Amendment of the Missouri Municipal League Deferred Compensation Plan for the Economic Growth and Tax Relief Reconciliation Act of 2001

Whereas, the Missouri Municipal League, (“Employer”) has adopted and maintains a deferred compensation plan (“Plan”) pursuant to Section 457 of the Internal Revenue Code of 1986.

Whereas, the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”) amended various provisions of Code Section 457.

Whereas, the Internal Revenue Service, in Notice 2001-57, to issue guidance that will address the EGTRRA changes applicable to Section 457 plans and such guidance may require changes to Plan language.

Whereas, the Employer wishes to amend the Plan for EGTRRA in advance of such guidance by adopting each of the provisions set forth below, recognizing that subsequent IRS guidance may necessitate additional Plan amendments.

Now, therefore, the Plan is hereby amended for EGTRRA as provided below.

PART A. INCREASED DEFERRAL LIMITS

Section 1. Normal Limitation. The maximum amount that may be deferred under the Plan by a Participant in a taxable year (except to the extent of any catch-up deferrals) is increased to the lesser of (a) the applicable dollar limits set forth in Code Section 457(e)(15) of $11,000 in 2002, $12,000 in 2003, $13,000 in 2004, $14,000 in 2005, $15,000 in 2006 and $16,000 as adjusted by the Secretary of the Treasury for 2007 and years thereafter, or (b) 100% of the Participant's includible compensation.

Section 2. Coordination of Deferrals. The provisions of the Plan requiring a reduction of the Participant's normal deferral limitation for contributions to 403(b) arrangements, 401(k) plans, simplified employee pension plans and other similar arrangements are eliminated.

Section 3. Catch-up Contributions for the Last Three Years Prior to the Year of Normal Retirement Age. The dollar amount limit of the Plan's catch-up contribution provisions pertaining to the Participant's last three taxable years ending prior to, but not including, the year of the Participant's elected normal retirement age is increased from $15,000 to twice the amount that could otherwise be contributed under the normal deferral limitation described in Part A, Section 1.

Section 4. Catch-up Contribution for Participants age 50 and over. The Plan is amended to allow a Participant who has attained age 50 before the close of any taxable year to make catch-up contributions in accordance with, and subject to the limitations of, Code Section 414(v), as follows: $1,000 in 2002, $2,000 in 2003, $3,000 in 2004, $4,000 in 2005, $5,000 in 2006 and $5,000 as adjusted by the Secretary of the Treasury for 2007 and years thereafter. Catch-up contributions may not be made under this Section 4 in any year where the catch-up provision under Part A, Section 3 applies.

PART B. ROLLOVER CONTRIBUTIONS

Section 1. Rollovers Accepted. In addition to deferred compensation contributions, the Plan, to the extent permitted by the Code, will accept direct rollovers and contributions of eligible rollover distributions (“Rollover Contributions”) from (a) qualified plans described in Section 401(a) or 403(a) of the Code, (b) a tax deferred annuity arrangement described in Section 403(b) of the Code, (c) any other eligible plan under Section 407(b) of the Code maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state, and (d) individual retirement accounts or annuities described in Sections 408(a) and 408(b) of the Code.

PART C. DISTRIBUTIONS

Section 1. Severance from Employment. The distribution triggering event described as “separation from service” is replaced by the term “severance from employment”. This provision shall be effective for severances from employment occurring after December 31, 2001.

Section 2. Constructive Receipt Provisions Repealed. (a) Provisions of the Plan limiting the availability of benefits until the expiration of a window election period following a distribution triggering event; requiring an irrevocable election by the Participant or Beneficiary as to benefit form and timing; and requiring the payment of benefits in substantially non-increasing amounts are repealed. (b) Notwithstanding the irrevocable nature of their original election, Participants and Beneficiaries currently receiving non-annuitized distributions or who have elected to defer commencement of distributions to a date in 2002 or beyond and not elected an annuity form of payment may make changes to their elections concerning benefit payment form and timing.

Section 3. Fifteen Year Limit on Distributions to Non-Spousal Beneficiaries. The provision of the Plan limiting the maximum period over which to Plan benefits may be paid to a non-spousal beneficiary as formerly required by Code Section 457(d)(2) is repealed.

Section 4. Distributable Event Not Required for Distribution of Rollover Contributions and Earnings. Notwithstanding the provisions of the Plan requiring a distributable event for the payment of deferred compensation benefits, amounts attributable to Rollover Contributions, and the earnings thereon, may be paid to the Participant at any time, upon the Participant's election to receive such a distribution.
Section 5. Rollovers Not Counted Against Cash Out Limitation. To the extent the Plan has adopted an in-service small account cash-out provision as permitted under Code 457(e)(9)(A), Rollover Contributions shall be disregarded in applying such cash-out provision.

PART D. ROLLOVERS OF PLAN DISTRIBUTIONS.

Section 1. Rollover Permitted. (a) Notwithstanding any provision of the Plan to the contrary, a Participant shall be permitted to elect to have any eligible rollover distribution rolled directly to an “eligible retirement plan” specified by the Participant. The Participant shall, in the time and manner prescribed by the Employer, specify the amount to be rolled over and the “eligible retirement plan” to receive the rollover. Any portion of a distribution, which is not rolled over, shall be distributed to the Participant.

(b) For purposes of this Section, the term “eligible rollover distribution” means any distribution of amounts other than in a distribution form of substantially equal periodic payments over life or life expectancy of the Participant (or joint life or joint life expectancies of the Participant and the designated Beneficiary) or a distribution over a period certain of ten years or more. Amounts required to be distributed under Code Section 401(a)(9) and unforeseeable emergency distributions are not eligible rollover distributions.

(c) For purposes of this Section, the term “eligible retirement plan” shall mean any other governmental 457(b) plan, a 403(b) program, a 401(a) qualified plan, an individual retirement account as described in Code Section 408(a), and an individual retirement annuity as described in Code Section 408(b).

(d) The election described in subsection (a) also applies to the surviving spouse after the Participant’s death or a spouse or former spouse who is the alternate payee under a plan approved domestic relations order.

Section 2. Written Explanation of Rollover Eligibility Provided. Within a reasonable period of time in advance of making an eligible rollover distribution from the Plan, the Plan’s administrator shall provide a written explanation of rollover eligibility to the recipient as required by Code Section 402(f).

PART E. OTHER ITEMS

Section 1. Availability of Plan Amounts to Purchase Service Credits. To the maximum extent allowed under Code Section 457(e)(17), the Plan shall permit Participants to direct transfers of their Plan account balances for the purchase of permissive service credits or to repay contributions and earnings with respect to a previous forfeiture of service credits under a Code Section 414(d) defined benefit governmental plan.

Section 2. Domestic Relations Orders. As permitted under Code Section 414(p)(11), the Plan shall recognize and give effect to domestic relations orders that have been approved by the Plan as such in accordance with Plan procedures. Amounts segregated for the accounts of alternate payees pursuant to a Plan approved domestic relations order shall be available for immediate distribution to the alternate payee.

Section 3. Separate Accounting for Rollover Contributions. To the extent Rollover Contributions are accepted by the Plan, the Plan shall separately account for such Rollover Contributions, including a separate accounting Rollover Contributions subject to the tax on premature distributions under Code Section 72(t).

Section 4. Minimum Required Distributions. All minimum distributions required to be made under the Plan will be made in accordance with Code Section 401(a)(9) and the regulations thereunder.

Section 5. Effective Date. This Amendment shall be effective as of January 1, 2002.

IN WITNESS WHEREOF, the Employer has caused this EGTRRA Amendment to be signed on the 1st day of January, 2002.

MISSOURI MUNICIPAL LEAGUE

By: 

Name: Gary S. Markenson
Title: Executive Director

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