

MISSOURI MUNICIPAL LEAGUE  
DEFERRED COMPENSATION PLAN  
Including All Revisions as of January 1, 1997

ARTICLE I

INTRODUCTION

The Missouri Municipal League ("Employer") hereby amends, re-establishes and re-affirms the Missouri Municipal League Deferred Compensation Plan ("Plan") (as established on October 24, 1974) pursuant to Section 457 of the Internal Revenue Code of 1986, as amended ("Code"). The purpose of the Plan is to attract and retain certain individuals by permitting them to enter into agreements with the Employer which will provide for the payment of deferred compensation on retirement or separation from service as well as death benefits in the event of death before or after retirement.

Nothing contained in this Plan shall be deemed to constitute an employment contract or agreement for services between the Participant and the Employer nor shall it be deemed to give a Participant any right to be retained in the employ of, or under contract to, the Employer. Nothing herein shall be construed to modify the terms of any employment contract or agreement for services between a Participant and the Employer as this Plan is intended to be a supplement thereto.

ARTICLE II

DEFINITIONS

- 2.01 **Compensation:** The total annual remuneration for employment or contracted services payable by the Employer that would be included in the federal gross income of the Participant but for the Participant's election to participate in the Plan.
- 2.02 **Includible Compensation:** That amount of Compensation Includible in the Participant's federal gross income, reduced both by amounts of Compensation deferred under this Plan or any other plan or arrangement pursuant to Section 457 of the Code or otherwise, and also reduced by the following: 1) employee salary reduction contributions to a 401(k) plan, simplified employee pension plan or cafeteria plan; 2) employee contributions which are picked up by the employer pursuant to Code Section 414(h) and 3) amounts contributed by the Employer to an annuity contract described in Section 403(b) of the Code; without regard to any community property laws.
- 2.03 **Deferred Compensation:** The amount of Compensation not yet earned, as designated in the Participation Agreement which is made a part hereof, which the Participant and the Employer mutually agree shall be deferred in accordance with the provisions of this Plan, subject to the following limitations:
- a. **Normal Limitation:** The maximum amount that may be deferred under this Plan for a Participant's taxable year (except as provided in paragraph 2.03 b.) is the lesser of \$7,500 (or such larger amount as may be prescribed by the Secretary of the Treasury) or 33 1/3% of the Participant's Includible Compensation. For a Participant in more than one 457 plan, the maximum amount that may be deferred for such Participant's taxable year is \$7,500 (or such larger amount as may be prescribed by the Secretary of the Treasury) (as modified by 2.03 b. below). In applying this limit, a reduction must be made for any amounts excluded under 403(b) for the year and any salary deferrals for the year under a 401(k) plan or a simplified employee pension plan.
  - b. **Catch-up Limitation:** For each one of the Participant's last three taxable years ending prior to but not including the year of such participant's Normal Retirement Age, as elected by the Participant pursuant to Section 2.04, the limitation set forth in paragraph 2.03 a. shall be the lesser of
    1. \$15,000 (or such larger amount as may be prescribed by the Secretary of the Treasury); or
    2. the sum of the Normal Limitation set forth in paragraph 2.03 a., plus so much of the Normal Limitation which has been underutilized in all prior taxable years since January 1, 1979 or since plan inception date, if later.

- c. For purposes of paragraph b., a prior taxable year can be taken into account: (1) if the Participant was eligible to participate in the Plan or any similar prior plan of the same Employer or another employer in the same state during any portion of any prior taxable year since January 1, 1979; and (2) if the compensation deferred, if any, under such plan or the Plan during such prior taxable years was subject to a maximum deferral limitation as required by Section 457 of the Code.

A Participant may elect to utilize the Catch-up Limitation once in this Plan or any other similar plan, notwithstanding the fact that the Participant utilizes the Catch-up Limitation in less than all of the three eligible years.

- 2.04 **Normal Retirement Age:** For purposes of the Catch-up Limitation under Section 2.03 b., the Normal Retirement Age shall be age 70 ½, unless, prior to that time, another Normal Retirement Age is elected in writing by the Participant. In selecting an alternate Normal Retirement Age, a Participant can choose any age which is (1) not earlier than the earliest age at which the Participant has the right to retire and receive unreduced retirement benefits from the Employer's basic pension plan and (2) not later than the date the Participant attains age 70 ½.

Notwithstanding the above, a Participant who continues in the service of the Employer after age 70 ½, and has not utilized the Catch-up Limitation, may elect a later Normal Retirement Age. Any such age elected, however, may not be later than the Participant's actual date of Separation from Service with the Employer.

- 2.05 **Separation from Service:** The severance of the Participant's employment, employment contract or agreement for services with the Employer whereby the Participant thereafter is not providing services to the Employer.

- 2.06 **Beneficiary:** Beneficiary or Beneficiaries of certain benefits of the Plan designated by the Participant in the Participation Agreement. Nothing herein shall prevent the Participant from designating more than one beneficiary or primary and secondary Beneficiaries or changing the designation of a Beneficiary. If two or more or less than all designated Beneficiaries survive the Participant, payments shall be made equally to all such Beneficiaries, unless otherwise provided in the Beneficiary designation. Elections made by a Participant in the Participation Agreement shall be binding on any such Beneficiary or Beneficiaries except for the right of a Beneficiary as provided in Section 6.04. Upon the death of the Participant, the Employer will be responsible for notifying the Designated Institution of the Beneficiary entitled to payments under the Plan. It will not be the responsibility of the Designated Institution to determine the Beneficiary hereunder.

- 2.07 **Eligible Individual:** Any individual employee of the Employer or any individual performing services for the Employer by appointment, election or contract, who performs services for the Employer for which compensation is paid and who meets the criteria set forth in Section 4.01.

- 2.08 **Participation:** Any Eligible Individual who fulfills the eligibility and enrollment requirement of Article IV.

- 2.09 **Participation Agreement:** A written agreement between the Employer and a Participant setting forth certain provisions and elections relative to the Plan, establishing the amount of Deferred Compensation and the manner and method of paying benefits under the Plan, incorporating the terms and conditions of the Plan and establishing the Participant's participation in the Plan.

- 2.10 **Plan Year:** The calendar year.

- 2.11 **Approved Institution:** Any organization that has been approved by the Employer to provide services or Investment Product(s) to the Employer under the Plan.

- 2.12 **Investment Product:** Any product issued by or obtained from an Approved Institution for the purpose of satisfying the Employer's obligations under the Plan.

- 2.13 **Designated Institution:** As designated by a Participant in the Participation Agreement, any Approved Institution whose Investment Product is used for purposes of measuring the benefits due that Participant pursuant to the Plan.

- 2.14 **Employer:** The Missouri Municipal League.

## ARTICLE III

### ADMINISTRATION

- 3.01 This Plan shall be administered by the Employer. The Employer may appoint a committee ("Committee") of one or more individuals in the employment of Employer for the purpose of discharging the administrative responsibilities of the Employer under the Plan. The Employer may remove a Committee member for any reason by giving such member ten (10) days written notice and may thereafter fill any vacancy thus created. The Committee shall represent the Employer in all matters concerning the administration of this Plan; provided however, the final authority of all administrative and operational decisions relating to the Plan remains with the Employer.
- 3.02 The Committee shall have full power and authority: to adopt rules and regulations for the administration of the Plan, provided they are not inconsistent with the provisions of the Plan, and Section 457 of the Code and any Treasury regulations promulgated thereunder; to interpret, alter, amend or revoke any rules and regulations so adopted; to enter into contracts on behalf of the Employer with respect to this Plan; to make discretionary decisions under this Plan such as called for in Article VII; to demand satisfactory proof of the occurrence of any event that is a condition precedent to the commencement of any payment or discharge of any obligation under the Plan; and to perform any and all administrative duties under this Plan.
- 3.03 A Committee member shall be eligible to participate in the Plan, but such person shall not be entitled to participate in discretionary decisions under Article VII relating to such person's own participation in the Plan.
- 3.04 The Employer or Committee acting on behalf of the Employer shall screen and approved any insurance company or other entity seeking to sell an Investment Product or otherwise operate as an Approved Institution under this Plan. The Committee may contract with an Approved Institution (a) to issue to the Employer an Investment Product as described in Article V of the Plan or (b) to provide services under the Plan for the convenience of the Employer including, but not limited to, the enrollment of Eligible Individuals as Participants on behalf of the Employer, the maintenance of individual or other accounts and other records, the making of periodic reports and the disbursement of benefits to Participants and Beneficiaries.

## ARTICLE IV

### PARTICIPATION IN THE PLAN

- 4.01 **Eligibility:** Any Eligible Individual who performs services for the Employer for which Compensation is paid and who executes a Participation Agreement with the Employer is eligible to participate in the Plan.
- 4.02 **Enrollment in the plan:**
- a. To become a Participant, an Eligible Individual must agree to defer Compensation not yet earned by entering into a Participation Agreement. The Participation Agreement will become effective on the first day of the second calendar month following the date on which it is executed.
  - b. At the time of entering into or modifying the Participation Agreement hereunder to defer Compensation or at the time of re-entry following a withdrawal under Article VII, a Participant must agree to defer the minimum amount required by the Investment Product.
  - c. A Participant who defers Compensation may not modify such agreement to change the amount deferred except with respect to Compensation to be earned in a subsequent calendar month or except as provided in Article VII hereof with respect to withdrawals. Any such modification will be effective on the first day of the second calendar month following the execution of the new Participation Agreement.

- d. A Participant may at any time revoke the Participation Agreement to defer Compensation with respect to Compensation not yet earned. The revocation is effective and the Participant's full Compensation will be restored in the month subsequent to the month such revocation is approved by the Committee. The Participant must notify the Committee in writing of such revocation at least thirty-five (35) days prior to the beginning of the calendar month for which such revocation is to be effective. Amounts previously deferred shall be paid only as provided in this Plan.
- e. A Participant who has withdrawn from the Plan, as set forth in Article VIII, or has revoked the Participation Agreement, as set forth in subsection d. above, or who returns to perform services for the Employer after a Separation from Service, may again become a Participant in the Plan and agree to defer Compensation not yet earned by entering into a new Participation Agreement as provided in Section 4.02 a. above.
- f. Pursuant to procedures determined by the Committee, a Participant may request that the Employer change the designation of the Designated Institution utilized by the Employer to measure the Plan benefits payable to the participant.

## ARTICLE V

### CALCULATION OF BENEFITS

5.01 The amount of any benefit payment to a Participant or Beneficiary made pursuant to this Plan shall be determined by the value at the time of such payment of the Investment Product(s) described below in accordance with elections in the Participation Agreement and the provisions of the Plan:

An amount equal to the amount payable to the Employee under either an annuity contract or life insurance policy issued to the Employer by an Approved Institution selected by the Participant as the Designated Institution according to the terms and conditions of the Participation Agreement. The amount shall further be determined as if -

- the Participant is the annuitant under the annuity contract or the insured under the life insurance policy or both,
- the manner and method of payment is as specified in the Participation Agreement, and
- the premium is equal to the Participant's Deferred Compensation which was applied as a premium to such annuity contract or life insurance policy within a reasonable time subsequent to the reduction in the Participant's Compensation as authorized and as specified in the Participant's Participation Agreement.

5.02 The Employer will purchase an Investment Product and invest amounts of Deferred Compensation therein in order to provide a fund from which it can satisfy its obligation to make benefit payments pursuant to this Plan. Such Investment Product, and all amounts of Compensation deferred under this Plan, all property and rights which may be purchased by the Employer with such amounts and all income attributable to such amounts, property or rights to property shall be held in trust (or a custodial account or annuity contract described in Code Section 401(f)) for the exclusive benefit of Participants and their Beneficiaries. All such amounts shall not be subject to the claims of the Employer's general creditors.

5.03 The value of any benefit shall be determined by the actual value of the Investment Product at the time of benefit payment, unaffected by any independent or arbitrary standard of calculation with respect to such Investment Product. The Employer shall not be responsible for the investment or performance results of such Investment Product.

## ARTICLE VI

### BENEFITS

#### 6.01 General Benefit Terms:

a(i) Benefit payments to a Participant or Beneficiary shall be made according to the manner and method of payment as elected in the Participation Agreement, which election may be changed by a Participant or a Beneficiary as appropriate and as allowed by the Plan at any time more than thirty (30) days prior to the commencement of such benefit payments pursuant to the Participation Agreement.

(ii) Subject to the restrictions on choice of benefit contained in paragraphs 6.01 b., 6.01 c., 6.03 and 6.04, the options available for selection by the Participant or Beneficiary as to the manner and method of payment are;

- 1) Lump sum;
- 2) Periodic payments for a designated period;
- 3) periodic payments for life;
- 4) periodic payments for life with a guaranteed minimum number of payments;
- 5) periodic payments for the life of the Participant with continuation of the payments or a percentage of the payments for the lifetime of the Participant's spouse;
- 6) such other option as the Employer may, in its sole discretion, offer to the participant prior to the commencement of benefits.

Periodic payments may be monthly, quarterly, semiannually or annually. The amount of each payment may be fixed or fluctuate with the performance of the Investment Product.

- b. In the absence of an election in the Participation Agreement as to the manner and method of such benefit payments as provided in Section 6.01 a. (ii), the Employer shall make periodic payments to the Participant or Beneficiary as a distribution of the account in equal percentages over ten years; provided further, in no event shall payments to a Beneficiary exceed (i) the life expectancy of a Beneficiary where such Beneficiary is the surviving spouse of the Participant or (ii) a period of fifteen (15) years or, if less, the life or life expectancy of the Beneficiary where such Beneficiary is not the surviving spouse of the Participant.
- c. In determining the amount of benefit payments, the minimum distribution incidental death benefit rule must be satisfied. This rule will be similar to the one contained in IRS Proposed Regulation 1.401(a) (9)-2. To the extent that the payment required under this rule is greater than the amount determined under 6.01 d., the greater amount must be paid.
- d. Benefits under the Plan must either (i) be distributed by the April 1 of the calendar year following the calendar year in which the Participant attains age 70 ½ or separates from service whichever occurs later, or (ii) commence no later than the April 1 of the calendar year described in (i) and be made over the life of the Participant (or the lives of the Participant and the Participant's Beneficiary) or over a period not exceeding the life expectancy of the Participant (or the life expectancies of the Participant and his Beneficiary).

For purposes of this provision, life expectancy(ies) shall be determined using the return multiples of Section 1.72-9 of Regulations. The life expectancy of the Participant and the Participant's spouse (other than in the case of a life annuity) may be recalculated, but not more frequently than annually.

- e. Benefit payments to a Participant or Beneficiary shall commence at the time provided in the Plan, subject to an irrevocable election by the Participant or Beneficiary as appropriate prior to the time such benefits first become payable to defer the beginning of such payments or a portion of such payments to a later date as allowed by the Plan and pursuant to the Participation Agreement.

A Participant who has elected to defer his benefits pursuant to the paragraph above may, subsequent to his initial election, and prior to the commencement of benefits, elect to further defer payment of benefits to a later date as allowed by the Plan. A Participant is only permitted to make one such election.

- f. Distributions payable over a period of more than one year must be paid in substantially non-increasing amounts (not less frequently than annually).
- g. For purposes of interpreting the provisions of the Plan, the Committee shall only consider a Participation Agreement signed by the Participant or Beneficiary, as appropriate, and submitted to the Committee.
- h. If, prior to Separation from Service, the value of a Participant's benefits under the Plan does not exceed \$3,500, the Participant may elect at any time to receive such value in a lump sum if: 1) the Participant has not deferred any Compensation under the Plan during the two year period ending on the date of distribution; and 2) the Participant has not previously received a distribution under this subsection.

6.02 **Benefits Upon Separation From Service:** If Separation from Service occurs prior to attainment of age 70 ½, the Employer shall begin benefit payments no earlier than sixty-one (61) days and no later than ninety (90) days following such Separation from Service; provided however, the Participant may irrevocably elect, within the one hundred twenty (120) day period ending sixty (60) days after Separation from Service, to defer the beginning of such payments, or any portion of such payments, to a date not later than the April 1 of the calendar year following the calendar year in which the Participant attains age 70 ½, as provided in the Participation Agreement.

For Participants separating from service on or after attaining age 70 ½, the Employer shall begin benefit payments on the April 1 of the calendar year following the calendar year in which the Participant separates from service, in accordance with the provisions of Section 6.01 d. and f. and with the election made by the Participant in the Participation Agreement

6.03 **Benefits Upon Death After Commencement of Benefits:**

- a. Should the Participant die at any time after benefit payments have commenced, the Employer shall commence payment to the Beneficiary of the balance remaining of such payments no earlier than sixty-one (61) days following the death of the Participant but in no event no later than ninety (90) days following the Participant's death. Payments to the Beneficiary shall continue under the option selected by the Participant in the Participation Agreement.
- b. If no Beneficiary is designated as provided in Section 2.06 or if no Beneficiary survives the Participant for a period of thirty (30) days, then the Employer shall pay to the estate of the Participant a single lump sum amount equal to the current value of such remaining payments. If a Beneficiary does not survive the period after the Participant's death during which such payments to the Beneficiary are to be made, the Employer shall pay to the estate of that Beneficiary a single lump sum amount equal to the current value of such remaining payment to that Beneficiary.

6.04 **Benefits Upon Death Prior To Commencement of Benefits:**

- a. Should the Participant die at any time before benefit payments have commenced, the Employer shall commence benefit payments to the Beneficiary no earlier than sixty-one (61) days following the Participant's death and no later than ninety (90) days following the participant's death. Such payments shall be made according to the manner and method provided in the Participation Agreement or as selected by the Beneficiary pursuant to a revised Participation Agreement submitted to the Committee more than thirty (30) days prior to the commencement of such benefit payments over a period not to exceed:
  - 1. the life expectancy of the Beneficiary if the Beneficiary is the Participant's surviving spouse, or
  - 2. a period not in excess of fifteen (15) years or, if less, the life or life expectancy of the Beneficiary if the Beneficiary is not the Participant's surviving spouse.

- b. However, the Beneficiary may irrevocably elect within the sixty (60) day period subsequent to the Participant's death to defer the beginning of such payments as described below. Subject to the limitations provided under Section 6.04 a., the Beneficiary may also elect to change the manner and method of benefit payments as allowed under the Plan if such election is made more than thirty (30) days prior to the date when such deferred benefits are to commence.

The maximum deferral period is five years from the Participant's date of death. Provided that, if the deferral of benefits extends beyond one year from the Participant's date of death, the manner of payout elected must assure that the entire amount payable is distributed within five years of the Participant's date of death. Notwithstanding the foregoing, if the Participant's spouse is the Beneficiary, the beginning of such payments can be deferred until the date the Participant would have attained age 70 ½.

- c. If no Beneficiary is designated as provided in Section 2.06 or if no Beneficiary survives the Participant for a period of thirty (30) days, the Employer shall pay to the estate of the Participant a single lump sum amount equal to the current value of any remaining payments. If a Beneficiary does not survive the period after the Participant's death during which such payments to the Beneficiary are to be made, then the Employer shall pay to the estate of that Beneficiary a single lump sum amount equal to the current value of such remaining payments to that Beneficiary.

## ARTICLE VII

### WITHDRAWALS

- 7.01 In the case of an unforeseeable emergency, a Participant may apply to the Committee for withdrawal of an amount reasonably necessary to satisfy the emergency need. If such application for withdrawal is approved by the committee the withdrawal will be effective at the later of the date specified in the Participant's application or the date of approval by the Committee. The approved amount shall be payable in a lump sum within thirty (30) days of such effective date or in some other manner consistent with the emergency need as determined by the Committee. Emergency withdrawals may not be available subsequent to commencement of certain benefit payments.
- 7.02 For the purposes of this Plan, the term "unforeseeable emergency" means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152 (a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Withdrawals for foreseeable expenditures normally budgetable, such as a down payment on a home or purchase of an auto or college expenses, will not be permitted. The Committee shall not permit withdrawal for unforeseeable emergency to the extent that such hardship is or may be relieved:
  - a. through reimbursement of compensation by insurance or otherwise;
  - b. by liquidation of the Participant's assets, to the extent the liquidation of such asset would not itself cause severe financial hardship; or
  - c. by cessation of deferrals under the plan.
- 7.03 In no event shall the amount of a withdrawal for unforeseeable emergency exceed the amount of benefits which would have been available to the Participant at the time of withdrawal. Notwithstanding any other provision of this Plan, if a Participant makes a withdrawal hereunder, the value of benefits under the Plan shall be appropriately reduced to reflect such withdrawal, and the remainder of any benefits shall be payable in accordance with otherwise applicable provisions of the Plan.

## ARTICLE VIII

### LEAVE OF ABSENCE AND MILITARY SERVICE

- 8.01 A Participant on an approved leave of absence with or without Compensation may continue to participate in the Plan subject to all the terms and conditions of the Plan; provided further, Compensation may be deferred for such Participant if such Compensation continues while the Participant is on an approved leave of absence.
- 8.02 This plan will be administered in accordance with Code Section 414(u) for employees who return to work after absences from employment due to military service. This includes make-up contributions that were not made during the employee's period of military service. Contributions made up will be subject to the annual contribution limitations for the year in which they relate, rather than the year they are made.

## ARTICLE IX

### NON-ASSIGNABLE CLAUSE

Neither the Participant nor any other person shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights thereto are expressly declared to be unassignable and nontransferable. Nor shall any unpaid benefits be subject to attachment, garnishment or execution for payment of any debts, judgments, alimony or separate maintenance owed by the Participant or any other person or be transferable by operation of law in the event of bankruptcy or insolvency of the Participant or any other person.

## ARTICLE X

### AMENDMENT OR TERMINATION OF PLAN

- 10.01 The Employer may terminate or amend the provisions of this Plan at any time; provided however, no termination or amendment shall affect the rights of a Participant or a Beneficiary to the receipt of benefits with respect to any Compensation deferred before the time of the termination or amendment, as adjusted for the investment experience of the Investment Product of the Designated Institution prior to or subsequent to the termination or amendment.
- 10.02 Upon termination of the Plan, the Participants in the Plan will be deemed to have withdrawn from the Plan as of the date of such termination. The full Compensation of all Participants will be thereupon restored on a non-deferred basis. The Employer shall not distribute Plan benefits at the time of such termination; the Employer shall rather retain all amounts of Deferred Compensation and shall only pay or dispose of Plan benefits as otherwise provided in the Plan and according to the terms and conditions of the Plan.



ARTICLE XI

PLAN-TO-PLAN TRANSFERS

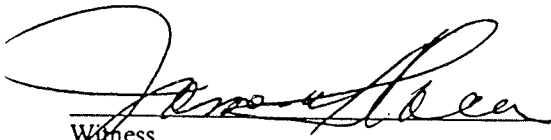
- 11.01 This Plan shall accept for transfer amounts of Compensation previously deferred pursuant to another "eligible" plan of deferred compensation established pursuant to Section 457 of the Code maintained by another employer.
- 11.02 If the Participant separates from service to accept employment with or perform services for another employer which maintains an "eligible" plan of deferred compensation pursuant to Section 457 of the Code, the amounts deferred under this Plan shall, at the Participant's election, be transferred to such other "eligible" plan, provided such other plan provides or is able to provide for the acceptance of such amounts. The Participant's election to transfer must be made prior to the date benefits would otherwise become payable pursuant to the terms of this Plan.


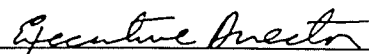
ARTICLE XII

APPLICABLE LAW

The Plan shall be construed under the laws of the State of Missouri.

IN WITNESS WHEREOF, the Employer has caused this amendment to be signed and attested to by its duly authorized officer on the 21<sup>st</sup> day of March, 19 97.

  
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Witness

  
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Signature  
  
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Title

