent Supp Mabie	0.33	0.60	0.27
18400	HHH Purchasing	2.94	3.25	0.32
18408	HHH Purchasing SNF	0.65	0.70	0.05
18420	HHH Security	0.06	0.00	(0.06)
18440	HHH Housekeeping	22.45	20.72	(1.73)
18447	HHH Housekeeping Northside	5.57	5.65	0.08
18448	HHH Housekeeping Mabie	7.25	6.92	(0.33)
18450	HHH Plant	0.91	0.52	(0.38)
18457	HHH Plant Northside	0.21	0.28	0.07
18458	HHH Plant Mabie	0.21	0.28	0.07
18460	HHH Maintenance	6.37	6.40	0.03
18467	HHH Maintenance Northside	0.98	0.89	(0.09)
18468	HHH Maintenance Mabie	0.97	0.90	(0.07)
18470	HHH Communications	2.54	2.61	0.06
18480	HHH Data Processing	7.50	8.24	0.74
18488	HHH Data Processing SNF	1.46	1.50	0.04
18490	HHH Disaster Management	0.45	0.90	0.45
18510	HHH Accounting	5.74	6.00	0.26
18518	HHH Accounting Mabie	1.08	1.20	0.11
18530	HHH Patient Accounting	12.50	13.15	0.65
18538	HHH Pat Accounting SNF	1.31	1.20	(0.11)

Productive FTE Comparison Worksheet

Hazel Hawkins Memorial Hospital

DEPT	Description	2024 Actual	2025 Budget	Variance From
		Prod* FTE's	Prod FTE's	2024 Actual
18550	HHH Credit/Collections	1.87	2.79	0.91
18570	HHH Admit/Registration	20.36	20.34	(0.02)
18610	HHH Administration	2.94	2.75	(0.20)
18618	HHH Administration SNF	0.38	0.40	0.02
18630	HHH Marketing & Develop	1.18	0.90	(0.28)
18650	HHH Personnel	1.82	2.80	0.98
18658	HHH Personnel SNF	0.50	0.80	0.30
18660	HHH Employee Health Serv	4.17	0.93	(3.24)
18670	HHH Auxiliary	0.01	0.50	0.49
18710	HHH Medical Staff	1.24	0.89	(0.35)
18720	HHH Nursing Admin	7.47	6.26	(1.21)
18727	HHH Nursing Admin Northside	4.57	5.89	1.32
18728	HHH Nursing Admin Mabie	4.95	5.64	0.69
18740	HHH In-Service Ed	0.03	0.06	0.03
18747	HHH In-Service Ed Northside	0.00	0.00	0.00
18748	HHH In-Service Ed Mabie	0.54	0.48	(0.07)
18750	HHH Prime\Qip Reporting	3.39	2.51	(0.87)
18751	HHH Utilization Review	2.97	4.10	1.13
18752	HHH Qual Assur & Resourc	2.95	3.10	0.14
18753	HHH Infection Control	0.48	0.90	0.42
18770	HHH Community Education	0.51	0.54	0.04
18790	HHH Foundation	1.26	1.35	0.09
18791	HHH Project Management	0.46	0.94	0.48

Total - Productive FTE's	481.05	520.47	39.44
Breakdown by Facility:			
Acute FTE's	315.28	331.78	16.50
SNF FTE's	124.07	136.33	12.26
RHC FTE's	41.70	52.36	10.66
	481.05	520.47	39.42

SAN BENITO HEALTH CARE DISTRICT
CAPITAL EQUIPMENT FOR FISCAL YEAR ENDING JUNE 30, 2025

DEPARTMENT	FACILITY/DESCRIPTION	QTY	UNIT	AMOUNT	EXTENDED	3/24	12/24	3/25	6/25	TOTAL	2025	TOTAL	2026	TOTAL	2027
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HOSPITAL/ACUTE

Lab	Microscopes	1	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	100,000
Lab	Matrix-Assisted Laser Desorption/Ionization Time-of-Flight Analyzer	1	200,000	200,000											100,000
Lab	Infectious Disease Analyzer	1	100,000	100,000											
Lab	Lab Middleware	1	100,000	100,000											
Lab	Hematology Analyzer	2	200,000	400,000											
Lab	Phase 3 Construction	1	1,000,000	1,000,000											
Lab	Refrigerators and Freezers	2	20,000	40,000											
Lab	Bact Alert Analyzer	1	150,000	150,000											
Lab	Platelet Rotator	1	30,000	30,000											
Lab	Phase 4 Construction	1	1,000,000	1,000,000											1,000,000

Lab	TOTAL	12		3,040,000	50,000	200,000	20,000	150,000	420,000	1,420,000	1,200,000				
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Information Technology	PureStorage for Virtual Environment Expansion	1	88,575	88,575	88,575										
Information Technology	Office 365	700	360	252,000	252,000										

Information Technology	TOTAL	701		340,575	340,575										
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Radiology	Ultrasound Machine	2	150,000	300,000	300,000										
Radiology	Mammogram Unit	1	450,000	450,000											450,000
Radiology	Mammo Construction Phase	1	500,000	500,000											500,000
Radiology	Dexa Machine	1	90,000	90,000											90,000
Radiology	Dexa Construction Phase	1	500,000	500,000											500,000
Radiology	Fluoro Machine	1	600,000	600,000											600,000
Radiology	Fluora Construction Phase	1	500,000	500,000											500,000
Radiology	X-Ray Machine	1	500,000	500,000											500,000
Radiology	X-Ray Construction Phase	1	500,000	500,000											500,000
Radiology	Portable X-Ray Machine	2	170,000	340,000											170,000
Radiology	C-Arm for Surgery	1	200,000	200,000											
Radiology	CT Machine	1	800,000	800,000											
Radiology	CT Machine Construction Phase	1	500,000	500,000											
Radiology	MRI Machine	1	1,500,000	1,500,000											
Radiology	MRI Construction Phase	1	500,000	500,000											

Radiology	TOTAL	17		7,760,000	300,000	2,000,000	200,000	1,300,000	3,800,000	2,270,000	1,710,000				
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Operating Room	Steris Amsco v120 Prevac Sterilizer	1	80,000	80,000	80,000										
Operating Room	Steris Amsco v116 Prevac Sterilizer	1	80,000	80,000	80,000										
Operating Room	Stryker Surgical Beds OperOn D-Series	4	96,031	384,124	96,031										
Operating Room	Stryker 1688 CCU, C-AM, Hub Imaging Camera & Monitors	1	84,000	84,000	84,000										
Operating Room	Sentimag Localization Surgical Probe Platform	1	108,500	108,500	108,500										
Operating Room	Scope Buddy Plus Endoscope Flushing Aid	2	14,000	28,000	14,000										
Operating Room	Bravo System/GI Manometry System	1	80,000	80,000	80,000										

Operating Room	TOTAL	11		844,624	354,031	176,031	218,531	96,031	844,624						
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Recovery Room	Stryker Gurneys	4	10,000	40,000	40,000										
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	HOSPITAL ACUTE TOTAL	745		12,045,199	1,084,606	2,376,031	438,531	1,546,031	5,445,199	3,690,000	2,910,000				
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