



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item # 8.3a

Meeting Date: August 18, 2011

Subject: Resolution No. 2674: Resolution Amending, Restating, and Terminating the Sacramento City Unified School District Supplemental Retirement Plan and Trust and Delegating Authority to Administer the Sacramento City Unified School District Supplemental Retirement Plan and Trust

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: District Counsel.

Recommendation: Approve Resolution No. 2674: Resolution Amending, Restating, and Terminating the Sacramento City Unified School District Supplemental Retirement Plan and Trust and Delegating Authority to Administer the Sacramento City Unified School District Supplemental Retirement Plan and Trust

Background/Rationale: The assets of the CASA Retirement Plan are currently in the custody of the Superior Court. The settlement agreement resolving the CASA litigation provides that SCUSD receive a specified amount of the assets in the CASA Plan, and that those assets be transferred from the court into a new qualified plan adopted by SCUSD. On April 10, 2008, the Board of Education adopted the SCUSD Supplemental Retirement Plan and Trust ("Supplemental Plan") for the purpose of receiving the CASA Plan assets pursuant to the settlement.

Implementation of the settlement agreement was conditioned upon the IRS issuing various written assurances, including treatment of the CASA Plan assets and the qualified status of the Supplemental Plan adopted by SCUSD. The IRS issued the last of the required assurances in April of 2011. The IRS determination letter for the Supplemental Plan is conditioned upon the plan being amended to adopt certain technical amendments to the rollover provisions of the plan. Additionally, the Supplemental Plan needs to be amended to make corrections to the benefit schedules included at the time the plan was originally adopted.

The proposed resolution will also terminate the Supplemental Plan. Termination of the Supplemental Plan is necessary to trigger the plan distributions that are specified in the settlement agreement. Termination of the plan is also a necessary step for eliminating liability under the plan. Once all of the specified benefits are paid, the trust can be terminated and SCUSD will have no further obligations under either the plan or the trust.

Finally, on July 29, 2011, the court ordered release of the CASA Plan assets pursuant to the terms of the settlement. Distribution of these funds means that the District must now take action to establish an appropriate account to receive the funds, liquidate investment contracts and prepare for plan distributions. The proposed resolution creates a committee to which the Board can delegate these administration duties.

Financial Considerations: Approval of the amended and restated plan and delegation of the administrative duties under the plan are logistical steps required as part of the settlement process. Any financial institution that is selected as an institutional trustee will charge fees for its services. These fees can be paid from the assets held in the plan. The steps described in the proposed resolution should have no impact on the District's general fund.

Documents Attached:

1. Proposed Resolution 2674
2. Executive Summary
3. Proposed Amended and Restated Supplemental Plan Document

Estimated Time of Presentation: 10 Minutes

Submitted by: District Counsel

Approved by: Acting Superintendent

**BOARD OF EDUCATION
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

RESOLUTION NO. 2674

**RESOLUTION AMENDING, RESTATING, AND TERMINATING THE
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT SUPPLEMENTAL
RETIREMENT PLAN AND TRUST AND DELEGATING AUTHORITY TO
ADMINISTER THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SUPPLEMENTAL RETIREMENT PLAN AND TRUST**

WHEREAS, the Sacramento City Unified School District adopted the Sacramento City Unified School District Supplemental Retirement Plan and Trust (the "Supplemental Plan") by Resolution No. 2509 of the Sacramento City Unified School District Board of Education on April 10, 2008; and

WHEREAS, the Sacramento City Unified School District (the "District") subsequently submitted an application for a Determination Letter to the Internal Revenue Service on behalf of the Supplemental Plan; and

WHEREAS, the Internal Revenue Service has issued a favorable Determination Letter to the District on behalf of the Supplemental Plan based, in part, upon adoption of a technical amendment to the rollover provisions of the Supplemental Plan; and

WHEREAS, the Supplemental Plan is designed to pay a benefit, specified in Appendix A, Schedule 1, to Participants in accordance with the Settlement Agreement approved by the California Superior Court, County of Contra Costa on April 29, 2008 ("Settlement Agreement"), and no Participant may accrue additional benefits under the Supplemental Plan; and

WHEREAS, in the Supplemental Plan the benefit of one individual was listed as "TBD" or "to be determined" and that benefit has been agreed upon pursuant to a separate and subsequent settlement agreement approved by the California Superior Court, County of Contra Costa on February 12, 2009; and

WHEREAS, the obligation to provide benefits to the three individuals listed in Appendix A, Schedule 2, has been satisfied by the purchase of an annuity for each individual by the California Administrative Services Authority Retirement Plan (the "CASA Plan"); and

WHEREAS, the liability for the benefits previously listed in Appendix A, Schedule 2, is not being transferred to the Supplemental Plan; and

WHEREAS, the Supplemental Plan has been restated (a) to incorporate the technical amendment to the rollover provisions, (b) to specifically list the benefit amount previously listed as "TBD"; and (c) to delete the references to Appendix A, Schedule 2; and

WHEREAS, compliance with the terms of the Settlement Agreement and the best interest of the Supplemental Plan Participants and Beneficiaries requires that assets be transferred from the CASA Plan to the Supplemental Plan as expeditiously as possible and for benefits to be paid to Participants and Beneficiaries as soon as administratively feasible; and

WHEREAS, benefits cannot be paid in the near future to all Participants unless the Supplemental Plan is terminated; and

WHEREAS, benefits cannot be paid out in lump sums as required by the Settlement Agreement unless the Supplemental Plan is terminated; and

WHEREAS, the Board of Education acting in its capacity as the Plan Administrator has the right under the terms of the Supplemental Plan to amend or terminate the Supplemental Plan at any time; and

WHEREAS, the Board of Education has the authority to delegate responsibility for administration of the Plan to a person or to a committee.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Education hereby adopts the Restated Sacramento City Unified School District Supplemental Retirement Plan and Trust (the "Supplemental Plan"), a qualified retirement plan under Section 401(a) of the Internal Revenue Code, and authorizes and directs the Superintendent and Chief Business Officer of the District to execute the plan document; and

BE IT FURTHER RESOLVED, that the Board of Education authorizes termination of the Supplemental Plan on September 5, 2011, and distribution of benefits in compliance with the Settlement Agreement as soon as administratively feasible thereafter; and

BE IT FURTHER RESOLVED, that the Board of Education hereby establishes the Administrative Committee of the Supplemental Plan and appoints the following individuals to the Administrative Committee:

BE IT FURTHER RESOLVED, that the Board of Education directs and authorizes the Administrative Committee to take all actions necessary for the administration and termination of the Plan, including but not limited to the following:

- Selecting a financial institution to serve as a Directed Trustee to hold the assets of the Supplemental Plan;
- Aggregating Plan assets in Trust for the Supplemental Plan, including authorizing and directing the liquidation or sale of the ING contract and deposit of the proceeds into the Trust;
- Providing investment instructions to the Directed Trustee;
- Selecting a Third Party Administrator who will communicate with Participants, provide Participants with tax, rollover and other pertinent information relating to the distribution of benefits to the Participants;
- Authorizing distributions from the Trust of the Supplemental Plan to Participants in accordance with Appendix A, Schedule 1, of the Supplemental Plan after receipt of distribution instructions from Participants;
- Overseeing tax reporting for the Supplemental Plan;
- Establishing a process for maintaining Supplemental Plan records; and

BE IT FURTHER RESOLVED, that the Administrative Committee will submit a monthly report to the Board of Education on its administrative activities, including the distribution of Supplemental Plan benefits; and

BE IT FURTHER RESOLVED, that the Board of Education retains the authority to direct the transfer of Supplemental Plan assets to the District, which the Board intends to consider and direct after receipt and review of a report from the Administrative Committee indicating that benefits have been distributed in accordance with the terms of the Supplemental Plan.

PASSED AND ADOPTED by the Board of Education of the Sacramento City Unified School District at a regular meeting thereof duly held on this ____ day of August, 2011, by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

Gustavo Arroyo
President of the Board of Education

ATTESTED TO:

Jonathan P. Raymond
Secretary of the Board of Education

Board of Education Executive Summary

AMENDMENT AND TERMINATION OF SCUSD
SUPPLEMENTAL RETIREMENT PLAN AND DELEGATION
OF AUTHORITY TO ADMINISTER THE SUPPLEMENTAL
RETIREMENT PLAN



I. Overview/History:

In June of 2000, the District entered into a joint powers agreement with the Yolo County Office of Education for the establishment and operation of common management, administrative and employee welfare services programs, creating the California Administrative Services Authority ("CASA"). Confidential and administrative employees from both agencies were provided the option of transferring their employment to CASA and enrolling in the CASA Retirement Plan ("CASA Plan"). In March of 2004, CalPERS made an administrative finding that the election of employees to transfer to CASA was invalid where such individuals remained employees of the District or the Yolo County Office under applicable common law tests, and required that these individuals be retroactively enrolled into CalPERS for the entire period of their CASA service.

CASA and some of the affected employees disputed CalPERS' determination and contended that all such individuals were properly CASA employees. In June of 2004, the District filed suit to determine the employment status of individuals who elected to transfer to CASA and the status of funds that had been paid into the CASA Plan. Various settlement agreements have been approved by the parties and have also been approved by the court with jurisdiction over the case (collectively "Settlement Agreements"). Under the terms of the Settlement Agreements, the District's eligible CASA participants were retroactively re-enrolled into CalPERS for the period of their CASA service and will receive a compromised benefit amount through a new qualified plan controlled by the District.

In preparation for implementing the Settlement Agreements, on April 10, 2008, the Board adopted the Sacramento City Unified School District Supplemental Retirement Plan and Trust ("Supplemental Plan"). The Supplemental Plan is designed to receive the District's share of the CASA Plan assets and make the settlement payments approved by the court in the Settlement Agreements. No participant may accrue additional benefits under the Supplemental Plan.

Final implementation of the settlement agreement was conditioned upon the IRS issuing various written assurances, including treatment of the CASA Plan assets and the qualified status of the Supplemental Plan adopted by the District. The IRS issued the last of the required assurances in April of 2011. The favorable IRS determination letter for the Supplemental Plan is conditioned upon the plan being amended to adopt certain technical amendments to the rollover provisions of the plan. The proposed resolution will amend the Supplemental Plan as specified by the IRS.

Board of Education Executive Summary

Additionally, the Supplemental Plan needs to be amended to make corrections to the benefit schedules included at the time the plan was originally drafted and adopted. Appendix A, Schedule 1 of the Supplemental Plan currently lists “TBD” or “to be determined” as the benefit for one participant because there was no settlement agreement in effect with that participant at the time the Supplemental Plan was prepared. Appendix A, Schedule 2 of the plan lists the annuity benefits for three participants, which at that time were intended to be paid by the Supplemental Plan. However, the CASA Plan has since contracted for and funded these benefits and the liability for the benefits listed in Appendix A, Schedule 2 is not being transferred to the Supplemental Plan. Therefore, the Supplemental Plan needs to be amended to list the benefit amount previously listed as “TBD”, and to delete any references to Appendix A, Schedule 2.

Termination of the Supplemental Plan is required to trigger the plan distributions that are specified in the Settlement Agreements. Federal tax laws do not allow current employees below the minimum retirement age to receive their distributions unless the plan is terminated. Termination of the plan is also an important step for eliminating liability under the plan. Once the Supplemental Plan is terminated, the specified benefits can be paid out, and once all benefits are paid the trust can be terminated. Once the plan and the trust are terminated, the District will have no further obligations under the Supplemental Plan or trust.

Currently, the Board of Education is the sole Administrator of the Supplemental Plan. This means that all administrative duties under the plan will need to be decided by the Board at a regular or special meeting of the Board. These administrative decisions will include every task that is required for the operation of the Supplemental Plan and the payment of benefits. Now that it is time to implement the Settlement Agreements, these administrative decisions are likely to occupy a significant amount of the Board’s time unless the Board delegates its administrative authority to one or more persons. Additionally, if administrative decisions have to wait until the Board has a meeting, it will delay implementation of the Settlement Agreements while decisions are queued up for the semi-monthly meeting schedule. Delegation of administrative authority would allow operation of the Supplemental Plan to proceed without delay and result in a more rapid conclusion of the CASA matters.

It is recommended that the Board create a Administrative Committee of the Supplemental Plan and appoint two individuals to serve on this committee. The Board can then delegate administrative duties for the Supplemental Plan to the Administrative Committee. The Board could select two of its administrative employees, one administrator and one Board member, or two Board members to serve in this capacity. The individuals with delegated authority would periodically report back to the full Board regarding the status of the Supplemental Plan and actions taken under their delegated authority.

II. Driving Governance:

Board Policy 3312 recognizes that under applicable law, “to be valid or to constitute an enforceable obligation against the district, all contracts must be approved and/or ratified by the Governing Board.” As the agency that adopted the Supplemental Plan, any amendments to the Supplemental Plan must also be approved by the Governing Board.

Board of Education Executive Summary

Board Policy 3312 also specifies that “the Board may, by a majority vote, delegate the power to enter into contracts on behalf of the district to the Superintendent or designee.” All such contracts shall then be approved or ratified by the Board. The proposed resolution follows the parameters of Board Policy 3312 by delegating administrative authority for the Supplemental Plan subject to subsequent Board ratification.

Board Policy 3430 provides that the Superintendent or Chief Financial Officer may invest all or part of any special reserve funds. The proposed resolution follows the parameters of Board Policy 3430 by delegating authority to direct the investment of the Supplemental Plan assets for the short period of time that the assets are held prior to making distributions pursuant to the Settlement Agreements.

III. Budget:

Amendment and termination of the Supplemental Plan, as well as delegation of the administrative duties under the terminated plan, are necessary steps in the process of implementing the Settlement Agreements. It will be necessary to select a bank or other financial institution to accept deposit of the Supplemental Plan assets and to act as a trustee for the plan. The financial institution selected as trustee will charge fees for serving in this capacity. The agreement with the trustee will be negotiated by the person or persons appointed as the Administrative Committee and would then be submitted to the Board for ratification. The trustee’s fees can be paid out of the assets held by the Supplemental Plan.

IV. Goals, Objectives and Measures:

The objective of amending and terminating the Supplemental Plan is to facilitate implementation of the CASA Settlement Agreements. The settlement agreements have been approved by the court and are now a legal obligation. Amending the Loan Agreement will allow the loan funds to be used to satisfy obligations under the settlement agreements.

V. Major Initiatives:

This agenda item is not part of a major District initiative.

VI. Results:

The intended result is to make the funds borrowed under the loan agreement with CASA available for implementation of the settlement agreements with the former CASA participants.

VII. Lessons Learned/Next Steps:

- Board of Education: Adopt the proposed resolution and appoint one or more persons to serve on the Administrative Committee. (May be discussed in conjunction with agenda item 8.3b.)

Board of Education Executive Summary

- Superintendent: Execute the Amended and Restated Supplemental Plan Document.
- District Counsel: Circulate executed copies of documents to all parties.

**RESTATED SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SUPPLEMENTAL RETIREMENT PLAN AND TRUST**

Effective as of April 1, 2008

TABLE OF CONTENTS

| | | |
|-------------|--|----|
| SECTION 1. | ESTABLISHMENT AND PURPOSE OF THE PLAN | 1 |
| SECTION 2. | DEFINITIONS | 1 |
| SECTION 3. | ELIGIBILITY AND PARTICIPATION | 4 |
| SECTION 4. | PLAN BENEFITS | 4 |
| SECTION 5. | TIME AND FORM OF PAYMENT | 5 |
| SECTION 6. | ADMINISTRATION OF THE PLAN | 8 |
| SECTION 7. | ADMINISTRATION OF TRUST | 10 |
| SECTION 8. | BENEFIT LIMITATIONS | 19 |
| SECTION 9. | GENERAL PROVISIONS | 21 |
| SECTION 10. | MODIFICATION AND TERMINATION OF THE PLAN | 23 |
| SECTION 11. | CHOICE OF LAW | 25 |
| SECTION 12. | EXECUTION | 25 |
| | APPENDIX A | 26 |
| | APPENDIX B | 33 |

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SUPPLEMENTAL RETIREMENT PLAN AND TRUST**

SECTION 1. ESTABLISHMENT AND PURPOSE OF THE PLAN

The Sacramento City Unified School District Supplemental Retirement Plan and Trust (the "Plan") is hereby established, effective as of April 1, 2008, by the Sacramento City Unified School District (the "District"). The sole purpose of the Plan is to provide a retirement benefit to supplement a participant's benefits under the California Public Employees' Retirement System, as amended ("CalPERS") pursuant to the Settlement Agreement, which provides for a transfer of certain assets and liabilities from the CASA Plan (defined below). This Plan is intended to be a qualified retirement plan as provided in section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that no benefits will be paid from this Plan until the Plan Administrator has determined that such benefits will not jeopardize the qualified status of the Plan. Capitalized terms are defined in Section 2 of this Plan.

SECTION 2. DEFINITIONS

(a) "Accrued Benefit" shall mean, as of any date, that portion of a Participant's annual retirement benefit accrued as of such date and determined under the provisions of Schedule 1 to Appendix A, as applicable.

(b) "Actuarial Equivalent" or "Actuarial Equivalence" shall, unless specifically provided otherwise in this Plan, mean a benefit which is of equal value at the date of determination to the benefit for which it is substituted. Unless otherwise provided in this Plan, Actuarial Equivalence shall be calculated by using the "applicable mortality table" and the

“applicable interest rate” within the meaning of Code sections 417(e)(3)(A)(ii)(I) and 417(e)(3)(A)(ii)(II). The applicable interest rate to be applied shall be the appropriate published rate for the November preceding the first day of the Plan Year in which payments commence for the Participant’s distribution. The applicable interest rate determined for each successive Plan Year shall remain constant for that Plan Year. The aforementioned “applicable mortality table” shall be determined in accordance with Revenue Ruling 2001-62, which is incorporated in this Plan by reference. For purposes of calculating Actuarial Equivalence under this Plan, a Participant’s (or, if applicable, Beneficiary’s) age shall be determined in whole years (rounded down) as of the first day of the Plan Year of the date of determination.

(c) “Beneficiary” means the person or persons designated by a Participant in writing, at the time and in the manner provided by the Plan Administrator, to receive payments under the Plan in the event of the Participant’s death. A Participant may change the designation of a Beneficiary at the time and in the manner provided by the Plan Administrator; any such change shall revoke and supersede all earlier Beneficiary designations. Any Beneficiary designation must be received by the Plan Administrator prior to the Participant’s death to be valid. If no Beneficiary is designated, the Beneficiary shall be the Participant’s surviving spouse, and if there is no surviving spouse the Beneficiary shall be the Participant’s estate.

(d) “Board” means the Board of Education of the District.

(e) “CalPERS” shall mean the California Public Employees’ Retirement System.

(f) “CASA” shall mean the California Administrative Services Authority.

(g) “CASA Plan” shall mean the California Administrative Services Authority Retirement Plan.

(h) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(i) “District” shall mean the Sacramento City Unified School District.

(j) “IRS” shall mean the Internal Revenue Service.

(k) “Normal Retirement Age” shall mean the date the Participant attains age 55.

(l) “Participant” shall mean an individual listed by identification number on Appendix A and who participates, or previously participated, as an active member in CalPERS.

(m) “PERL” shall mean the Public Employee Retirement Law (California Government Code section 20000 *et seq.*).

(n) “Plan” shall mean this Sacramento City Unified School District Supplemental Retirement Plan and Trust.

(o) “Plan Administrator” shall mean the Board acting on behalf of the District.

(p) “Plan Year” shall mean the 12-month period ending June 30 of each year; provided, however, that the first Plan Year shall be the period extending from April 1, 2008 through June 30, 2008.

(q) “Settlement Agreement” shall mean the release and settlement agreement entered into by CASA, the District, the Yolo County Office of Education, the Yolo County Board of Education and those individual defendants who elect to participate in the Settlement Agreement.

(r) "Trust" shall mean the trust established pursuant to the terms of this Plan to hold the Plan's assets as provided in Section 7.

(s) "Trustee" shall mean the trustee or trustees appointed by the Board to hold and invest assets under the Trust.

SECTION 3. ELIGIBILITY AND PARTICIPATION

Participation in the plan shall be limited to District employees or former employees who currently participate, or previously participated, as active members of CalPERS, who elected to participate in the Settlement Agreement, who are identified by Employee Identification Number in Schedule 1 to Appendix A, and who meet the requirements of Schedule 1 to Appendix A. A Participant shall commence participation in this Plan as provided in Schedule 1 to Appendix A. A Participant's participation in this Plan shall cease when all of Participant's Accrued Benefits under this Plan have been distributed.

SECTION 4. PLAN BENEFITS

(a) Amount of Benefit. Each Participant shall be entitled to receive a benefit determined in accordance with Schedule 1 to Appendix A which is intended as a supplemental benefit to the Participant's CalPERS benefit. A Participant's benefit under this Plan shall be payable to the Participant or, if applicable, to the Participant's Beneficiary.

(b) Vesting. Any benefit provided under this Plan shall be immediately fully vested and nonforfeitable.

SECTION 5. TIME AND FORM OF PAYMENT

(a) General Rule. Unless elected otherwise or as provided below, upon attainment of Normal Retirement Age, a Participant's vested Accrued Benefit shall be payable in the form of a single life annuity payable monthly which, in the case of Participants listed by Employee Identification Number in the Table at the end of Schedule 1 to Appendix A, shall be the Actuarial Equivalent of the lump sum benefit amount set forth opposite the Participant's Employee Identification Number; provided, however, that any Participant who elected to receive a lump-sum distribution as part of his or her election to participate in a Settlement Agreement shall receive a lump-sum distribution.

(b) Minimum Distribution Requirements. All distributions under this Plan shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder as set forth in Appendix B.

(c) Mandatory Cashouts

(i) Notwithstanding any other provision of the Plan to the contrary, the Participant shall receive a lump sum cash payment equal to the Actuarial Equivalent present value of his or her vested Accrued Benefit in the following circumstances:

(A) if, as of the earlier of the date set forth in Section 5(a) or the date the Participant elects to begin receiving payment under Section 5(c), the Actuarial Equivalent lump sum present value of the Participant's vested Accrued Benefit does not exceed \$5,000; or,

(B) if, as of the date of the termination of the Plan, the Actuarial Equivalent lump sum present value of the Participant's vested Accrued Benefit does not exceed \$100,000.

(ii) Notwithstanding Section 5(c)(i) above, in the event of a "mandatory cashout" greater than \$1,000 made in accordance with the provisions of this Section, if the Participant does not elect to have such distribution paid in a direct rollover to an eligible retirement plan (as defined in Code section 401(a)(31)(E)) specified by the Participant or to receive the distribution directly, then the Administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator. A "mandatory cashout" means any distribution made to a Participant without the Participant's consent. Distribution to a Participant's surviving spouse or other Beneficiary or to an alternate payee under a qualified domestic relations order is not a "mandatory cashout" for purposes of this paragraph.

(d) Optional Forms of Payment.

(i) A Participant whose Employee Identification Number is listed in Schedule 1 to Appendix A may elect to receive payment of his or her Accrued Benefit in a single lump sum payment which shall equal the amount set forth next to such Participant's Employee Identification Number and which shall be the Actuarial Equivalent of the single life annuity payable under Section 5(a).

(e) Optional Times of Payment. Notwithstanding Section 5(a) or any other provision of this Plan to the contrary, a Participant may elect to receive, or to begin receiving, his/her vested Accrued Benefit no earlier than his/her Normal Retirement Age or the termination of

his/her service with the District and no later than his/her Required Beginning Date as defined in Section B.6.4 of Appendix B.

(f) Survivor's Benefits. In the event of a Participant's death prior to commencement of benefits, the Participant's Beneficiary shall receive a cash single lump sum payment of the Participant's remaining Accrued Benefit under the Plan, as determined by the Plan Administrator, payable as soon as administratively practicable after the Participant's death.

(g) Eligible Rollover Distributions. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 5(h), a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution within the meaning of section 401(a)(31)(D) AND 408a(E) of the Code paid directly to an eligible retirement plan within the meaning of section 401(a)(31)(E) of the Code, as specified by the distributee in a direct rollover. For purposes of this Section 5(h), a distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p) are distributees with regard to the interest of the spouse or former spouse.

SECTION 6. ADMINISTRATION OF THE PLAN

(a) Plan Administration. The Plan shall be administered by the Plan Administrator.

(b) Authority of Plan Administrator.

(i) The Plan Administrator has the authority to control and manage the operation and administration of the Plan. The Plan Administrator shall have the sole discretion to interpret the terms of the Plan and determine eligibility under the Plan. The Plan Administrator shall prescribe such forms and shall adopt such rules, interpretations and procedures and shall take such other actions to administer the Plan as it deems appropriate. Such rules, interpretations and procedures shall be conclusive and binding on all persons claiming an interest in the Plan.

(ii) With respect to the control and management of the assets of the Plan, the Plan Administrator shall have:

(A) the duty to appoint one or more Trustees to hold the assets of the Plan in trust and to enter into a trust agreement with each Trustee with respect to the assets held in trust thereunder;

(B) the authority to appoint one or more insurance companies to hold assets of the Plan in custody and to enter into a contract with each insurance company so appointed with respect to the assets held in custody thereunder;

(C) the authority to appoint one or more investment managers, for any assets held in trust pursuant to the Plan and to enter into a contract with each such investment manager with respect to management of such assets as are to be managed by such investment manager; and

(D) the authority to remove any Trustee, insurance company or investment manager it has appointed.

The Trustee shall have the exclusive authority and discretion to manage and control the assets of the Plan held in trust by it, except to the extent that the authority to manage, acquire and dispose of such assets is allocated by the Plan Administrator to one or more investment managers. Each investment manager shall have the power to manage, including the power to acquire and dispose of, those assets held in trust pursuant to the Plan and Trust which are assigned to it by the Plan Administrator.

(c) Responsibilities of the Plan Administrator. The Plan Administrator may delegate any of its responsibilities under the Plan to another person or persons pursuant to a written instrument which specifies the responsibilities so delegated to each such person.

(d) Engagement of Services of Others. The Plan Administrator may engage the services of such persons or organizations to render advice or perform services with respect to its responsibilities under the Plan as it shall determine to be necessary or appropriate. The Plan Administrator shall be entitled to rely conclusively upon all tables, valuations, certificates and reports furnished by any actuary or accountant engaged by the Plan Administrator and upon all opinions of counsel or other experts, and they and each of them shall be fully protected as to any

action taken or suffered by them in good faith in reliance upon any such tables, valuations, certificates, reports or opinions.

(e) Service Capacity. Any person or group of persons may serve in more than one capacity with respect to the Plan, including service as both Trustee and Plan Administrator.

(f) Expenses of the Plan Administrator. All expenses incurred by the Plan Administrator in connection with the administration of the Plan will be paid by the Trust unless the Trustee declines such payment, and in such case the expenses will be paid from by the District.

SECTION 7. ADMINISTRATION OF TRUST

(a) Trust Fund

(i) Trust Fund. The District shall establish and maintain a retirement fund under this document to carry out the purposes of the Plan. The Board shall select the Trustee, who may be one or more individuals, a corporate trustee or trustee, or both. The District may modify any such trust agreement(s) from time to time.

(ii) Insurance Contracts. In addition to establishing and maintaining the Trust Fund, the District may contract directly with, or cause the Trustee to contract with, an insurance company. Any contract with an insurance company may be a group annuity contract, guaranteed investment contract, deposit administration contract, or other type of contract commonly used to fund retirement benefits.

(iii) Investment Manager and Custodian. At any time, the Trustee may appoint one or more investment managers. Furthermore, the Board may appoint one or more custodians

to hold any part or all of the Trust. An investment manager appointed pursuant to this Section may direct the investment of all or such portion of the Trust placed in the discretion of the investment manager in securities or other properties as are selected by the investment manager, and may direct the Trustee (or custodian) to sell any securities or other property of the Trust placed in its discretion. The Trustee or custodian, as the case may be, shall act on all such recommendations of the investment manager, and the Trustee and custodian shall have no fiduciary liability for acting in accordance with such recommendations or for the retention of any securities or properties so purchased. In directing investments, the investment manager shall diversify the investments so as to minimize the risk of large losses, unless under the circumstances and in the opinion of the investment manager, it is clearly prudent not to do so. Notwithstanding any other provision of the Plan or any trust agreement, a Trustee other than the Board shall be fully protected in relying upon the certification of the Board with respect to the appointment of such investment manager and it shall not be the responsibility of such Trustee to determine or review investment instructions given by the investment manager. Similarly, any custodian appointed shall assume no liability for acting in accordance with the directions of the investment manager.

(b) Contributions

(i) Amount. The initial contribution shall consist of a transfer from the CASA Plan as directed by the court following its approval of the Settlement Agreement. In the event that the assets transferred from the CASA Plan are insufficient to pay the benefits promised under the Plan, the District may make such contributions to the Plan from time to time for the purpose of providing benefits, which should maintain the Plan at an amount determined from time to time by the District, after consultation with the Plan's actuary, as the amount

necessary to keep the Plan sufficiently funded. Forfeitures arising under the Plan because of severance of employment before a Participant becomes eligible for a benefit under the Plan, or for any other reason, shall be applied to reduce the cost of the Plan, not to increase the benefits otherwise payable to Participants.

(ii) Irrevocability. Subject to Section 10(b) and this paragraph, all contributions made by the District to the Plan shall be used and applied for the exclusive benefit of Participants and their beneficiaries, and such contributions shall not be used for, nor diverted to, purposes other than for such exclusive benefit of the Participants and their beneficiaries; provided, that for this purpose, payment of administrative expenses by the Plan, as described in Section 6(f), to the extent not paid by the District, shall be considered paid for such exclusive benefit. A contribution made to the Plan by the District may be returned within one (1) year after payment, to the District, upon direction of the Board, if such contribution is made by the District by mistake of fact.

(c) Authority and Power of Trustee

Subject to such instructions, rules and restrictions as may be adopted by the District and communicated to the Trustee (if other than the Board):

(i) the Trustee shall have the exclusive authority and discretion to control and manage the assets of the Plan held in trust by it, except to the extent that the District exercises its authority to direct investment of the Plan's assets, or that the authority to manage such assets is allocated by the District to one or more investment managers. Each investment manager appointed by the District shall have the authority to manage, including the power to acquire and dispose of, such assets of the Plan as are assigned to it by the District.

(ii) The Trustee shall have the following powers:

(A) Investment Powers. To hold, manage and control the assets of the Trust, subject to the directive of the District. The Trustee may improve, lease for any term irrespective of the duration of the Trust, rent, sell, exchange, hold, control, invest and reinvest the same in such manner and upon such terms as the Trustee deems best, including (without limitation of these powers) the power to purchase shares in investment trusts or stock in corporations. The Trustee is authorized to hold cash uninvested from time to time. The Trustee shall not be personally liable upon any contract of indebtedness of or claim against the Trust or upon a mortgage, trust deed, note or other instrument executed under the provisions of this Plan.

(B) Holding and Transferring Real Estate. To take and hold title to real estate or interests therein in the Trustee's name or in the name of the Trustee's nominee without disclosing the Trust; and in accepting title to the real estate, neither the Trustee nor the Trustee's nominee shall be held to have assumed the payment of any encumbrances thereon, nor any responsibility as to the validity of the title conveyed to or held by the Trustee or the Trustee's nominee. All conveyances executed and delivered by the Trustee or the Trustee's nominee shall be without covenants of warranty except as against the Trustee's own acts.

(C) Voting and Related Powers. To vote any stocks, bonds, or other securities held by the Trust, to give general or special powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise

any of the powers of an owner with respect to stocks, bonds, securities or other property held in the Trust.

(D) Claims by or Against the Trust. To sue or defend in any suit or legal proceedings by or against the Trust. The Trustee shall have full power in the Trustee's discretion to compound, compromise and adjust all claims and demands in favor of or against the Trust upon such terms as the Trustee may deem best. In the administration of the Trust, the Trustee shall not be obligated to take any action which may subject the Trustee to any expense or liability unless the Trustee is first indemnified to the Trustee's satisfaction for all expenses and liabilities, including attorneys' fees, which the Trustee may incur in connection with such action.

(E) Nominee. To register any investment held in the Trust in the Trustee's own name or in the name of a nominee and to hold any investment in bearer form; provided, however, that the books and records of the Trustee shall at all times show that all such investments are part of the Trust, and provided further that such registration or holding shall neither increase nor decrease the liability of the Trustee.

(F) Employment of Agents. To employ such agents, attorneys-in-fact, experts and investment and legal counsel, including any firm or corporation with which the Trustee may be associated as a partner, director, stockholder or otherwise, and to delegate discretionary powers to or to rely upon information or advice furnished by such agents, attorneys-in-fact, experts or counsel.

(G) Execution of Instruments. To execute and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted, and to perform any and all acts that may be necessary or convenient in the proper administration of the Trust.

(H) Collective Investment Trust. To commingle assets of the Trust with assets of other trusts, which in each case form a part of a pension or profit-sharing plan qualified under the Code and constitute an exempt trust within the meaning of the Code, (i) through the medium of any collective investment trust for employee benefit trusts established and maintained by any bank, or, to the extent permitted by law, or (ii) through the medium of any collective investment trust for employee benefit trusts established and maintained by any trust company. To the extent of the equitable share of this Trust in any such investment trust, the instrument establishing such investment trust, as the same has been or may be amended, and the trust maintained thereunder, shall be deemed a part of this Plan and Trust as if fully set forth herein.

(I) Necessary Acts. To do all acts whether or not expressly authorized which may be necessary or proper for the protection of the property held hereunder or for the carrying out of any duty under this Plan or under the Trust.

(d) Responsibilities of Trustee

(i) The Trustee shall sell, invest, or reinvest the Trust property in accordance with the District's directions. The Trustee shall have no liability for any depreciation or loss with respect to any property acquired by the Trustee pursuant to such direction, and shall have no duty to review or to make recommendations with respect thereto.

(ii) The Trustee shall receive, hold, invest and reinvest contributions to the Trust and shall make disbursements from the Trust pursuant to the terms of this Plan. Subject to the consent of the Trustee, the District shall have the right to make its contributions hereunder in property to the Trustee. The Trustee shall make payments from the Trust only to such persons, in such manner, at such times, and in such amounts as specified in written directions from the

District, and the Trustee shall be fully protected in making payments under the direction of the District. For purposes of accounting and valuation, the records of the Trust shall be maintained on a cash receipts and disbursements basis. The Trustee shall periodically capitalize unexpended income and add the same to the principal of the Trust.

(e) Agent

The Trustee shall act in accordance with instructions from directions from any person designated as agent for such purpose by the District. The District shall notify the Trustee of any change of agent. The Trustee shall be entitled to rely upon information or instructions received from the agent of the District whose authority to act was last certified by the Trustee. In the absence of instructions from the District, the Trustee shall have full power and authority to act in the Trustee's discretion, if the Trustee determines that failure to act would frustrate the purpose of the Trust or Plan.

(f) Reliance on Documentation

The Trustee may rely upon any affidavit, certificate, letter, notice, telegram or other paper or document believed by the Trustee to be genuine and upon any information or evidence believed by the Trustee to be sufficient; and the Trustee shall be protected in all payments hereunder if made in good faith and without actual knowledge of the happening of an event or a change in conditions which would affect such payments.

(g) Holding of Trust Assets

Except as otherwise provided hereinabove, all the assets in the Trust shall be held collectively for all the Participants and beneficiaries with no physical division thereof until such time as distribution is actually made by the Trustee.

(h) Nonliability of Successor Trustee

Each successor Trustee may accept as complete and correct and may rely upon any accounting which shall have been made by or on behalf of any Trustee prior to the date upon which such successor Trustee shall have qualified as a Trustee under this instrument, and may rely upon any statement or representation made by any Trustee acting hereunder as to the assets comprising the Trust or as to any other fact bearing upon the prior administration of the Trust; and such successor Trustee shall not be subject to any liability by reason of having accepted and relied upon such accounting, statement or representation in case it is subsequently established that the same was incomplete, inaccurate or untrue. No successor Trustee hereunder shall be subject to any liability or responsibility with respect to any act or omission of any other Trustee nor shall any successor Trustee have any duty to enforce or to seek to enforce any claims of any kind against any predecessor Trustee on account of or in connection with any act or omission of any Trustee hereunder.

(i) Accounts

The Trustee or an administrator hired by the Trustee shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection by any person designated by the District at all reasonable times. The Trustee shall provide the District with a written report setting forth all investments, receipts, disbursements, and other transactions effected by the Trustee from the date of the prior such report to the close of such Plan Year, or the date of removal or resignation of a Trustee, as the case may be. Such report is expected to be provided not later than 120 days after the end of each Plan Year, and within 60 days after the effective date of the removal or resignation of a Trustee. Such report shall contain an exact description of

all securities and investments held at the close of such Plan Year or the effective date of such removal or resignation of a Trustee, as the case may be, and the cost of each item thereof, as carried on the books of the Trustee.

(j) Removal or Resignation of Trustee

Any Trustee hereunder may be removed by resolution of the Board upon delivery to such person of a certified copy of such resolution of removal. Any Trustee hereunder may resign as Trustee, upon written notice to that effect, delivered to the District. Such removal or resignation shall become effective upon the date specified in such resolution or such notice, as the case may be, which shall be not less than 15 days subsequent to the delivery of such certified copy of resolution or such notice. In the event of the removal, resignation, death or inability to serve of any Trustee hereunder, a successor shall be appointed by resolution of the Board, a certified copy of which resolution shall be delivered to such successor. In the event of the removal, resignation, death or inability to serve of any Trustee after the District shall have ceased to exist or been dissolved, voluntarily or involuntarily, or had a receiver or trustee in bankruptcy appointed, a successor may be appointed by election by a majority in interest of the Participants and Beneficiaries then having an interest in the Trust. A successor Trustee, upon accepting such appointment, shall become vested with the same powers, duties, privileges, and immunities as if such Trustee had been originally named in this Plan as a Trustee. In case of the removal, resignation, death or inability to serve of a Trustee, said Trustee or his personal representative shall forthwith turn over to the remaining or succeeding Trustees all accounts and records in such Trustee's possession, and shall execute such instruments as may be necessary to terminate such trusteeship.

SECTION 8. BENEFIT LIMITATIONS

(a) General Rule. Unless the alternative limitation of Section 8(b) applies, a Participant's Annual Benefit (defined below) shall not exceed the dollar amount set forth in section 415(b) of the Code, adjusted as set forth below (\$185,000 for 2008).

(i) As of January 1 of each calendar year, the adjusted dollar limitation for such calendar year announced by the IRS pursuant to section 415(d)(1) of the Code shall become the dollar limitation applicable under the Plan during such calendar year. The adjusted dollar limitation for a calendar year shall apply in determining the amount of all Annual Benefits commencing in such calendar year, and such Annual Benefits thereafter shall not be adjusted (except as provided in the following sentence). If a Participant's Annual Benefit is limited by the dollar limitation under this Section 8(a), such Annual Benefit shall automatically be recalculated as of January 1 of each calendar year following the termination of his employment to reflect the adjusted dollar limitation for such calendar year. An increased retirement benefit resulting from the recalculation of the Annual Benefit shall be payable under the Plan in the same form as the original retirement benefit. No further adjustments shall be made once the adjusted dollar limitation exceeds the amount of the Annual Benefit.

(ii) If a Participant would exceed the limitation of this Section 8(a), then such Participant's Annual Benefit under this Plan shall be reduced.

(iii) The limitation provided in this Section 8 shall be applied in accordance with the provisions of section 415(b) of the Code and regulations issued thereunder.

(b) Adjusted Dollar Limitation for Benefits Commencing Before Age 62 or After Age 65.

(i) In the case of a Participant whose retirement benefit commences before age 62, the amount described in Section 8(a) (adjusted as described therein) shall be reduced. The reduced limit shall be the amount determined by treating the amount described in Section 8(a) (adjusted as described therein) as an annual single-life annuity commencing at age 62 and converting it on an actuarial basis into a single-life annuity that commences at the age when the Participant's retirement benefit commences (using the mortality factors prescribed by the Internal Revenue Service in Revenue Ruling 2001-62 and a 5% interest rate.)

(ii) In the case of a Participant whose retirement benefit commences after the Participant attains age 65, the amount described in Section 8(a) (adjusted as described therein) shall be increased. The increased limit shall be calculated by treating such amount as an annual single-life annuity commencing at age 65 and by converting it on an actuarial basis into a single-life annuity that commences at the age when the Participant's retirement benefit commences (using the mortality factors prescribed by the Internal Revenue Service in Revenue Ruling 2001-62 and a 5% interest rate.)

(c) Annual Benefit. For purposes of this Section 8, a Participant's "Annual Benefit" shall be equal to the sum of the following:

(i) the annual retirement benefit to which the Participant is entitled under this Plan; and

(ii) the aggregate annual retirement benefits (if any) to which the Participant is entitled under all other qualified defined benefit plans maintained or provided by the District, other than benefits attributable to employee contributions.

If an Annual Benefit (or any portion thereof) is payable in any form other than a single-life annuity or a joint and survivor annuity in favor of a spouse within the meaning of section 417 of the Code, then such Annual Benefit (or such portion) shall, for purposes of this Section 8(c), be converted into a single-life annuity which is its actuarial equivalent (using the mortality factors prescribed by the Internal Revenue Service in Revenue Ruling 2001-62 and a 5% interest rate.)

SECTION 9. GENERAL PROVISIONS.

(a) No Assignment of Property Rights. The interest or property rights of any person in the Plan, in the Trust Fund, or in any distribution to be made under the Plan shall not be subject to option nor be assignable, either by voluntary or involuntary assignment or by operation of law, including, without limitation, bankruptcy, garnishment, attachment or other creditor's process, and any act in violation of this Section 9(a) shall be void. Notwithstanding the foregoing, the creation, assignment or recognition of a right to all or a portion of a Participant's Plan benefit as directed in a domestic relations order issued by a court in connection with a division of community property interests is not a violation of this Section 9(a).

(b) Incompetence. If, in the opinion of the Plan Administrator, any individual becomes unable to handle properly any property distributable under the Plan, the Plan Administrator may make any arrangement for distribution on such individual's behalf that it determines will be beneficial to such individual, including, without limitation, distribution to such individual's guardian, conservator, spouse or dependent.

(c) Employment Rights. Nothing in the Plan shall be deemed to give any person a right to remain in the employ of the District. The District reserves the right to terminate any person's employment, with or without cause or, if applicable, in accordance with any agreement affecting the Participant's rights to employment and the District's right to terminate employment.

(d) Proof of Age and Other Information. A Participant and his/her spouse may be required to furnish proof of age and such other information as may be required by the Plan Administrator in the administration of the Plan. If the Plan Administrator determines that a Participant or his/her spouse furnished erroneous information, the Plan Administrator may make such adjustment in any benefit payable hereunder as it deems appropriate to correct such error.

(e) Effect of Reemployment on Benefits. If a former Participant is reemployed as an Employee after his retirement benefit under this Plan has commenced, payment of such benefit shall be suspended during the period of reemployment. Payment of the Participant's benefit under this Plan shall recommence after the termination of reemployment.

(f) Transfer from CASA Plan. The benefits under this Plan represent the liabilities transferred from the CASA Plan pursuant to the Settlement Agreement. On or about April 1, 2008, or as soon thereafter as administratively feasible, the Trustee shall accept a plan-to-plan transfer of certain specified assets and liabilities from the CASA Plan pursuant to the Settlement Agreement, which includes favorable discussions with the Internal Revenue Service regarding the qualification of the Plan.

SECTION 10. MODIFICATION AND TERMINATION OF THE PLAN.

(a) Amendment and Termination. The Plan Administrator shall have the power to amend or terminate the Plan at any time; *provided, however,* that except as provided in Section 10(b), no amendment shall:

(i) reduce the Accrued Benefit of any Participant or other person prior to the date the amendment is adopted, except to the extent that a reduction in Accrued Benefits may be permitted by applicable law; or

(ii) divert any part of the assets of the Trust to purposes other than the exclusive purpose of providing benefits to Participants and other persons who have an interest in the Plan and defraying the reasonable expenses of administering the Plan.

The Plan Administrator shall notify the Trustee of any amendment or the termination or partial termination of the Plan.

(b) Termination and Reversion. Upon termination of the Plan, no part of the assets of the Plan shall revert to the District nor be used or diverted for purposes other than the exclusive purpose of providing benefits to those individuals who have an interest in the Plan and paying the reasonable expenses to administer the Plan; *provided, however,* that any assets of the Trust remaining after the payment of benefits described in Section 10(c) may be returned to the District if:

(i) all liabilities of the Plan to Participants and other persons who have an interest in the Plan have been satisfied; and

- (ii) such return does not contravene any applicable provision of law.

Upon termination and prior to any reversion of assets to the District, the Plan shall distribute any unpaid Accrued Benefits to Participants listed in Schedule 1 of Appendix A.

(c) Payment of Benefits From Trust Upon Termination of the Plan.

(i) Subject to the provisions of Section 5(c), upon termination of the Plan each Participant and other person who has an interest in the Plan shall receive an amount equal to his or her remaining Accrued Benefit under the Plan.

(ii) Subject to the provisions of Section 5(c), the Plan Administrator shall direct the Trustee to distribute to each Participant and other person who has an interest in the Trust such person's allocable share of the assets of the Trust in the form of an individual annuity contract issued by an insurance company selected by the Plan Administrator or in the form of a single distribution of cash.

(d) Limitation of Obligations. Notwithstanding any other provision hereof, the District shall have no obligation to continue to make contributions to the Plan after the Plan's termination. Neither the District, the Plan Administrator, the Trustee nor any other person shall have any liability or obligation to provide benefits hereunder after the termination of the Plan. Upon termination of the Plan, all Participants and other persons who have an interest therein shall look solely to the Trust for their benefits.

SECTION 11. CHOICE OF LAW

The validity, interpretation, construction and performance of the Plan shall be governed by the laws of the State of California.

SECTION 12. EXECUTION

To record the adoption of the Plan, the District has caused this document to be executed by its duly authorized representative(s) as of this ____ day of _____, 2011.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SUPPLEMENTAL RETIREMENT PLAN**

APPENDIX A

Eligible Participants and Benefits

This Appendix A, effective April 1, 2008, provides for a supplemental retirement benefit for Participants identified by Employee Identification Number in the records maintained by the Plan Administrator.

Capitalized terms used in this Appendix A and in Schedules 1 and 2 attached hereto have the meaning provided in the Plan, unless otherwise defined in this Appendix A or in Schedules 1 or 2.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SUPPLEMENTAL RETIREMENT PLAN**

**APPENDIX A
Eligible Participants and Benefits**

Schedule 1

This Schedule 1 to Appendix A, effective April 1, 2008, provides for a supplemental retirement benefit for the Participants identified below.

1. Eligible Participants under this Schedule 1 are designated by the Employee Identification Numbers from Plan records. An eligible Participant under this Schedule 1 shall be credited with a benefit payable as a single life annuity which is the Actuarial Equivalent of the lump sum benefit set forth next to the Participant's Employee Identification Number.
2. Subject to the provisions of this Schedule 1 to Appendix A and of the Plan, an eligible Participant may elect as part of his or her election to participate in the Settlement Agreement to receive his or her benefit in the form of the single lump sum amount set forth next to the Participant's Employee Identification Number or in the form of a single life annuity payable monthly which is the Actuarial Equivalent of the lump sum amount.
3. Notwithstanding any other provision of this Schedule 1 or of the Plan to the contrary, a Participant shall not be entitled to any benefit under this Plan unless he/she opts into the Settlement Agreement.

**TABLE OF EMPLOYEE IDENTIFICATION NUMBERS OF
ELIGIBLE PARTICIPANTS AND LUMP SUM BENEFITS**

**Employee
Identification
Numbers of
Eligible
Participants** **Lump Sum Benefit**

| | |
|------|----------|
| 1001 | \$ 3,624 |
| 1002 | \$25,538 |
| 1003 | \$ 8,087 |
| 1004 | \$ 6,979 |
| 1005 | \$ 6,840 |
| 1006 | \$24,427 |
| 1007 | \$ 9,042 |
| 1008 | \$ 4,747 |
| 1009 | \$51,700 |
| 1010 | \$60,833 |
| 1011 | \$ 6,202 |
| 1012 | \$ 4,682 |
| 1013 | \$ 8,314 |
| 1014 | \$10,299 |
| 1015 | \$30,632 |
| 1016 | \$27,335 |
| 1017 | \$40,040 |
| 1018 | \$63,550 |
| 1019 | \$20,213 |
| 1020 | \$ 9,920 |
| 1021 | \$ 659 |
| 1022 | \$50,176 |
| 1023 | \$28,070 |
| 1024 | \$ 795 |
| 1025 | \$ 4,068 |
| 1026 | \$ 1,750 |
| 1027 | \$43,835 |
| 1028 | \$21,068 |
| 1029 | \$37,188 |
| 1030 | \$30,557 |
| 1031 | \$ 2,528 |
| 1032 | \$40,576 |
| 1033 | \$24,469 |
| 1034 | \$ 1,963 |
| 1035 | \$ 5,273 |

**Employee
Identification
Numbers of
Eligible
Participants**

Lump Sum Benefit

| | |
|------|----------|
| 1036 | \$32,822 |
| 1037 | \$35,397 |
| 1038 | \$ 3,057 |
| 1039 | \$ 5,025 |
| 1040 | \$51,982 |
| 1041 | \$20,406 |
| 1042 | \$ 2,514 |
| 1044 | \$41,277 |
| 1045 | \$31,320 |
| 1046 | \$12,803 |
| 1047 | \$ 3,347 |
| 1048 | \$ 604 |
| 1049 | \$38,733 |
| 1050 | \$10,215 |
| 1051 | \$58,279 |
| 1052 | \$17,628 |
| 1053 | \$ 1,460 |
| 1054 | \$ 1,737 |
| 1055 | \$ 5,177 |
| 1056 | \$51,627 |
| 1057 | \$43,427 |
| 1058 | \$22,099 |
| 1059 | \$37,297 |
| 1060 | \$27,878 |
| 1061 | \$ 4,400 |
| 1062 | \$ 6,920 |
| 1063 | \$ 5,476 |
| 1064 | \$12,348 |
| 1065 | \$ 9,786 |
| 1066 | \$23,235 |
| 1067 | \$ 2,492 |
| 1068 | \$ 7,113 |
| 1069 | \$ 1,876 |
| 1071 | \$ 5,617 |
| 1072 | \$ 9,000 |
| 1073 | \$ 5,436 |
| 1074 | \$ 3,831 |
| 1075 | \$23,588 |
| 1076 | \$ 2,560 |

**Employee
Identification
Numbers of
Eligible
Participants**

Lump Sum Benefit

| | |
|------|-----------|
| 1077 | \$39,722 |
| 1078 | \$ 4,913 |
| 1079 | \$ 422 |
| 1080 | \$ 3,465 |
| 1081 | \$ 2,402 |
| 1082 | \$ 5,566 |
| 1083 | \$14,059 |
| 1084 | \$ 7,321 |
| 1085 | \$ 7,320 |
| 1086 | \$ 2,044 |
| 1087 | \$13,048 |
| 1088 | \$ 1,400 |
| 1089 | \$ 2,259 |
| 1090 | \$ 582 |
| 1091 | \$ 1,481 |
| 1092 | \$ 0 |
| 1093 | \$ 6,230 |
| 1094 | \$ 719 |
| 1095 | \$12,995 |
| 1096 | \$ 8,867 |
| 1097 | \$ 1,800 |
| 1098 | \$ 2,055 |
| 1099 | \$ 2,021 |
| 1100 | \$ 982 |
| 1101 | \$ 1,984 |
| 1102 | \$ 117 |
| 1103 | \$ 2,530 |
| 1105 | \$ 3,101 |
| 1106 | \$ 408 |
| 1203 | \$51,363 |
| 1204 | \$59,691 |
| 1205 | \$150,351 |
| 1206 | \$55,095 |
| 1207 | \$ 1,033 |
| 1210 | \$14,825 |
| 1211 | \$18,857 |
| 1212 | \$572,000 |

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SUPPLEMENTAL RETIREMENT PLAN**

**APPENDIX B
Minimum Distribution Requirements**

B.1 General Rules

B.1.1 Effective Date. Notwithstanding any other provision of the Plan to the contrary, the provisions of this Appendix shall apply for purposes of determining required minimum distributions.

B.1.2 Precedence. The requirements of this Appendix shall take precedence over any inconsistent provisions of the Plan.

B.1.3 Requirements of Treasury Regulations Incorporated. All distributions required under this Appendix shall be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Code.

B.1.4 TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Appendix, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of TEFRA and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

B.2 Time and Manner of Distribution

B.2.1 Required Beginning Date. The Participant's entire interest shall be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

B.2.2 Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest shall be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then, except as provided in the Plan, distributions to the surviving spouse shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(b) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then, except as provided in the Plan, distributions to the Designated Beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(c) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section B.2, other than Section B.2.2(a), shall apply as if the surviving spouse were the Participant.

For purposes of this Section B.2 and Section B.5, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section B.2.2(d) applies, the date distributions are required to begin to the surviving spouse under Section B.2.2(a)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the

surviving spouse under Section B.2.2(a)), the date distributions are considered to begin is the date distributions actually commence.

B.2.3 Form of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a lump sum distribution on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions shall be made in accordance with Sections B.3, B.4 and B.5 of this Appendix B. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury Regulations. Any part of the Participant's interest which is in the form of an individual account described in section 414(k) of the Code shall be distributed in a manner satisfying the requirements of section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

B.3 Determination of Amount to be Distributed Each Year

B.3.1 General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity shall satisfy the following requirements:

- (a) The annuity distributions shall be paid in periodic payments made at intervals not longer than one year.
- (b) The distribution period shall be over a life (or lives) or over a period certain not longer than the period described in Section B.4 or B.5.
- (c) Once payments have begun over a period certain, the period certain shall not be changed even if the period certain is shorter than the maximum permitted.

(d) Payments shall either be non-increasing or increase only as follows:

(1) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(2) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in Section D.4 dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order, under Code section 414(p);

(3) to provide cash refunds of employee contributions upon the Participant's death; or

(4) to pay increased benefits that result from a Plan amendment.

B.3.2 Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section B.2.2(a) or (b)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year shall be included in the

calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.

B.3.3 Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year shall be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

B.4 Requirements for Annuity Distributions That Commence During Participant's Lifetime

B.4.1 Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-spouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2(c) of section 1.401(a)(9)-6 of the Treasury Regulations; provided, however, that if the Participant's annuity starting date precedes the year in which the Participant attains age 70, the Participant's and nonspouse Beneficiary's age difference shall be adjusted as set forth in Q&A-2(c) in order to determine the applicable percentage as provided in the table set forth in Q&A-2(c). If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse Beneficiary and a period certain annuity, the requirement in the preceding sentence shall apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

B.4.2 Period Certain Annuities. Unless the Participant's spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section B.4.2, or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

B.5 Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin

B.5.1 Participant Survived by Designated Beneficiary. If the Participant dies before the date distribution of his or her interest begins and there is a Designated Beneficiary, the Participant's entire interest shall be distributed, beginning no later than the time described in

Section B.2.2(a) or (b), over the Life Expectancy of the Designated Beneficiary or over a period certain not exceeding:

(a) unless the Benefit Commencement Date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the Designated Beneficiary's age as of the designated Beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(b) if the Benefit Commencement Date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the Designated Beneficiary's age as of the Designated Beneficiary's birthday in the calendar year that contains the annuity starting date.

B.5.2 No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

B.5.2 Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section B.5 shall apply as if the surviving spouse were the Participant, except that the time by which distributions must begin shall be determined without regard to Section B.2.2(a).

B.6 Definitions

The following words and phrases used in this Appendix B have the following meanings.

B.6.1 “Designated Beneficiary” means the individual who is designated as the Beneficiary under Section 2(c) of the Plan and who is the designated beneficiary under section 401(a)(9) of the Code and section 1.40(a)(9)-1, Q&A-4 of the Treasury regulations.

B.6.2 “Distribution Calendar Year” means calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section B.2.2 of this Appendix B.

B.6.3 “Life Expectancy” means life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury Regulations.

B.6.4 “Required Beginning Date” means April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70-1/2 or the calendar year in which the Participant retires.

B.6.5 Other Capitalized Terms. All other capitalized terms used in this Appendix B have the meanings set forth in Section 2 of the Plan, unless the context requires otherwise.