

County of Cook, IL

PARTICIPATION AGREEMENT, PAYROLL DEDUCTION AUTHORIZATION AND SERVICE REQUEST FOR DEFERRED COMPENSATION PLAN

CIRCLE ONE 0053 0053 0053 005301 Entity Number (Corp) (Health) (Pension) (Forest Preserve)

Dept. Dept. # Employee #

Work Location/Address:

Dept. Change From Dept. Dept. # To Dept. Dept. #

PLEASE READ THE REVERSE SIDE OF THIS FORM PRIOR TO COMPLETION

Social Security Number M F Sex

Month Day Year Date of Birth Includible Compensation

FOR PAYROLL CENTER USE ONLY Code 98 (50+ Catch Up) Code 99 (3-year Catch Up) Dollar Amount Pay Period Percent

NAME (Last) (First) (MI)

ADDRESS Additional Mailing Information

City State Zip Code

Home Phone Number Work Phone Number Extension E-mail Address

TYPE OF REQUEST: New Increase Decrease Allocation Change\* Reinstatement Name Change\*\* Address Change Beneficiary Change Catch-Up, 3 yr. Catch-Up, Age 50+

\* Allocation changes will be processed upon receipt and effective with first payroll movement after receipt. \*\* Name change requires acceptable legal proof of the change (e.g., copy of marriage certificate, driver's license, order of legal name change from court) must accompany this form.

FREQUENCY: Bi-Weekly (Z)-26 Start Deferral on Pay Period Ending Date: Deferrals can start or increase no earlier than the first day of the month following the date that this application is signed.

FUNDING OPTIONS - Only for New Business or Allocation Changes (MUST BE IN WHOLE % AND TOTAL 100%)

DEFERRAL SUMMARY table with columns: OLD, NEW, Investment Amount, Universal Life\*, SUB TOTAL, SPECIAL AMOUNT, TOTAL DEFERRAL PER PAY PERIOD, SPECIAL/CATCH-UP PAY PERIOD ENDING DATES, NEXT YEAR DEFERRAL AMOUNT

- ASSET ALLOCATION: Vanguard LifeStrategy Growth Fund, Vanguard LifeStrategy Moderate Growth Fund, Vanguard LifeStrategy Conservative Growth Fund
INTERNATIONAL: American Funds: Capital World Growth & Income Fund (Class R4), American Funds: EuroPacific Growth Fund (Class R4)
SMALL CAP: Dreyfus Premier Small Cap Value Fund (Class R), Dreyfus Small Cap Stock Index Fund, William Blair Small Cap Growth Fund (Class I)
MID CAP: Ariel Appreciation Fund, Franklin Balance Sheet Investment Fund (Class A), Heritage Mid Cap Stock Fund (Class A), JP Morgan Mid Cap Value Fund (Select Shares)
LARGE CAP: American Century Large Company Value Fund (Investor Class), American Funds: Growth Fund of America (Class R4), Davis New York Venture Fund (Class Y), Fidelity Contrafund, Vanguard Institutional Index Fund (Institutional Shares), Van Kampen Growth and Income Fund (Class A)
BONDS: PIMCO Total Return Fund (Administrative Shares)
FIXED/CASH: Cook County Blended Fixed Option, Hartford Fixed Option
100% Must total 100%

Use this section only if a percentage deferral is desired Gross taxable compensation per pay X Percent per pay period % = \$ Approximate deferral per pay

CHANGES IN UNIVERSAL LIFE COVERAGE\* Policy # Increase Old Face Amount \$ Decrease New Face Amount \$ Cancel (Select One) No Surrender Value Refund Surrender Value to Deferred Compensation Account\*\* Stop Deferral Flow/Keep Policy Active Until Surrender Value Is Exhausted

\*Increases in face or benefit amounts require a new life application. Indicate changes in deferral amounts in the deferral summary above. \*\*Amount refunded will be applied to your account according to current contribution allocation. LIFE INSURANCE OPTIONS ARE NOT AVAILABLE TO NEW APPLICANTS

BENEFICIARY DESIGNATION

Any changes in the beneficiary designations supersede all prior beneficiary designations. If you do not indicate a percentage split, payments will be distributed in substantially equal amounts. Percentage split must be whole percentages.

Table with columns: NAME, SPLIT %, DATE OF BIRTH, RELATIONSHIP. Rows for Primary Beneficiary(ies) and Contingent Beneficiary(ies).

I authorize my Employer to reduce my salary by the above amount which will be credited to the County of Cook Employees Deferred Compensation Plan. The reduction will continue until otherwise authorized in accordance with the Plan. The percentage withholding of my deferred amount by my Employer and its payment to the designated investment option(s) will be reflected in the first pay period contingent on the processing of this application by the Plan Administrator in conjunction with the set-up time required by my payroll center. Deferrals can start or increase no earlier than the first day of the month following the date that this application is signed. The reduction is to be allocated to the fund options in the percentages indicated above, or as otherwise directed according to my most recent allocation instructions.

I HAVE READ AND UNDERSTAND EACH OF THE STATEMENTS ON THE FRONT AND BACK OF THIS FORM, WHICH HAS BEEN DRAFTED IN COMPLIANCE WITH SECTION 457 OF THE INTERNAL REVENUE CODE. I ACCEPT THESE TERMS AND UNDERSTAND THAT THESE STATEMENTS DO NOT COVER ALL THE DETAILS OF THE PLAN OR PRODUCTS.

Participating Employee's Signature Social Security Number Date Enroller Signature Number Accepted for the County of Cook, Principal

## County of Cook

### EMPLOYEES DEFERRED COMPENSATION PLAN MEMORANDUM OF UNDERSTANDING

The purpose of this memo is to ensure that you fully understand the major terms, restrictions and costs of the County of Cook Employees Deferred Compensation Plan. However, it does not cover all the details of the Plan. Please refer to the Plan Document for specific details.

I understand and acknowledge the following:

- I. I understand that my participation in the Plan is governed by the terms and conditions of the Plan Document.
- II. A copy of the Plan Document and fund prospectus(es) were made available to me.
- III. The total annual deferral amount to all 457 plans is the lesser of \$15,500 for calendar year 2007 or 100% of includible compensation. The maximum annual deferral amount will remain at \$15,500 until such time as the U.S. Treasury Department announces a cost of living increase. Under certain circumstances, additional amounts above the limit may be deferred into the Plan if (1) I will attain age 50 or older during the calendar year, or (2) I am within three years of Normal Retirement Age and did not defer the maximum amount in prior years. The Plan Document provides additional details about deferral limits. Deferrals in excess of maximum amounts are not permitted and will be considered taxable income when refunded. It is my responsibility to ensure my deferrals do not exceed the annual limit. Contributions to other Section 457 plans may limit the maximum amount I may defer under the Plan.
- IV. I understand that all funds held pursuant to the Plan are held in a trust, custodial account or annuity contract for my exclusive benefit or the benefit of my beneficiaries. I may withdraw funds from the Plan only upon severance from employment; at age 70 1/2 (if deferrals have been permanently stopped); upon an unforeseeable emergency approved by the Plan; or I may take a one time in-service withdrawal if all of the following are true: 1) my account value is \$5,000 or less (as adjusted), 2) I have not deferred into the Plan for two or more years, and 3) I have not taken a withdrawal of this type previously. In some cases withdrawal for purchase or repayment of service credits in a Governmental Defined Benefit Plan (pension) may be permitted. Additionally, funds may be withdrawn upon my death. All withdrawals of funds must be in compliance with the Internal Revenue Code and applicable regulations, some of which are expressed in the Plan Document.
- V. My distributions must begin no later than April 1st following the year I reach age 70 1/2. If I work beyond age 70 1/2, my distributions must begin no later than April 1st following the year I sever from employment or retire. All distributions are taxable as ordinary income and subject to income tax in the year received. My distributions must be made in a manner that satisfies the minimum distribution requirements of IRC Sec. 401(a)(9), which currently requires benefits to be paid at least annually over a period not to extend beyond my life expectancy. **Failure to meet minimum distribution requirements may result in the payment of a 50% federal excise tax.**
- VI. I understand that all products are optional. The Life Insurance Option is not available unless a fixed and/or mutual fund option is chosen.
- VII. I understand I must defer a minimum of \$20 per month into the Plan to satisfy minimum Plan requirements.
- VIII. I understand that no changes will be effective until they are processed in the Public Sector Service Center.
- IX. Participants enrolling or electing to increase 457 deferrals must provide includible compensation data acceptable to NRS and must notify NRS of any subsequent decrease in includible compensation.
- X. I understand that if an allocation is made to a closed or unavailable investment option or the total investment option allocation is less than or greater than 100% my application will be rejected and my allocations will not be processed.
- XI. I understand that I may make changes among the investment options within my account as frequently as daily, but any change may be subject to the restrictions of the Plan and/or the investment provider. Changes may be made by calling 1-312-443-1975 or logging on to [www.cookcountydcc.com](http://www.cookcountydcc.com).
- XII. The funds in my account may be eligible for rollover to a traditional IRA or to an eligible retirement plan. The "Special Tax Notice Regarding Plan Payments" provides detailed information about my options. Due to important tax consequences related to distributions, I understand that I should consult a tax advisor. I expressly assume the responsibility for tax consequences relating to any distribution, and I agree that neither the Plan nor the plan administrator shall be responsible for those tax consequences.

#### COOK COUNTY BLENDED FIXED OPTION

- I. The Cook County Blended Fixed Option is comprised of products offered by Nationwide Life Insurance Company.
- II. The interest yield will be declared each quarter and will be blended based upon the interest yields provided by and the assets in each contract.
- III. Direct exchanges are not permitted from the Cook County Blended Fixed Option to the Hartford Fixed Option. Exchanges out of the Cook County Blended Fixed Option are permitted only to non-competing mutual funds. Upon an exchange from the Cook County Blended Fixed Option to a non-competing mutual fund, the Plan prohibits exchanges to the Hartford Fixed Option for 90 days.

#### HARTFORD FIXED OPTION

- I. A guaranteed interest yield is declared quarterly, guaranteed for the quarter, and credited daily.

#### MUTUAL FUND OPTIONS

- I. I understand that the Net Asset Value of a mutual fund changes on a daily basis and that there is no guarantee of principal or investment return.
- II. The value of amounts allocated to mutual fund options will vary depending upon the value of the chosen mutual funds and could result in either a gain or loss. I have received and reviewed the participating fund prospectuses.
- III. I understand that pursuant to the Plan Document, deferred amounts will be invested per my selection of funding options specified on the Participation Agreement or as otherwise amended.
- IV. Some mutual funds may impose a short term trade fee. Please read the underlying prospectuses carefully.

#### UNIVERSAL LIFE INSURANCE OPTION (CLOSED TO NEW APPLICANTS)

- I. For coverage greater than \$100,000 or unacceptable under the applicable underwriting standards, an application must be fully underwritten by the life insurance company. There is no coverage until the company issues an Evidence of Insurance with an effective date stated therein.
- II. All other coverage which is acceptable under the applicable underwriting standards, as specified on the life insurance application, will be effective 75 days from the date the application and the participation agreement are signed. The coverage will be cancelled should the life insurance company not receive the first premium within 100 days from the date that the application is signed.
- III. A cost of insurance is deducted monthly from the policy based on current mortality charges. This charge is based on the 1980 COMMISSION STANDARD ORDINARY tables. Also deducted monthly is an administrative expense charge of \$2.50 and an expense charge of 3% of the total premium remitted during the current month.
- IV. A surrender charge may be assessed at the time of withdrawal.
- V. During the first policy year, interest will be credited according to a guaranteed first year interest rate. Thereafter, Excess Interest (interest above 4%) will be credited on all UL Plus (1995) policies based on a Company declared rate.
- VI. Any withdrawals or death benefit proceeds are taxable as ordinary income. Upon transfer of policy ownership, the cash surrender value will be taxed as ordinary income. The life insurance surrender value, in case of distribution under the Plan, may be less than the total contribution to the date of distribution under this life insurance option. **Universal Life is designed as a long-term contract, not to fulfill short-term savings or short-term life insurance needs.**
- VII. If the life insurance coverage applied for cannot be issued, or if the policy terminates because of a deficiency in premium, my continuing deferrals will be credited to the funding option(s) based on my then current allocation (unless I notify the Plan Administrator otherwise). For Life applications that require further underwriting, I authorize NRS to credit my life insurance deferrals to the other options I have selected. If coverage is approved, NRS has my permission to then remit the required premium to the life insurance company. In addition, I agree that any life insurance deferrals that are redirected, either pending approval of coverage or due to rejection of coverage, shall remain in those other options.
- VIII. I understand my policy may lapse due to insufficient premium relating to changes in my deferral flow.
- IX. No more than 25% of my deferrals can be used to purchase life insurance.