

**Devereux Defined Contribution Retirement Plan  
Summary Plan Description**

Amended and Restated effective January 1, 2020

## Summary Plan Description Table of Contents

<b>INTRODUCTION .....</b>	<b>4</b>
<b>ELIGIBILITY AND PARTICIPATION.....</b>	<b>4</b>
Eligibility .....	4
Participation.....	5
Participant Contributions.....	5
Employer Contributions.....	5
Location: The Devereux Foundation (other than employees employed by Quality Health Staffing, LLC, and Communities Connected for Kids, Inc. (formerly known as Devereux Community Based Care) employees, with an employment hire date (first day of work, providing services) of before December 23, 2018, the following applies:.....	5
Location: Heartland for Children.....	6
Location: Devereux Cleo Wallace (Colorado).....	6
Location: Quality Health Staffing, LLC.....	6
All Locations: Exceptions to 1,000 Hours of Service and Employment on Last Day of Final Pay Period Ending in Plan Year Requirements .....	6
All Locations: Timing of the Payment of Employer Contributions .....	6
Definitions .....	7
Break in Service .....	7
Reemployment.....	7
Participant Contributions.....	7
Employer Contributions.....	7
<b>CONTRIBUTIONS .....</b>	<b>8</b>
Participant Contributions .....	8
Salary Deferrals and Roth Salary Deferrals .....	8
403(b) Catch-Up Contributions.....	9
Changing Your Contributions.....	9
Participant Responsibility .....	9
Employer Contributions.....	9
Salary Deferrals .....	9
Limitation on All Contributions .....	10
Rollover Contributions.....	10
Qualified Military Service .....	10
Leave of Absence/Disability .....	11
Accounts.....	11
Investments.....	11
Limitation on Investment Transactions.....	12
VESTING.....	12
DISTRIBUTIONS, IN-SERVICE WITHDRAWALS, LOANS, TRANSFERS AND EXCHANGES .....	12

Termination of Employment .....	12
Death Benefits .....	13
Beneficiary Designations .....	13
Direct Rollover Distributions .....	13
In-Service Withdrawals .....	13
Salary Deferrals Made Prior to January 1, 1989.....	14
Withdrawal of Rollover Contributions.....	14
Age 59½ Withdrawals .....	14
Hardship Withdrawals .....	14
Loans .....	15
Contract and Custodial Account Exchanges .....	16
Permissive Service Credit Transfers .....	16
Tax Consequences.....	16
Reduction or Deferral of Taxes.....	16
Non-Assignability of Benefits .....	17
Amendment of Plan.....	17
Discontinuance or Termination of Plan .....	17
Claim for Benefits.....	17
Participant Obligations and Duty to Notify Plan Fiduciary of Errors or Omissions .....	18
ERISA Rights.....	18
Type of Plan.....	20
Plan Administrator Information .....	20
Pension Benefit Guaranty Corporation.....	20

## INTRODUCTION

Devereux established the Devereux Defined Contribution Retirement Plan (the “Plan”) to provide retirement income benefits to eligible employees of Devereux and certain subsidiaries and affiliates of Devereux that have adopted the Plan (collectively, the “Employer”).

This summary is known as a summary plan description (“SPD”). The SPD provides you with valuable information regarding your eligibility to participate in the Plan, your Plan benefits, your distribution options, and other features of the Plan. This SPD describes the current provisions of the Plan, which are designed to comply with applicable legal requirements. The SPD highlights the most important provisions of the Plan in effect as of January 1, 2020.

For purposes of this SPD, the terms “we” and “us” refer to the Plan Sponsor.

We have attempted to answer most of the questions you may have regarding your benefits under the Plan. If this SPD does not answer all of your questions, please contact the Plan Administrator (or other Plan representative). The name and address of the Plan Administrator can be found in the section of the SPD entitled “GENERAL INFORMATION ABOUT THE PLAN.”

This SPD summarizes the Plan’s benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator. Additional terms and conditions governing the Plan may also be provided in the contracts entered into between the Employer and the Vendor(s). A list of the Vendors under the Plan can be found in the section of the SPD entitled “GENERAL INFORMATION ABOUT THE PLAN.”

The Plan is subject to federal laws, such as the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), the Internal Revenue Code of 1986, as amended (the “Code”), and other federal and state laws that may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (the “IRS”) or Department of Labor (the “DOL”).

Devereux may amend or terminate the Plan at any time. You will receive a written announcement summarizing any important Plan changes after they are made. You should keep those supplemental announcements with this booklet so you will always have a current SPD.

If you have any questions, please contact your local or corporate People Operations department.

## ELIGIBILITY AND PARTICIPATION

### Eligibility

You are eligible to participate in the Plan as of the first payroll period immediately following your becoming an employee of the Employer, provided you are not an Excluded Employee at that time.

For purposes of *Salary Deferrals*, you will be considered an **Excluded Employee** if you are:

- A nonresident alien who has no earned income from sources within the United States; or,
- A leased employee or an independent contractor.

For purposes of *Employer Contributions*, you will be considered an **Excluded Employee** if you are:

- Under the age of 21;
- A nonresident alien who has no earned income from sources within the United States;

- A leased employee or an independent contractor; or,
- An employee of Quality Health Staffing, LLC.

## **Participation**

### **Participant Contributions**

If eligible, you may participate in the Plan as of the first payroll period following your date of hire, provided you have completed a salary reduction agreement, an enrollment form with investment elections and a beneficiary designation. These forms can be completed online or on paper. Employee contributions are remitted to TIAA after each pay period during the Plan Year.

### **Employer Contributions**

**All Locations:** You will participate in the Plan for purposes of Employer Contributions beginning in the year that you satisfy the eligibility requirements to receive such contributions, regardless of your work location (Center), provided you complete 1,000 Hours of Service for the Plan Year (including the Plan Year in which you satisfy the eligibility requirements) and are employed on the last day ending in the final pay period of the plan year, other than for the two exceptions outlined below. However, your eligibility to begin to receive Employer Contributions and the contribution level (as a percentage of Compensation for qualified hours worked) depends on your work location (Center) and employment hire date as follows:

**Location: The Devereux Foundation - other than employees employed by Quality Health Staffing, LLC, and Communities Connected for Kids, Inc. (formerly known as Devereux Community Based Care), employees with an employment hire date (first day of work providing services) of before December 23, 2018, the following applies:**

- You will be eligible as of the first day of the month on or after your attainment of age 21, and completion of two Years of Eligibility Service, without a "Break in Service."
- With respect to each Plan Year in which you are credited with at least 1,000 Hours of Service and remain employed on the last day of the final pay period ending in the Plan Year, we will contribute basic Employer Contributions to the Plan on your behalf equal to five percent (5%) of Compensation earned while you are a participant in the Plan.
- In addition to the basic Employer Contributions above, if you made pre-tax Salary Deferrals and/or after-tax Roth Salary Deferrals equal to one percent to two percent (1% to 2%) of your Compensation, we will make an additional matching Employer Contribution of equal amount to the Plan on your behalf.
- Employer Contributions will be made during the year in a year that an applicable exception to the 1,000 Hours of Service and employed on last day of year requirements is met as outlined below.

**For employees employed within these same locations, who were hired on or after December 23, 2018, the following eligibility requirements and Employer Contributions apply:**

- You will be eligible as of the first day of the month on or after your attainment of age 21, and completion of one Year of Eligibility Service, without a "Break in Service."
- With respect to each Plan Year in which you are credited with at least 1,000 Hours of Service and remain employed on the last day of the final pay period ending in the Plan Year, we will contribute basic Employer Contributions to the Plan on your behalf equal to three percent (3%) of Compensation earned while you are a participant in the Plan.
- In addition to the basic Employer Contributions above, if you made pre-tax Salary Deferrals and / or after-tax Roth Salary Deferrals equal to one percent to two percent (1% to 2%) of your Compensation, Devereux reserves the right in its absolute discretion to make an additional matching Employer Contribution of equal amount to the Plan on your behalf.

- Employer Contributions will be made during the year in a year that an applicable exception to the 1,000 Hours of Service and employed on last day of year requirements is met as outlined below.

**Location: Heartland for Children**

- You will be eligible as of the first day of the month on or after your attainment of age 21, and completion of two Years of Eligibility Service, without a “Break in Service.”
- With respect to each Plan Year in which you are credited with at least 1,000 Hours of Service and remain employed on the last day of the final pay period ending in the Plan Year, we will contribute basic Employer Contributions to the Plan on your behalf equal to seven percent (7%) of Compensation earned while you are a participant in the Plan.
- In addition to the basic Employer Contributions above, if you made pre-tax Salary Deferrals and/or after-tax Roth Salary Deferrals equal to one percent to three percent (1% to 3%) of your Compensation, we will make an additional matching Employer Contribution of equal amount to the Plan on your behalf.
- Employer Contributions will be made during the year in a year that an applicable exception to the 1,000 Hours of Service and employed on last day of year requirements is met as outlined below.

**Location: Devereux Cleo Wallace (Colorado)**

- You will be eligible as of the first day of the month on or after your attainment of age 21, and completion of two Years of Eligibility Service if you were hired before December 23, 2018, or one year of Eligibility Service if you were hired on or after December 23, 2018, in each case, without a “Break in Service.”
- With respect to each Plan Year in which you are credited with at least 1,000 Hours of Service and remain employed on the last day of the final pay period ending in the Plan Year, we will contribute basic Employer Contributions to the Plan on your behalf equal to three percent (3%) of Compensation earned while you are a participant in the Plan.
- Employer Contributions will be made during the year in a year that an applicable exception to the 1,000 Hours of Service and employed on last day of year requirements is met as outlined below.

**Location: Quality Health Staffing, LLC**

- Employees of Quality Health Staffing, LLC are not eligible for basic or additional Employer Contributions.

**All Locations: Exceptions to 1,000 Hours of Service and Employment on Last Day of Final Pay Period Ending in Plan Year Requirements**

There are two exceptions to the 1,000 Hours of Service and employment at end of plan year requirements:

1. An employee who is age 65 or older and in his/her final year of employment need not meet either the 1,000 hours requirement or the requirement to be employed at the end of the year. Contributions will be made as soon as administratively possible, following separation from employment.
2. An employee who passes away while an active employee during the plan year need not meet either the 1,000 hours requirement or the requirement to be employed at the end of the year. Contributions made on behalf of deceased participants will be made within 30 days of the date of death.

**All Locations:** In the event you transfer to a new location, the Employer Contributions and Eligibility requirements for that location will apply, based on your employment hire date, in place prior to the transfer, if applicable.

**All Locations: Timing of the Payment of Employer Contributions**

All employer contributions will be made as soon as administratively possible in January of the following year and will be made based on Compensation from the time eligibility is met through the end of the year.

## Definitions

You will be credited with a **Year of Eligibility Service** for each Computation Period in which you are credited with at least 1,000 Hours of Service.

You will be credited with an **“Hour of Service”** for each hour for which you are paid or entitled to be paid for the performance of duties. Hours of Service also include each hour for which you are compensated by the Employer or entitled to compensation from the Employer for nonworking periods such as vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, personal excused time, authorized travel days or leave of absence.

The **“Computation Period”** is the 12-consecutive month period beginning with the Plan Year that includes your date of hire and ending on the anniversary of your date of hire (and each anniversary thereafter).

- You do NOT need to elect to make Salary Deferrals in order to receive the basic Employer Contribution described above. These contributions will automatically be contributed to your account under the plan on your behalf once you have satisfied the eligibility requirements described above.
- We ask that you complete an enrollment form and beneficiary designation with regard to these contributions. If you do not, the plan’s default investment and beneficiary designation provisions will apply until you change them.
- To be eligible to receive the additional matching Employer Contributions described above, you will need to elect to make Salary Deferrals of at least 1% of your Compensation.

## Break in Service

A **Break in Service** occurs if you are not credited with at least 501 Hours of Service with the Employer during the 12-month Computation Period. For determining whether a Break in Service has occurred in a Computation Period, if you are absent from work due to maternity, paternity or other absence under the Family Medical Leave Act you will receive credit for the Hours of Service that would otherwise have been credited to you. For your excused absence, or in any case in which the hours cannot be determined, eight Hours of Service per day will be credited for the excused absence. The Hours of Service credited will be credited either in the Computation Period in which the excused absence begins if the crediting is necessary to prevent a Break in Service in that period, or in all other cases, in the following Computation Period. The total number of Hours of Service credited shall not exceed 501 hours.

For purposes of eligibility to receive Employer Contributions, for any Computation Period in which you *are not* credited with at least 1,000 Hours of Service, but you are credited with 501 hours or more of service, you will maintain a one-year credit towards your Year of Eligibility Service until you have either (a) reached 1,000 hours in the Computation Period, or (b) worked less than 501 Hours of Service and have a Break in Service.

## Reemployment

### Participant Contributions

If you have a termination of employment and are reemployed as an Eligible Employee, you will again be eligible to participate in the Plan and elect to have elective deferrals made on your behalf as of the first payroll period following your reemployment.

### Employer Contributions

Generally, if you have a termination of employment and subsequently are reemployed as an Eligible Employee, and if you had met the requirements for eligibility for Employer Contributions described above (attainment of age 21 and completion of one Year or two Years of Eligibility Service, as applicable) before your termination of employment, you will be eligible to again participate in the Plan for purposes of Employer Contributions as of the first day of the first month following your reemployment, provided that you remain employed on the last day of the

final pay period ending in the Plan Year of reemployment (subject to the two exceptions to this requirement described above).

You will be placed in the group that is currently in place for new hires at the location that you are reemployed with.

If you did not meet the requirements for participation in Employer Contributions prior to termination of employment, you will again be required to satisfy the participation requirements described above upon your reemployment, similar to a new hire.

## CONTRIBUTIONS

Once you become a participant in the Plan, you may elect to have a portion of your Compensation contributed to the plan on a pre-tax basis as a "Salary Deferral" (all or a portion of which may, instead, be contributed to the Plan on an after-tax basis as a "Roth Salary Deferral"). If you meet certain additional conditions, you may elect to have your Compensation reduced by an additional amount as an "Age 50 Catch-Up Contribution" and/or as a "403(b) Catch-Up Contribution." Rollover Contributions are also permitted.

In general, both participant contributions and Employer Contributions are based on your Compensation for a Plan Year.

### Compensation

For the purpose of contributions under the Plan, **Compensation** is generally defined as your base wages or salary, excluding other forms of supplemental pay. Compensation also includes any amount that you have authorized your Employer to deduct from your pay for purposes of making contributions to the Plan, a welfare benefit plan of the Employer, as well as amounts you would have received with respect to any period of active military service in the uniformed services of the United States of more than 30 days (provided you return to employment within the period during which your rights to reemployment are protected by law).

Payments that would have been made to you if you had continued in employment and are (a) considered regular compensation for services during your regular working hours, and (b) accrued bona fide sick, vacation, or other leave (but only if you would have been able to use the leave if your employment had continued), are also included in Compensation provided they are paid by the later of:

- 2½ months after your separation from employment; or,
- The end of the Plan Year in which you sever your employment.

The Plan cannot recognize Compensation in excess of the annual limit set by law. This amount may be adjusted periodically for cost-of-living increases. The current annual Compensation limit is \$285,000. Information on the annual Compensation limit will be provided to you annually and can also be found on the IRS' website (listed as the "401(a) (17) Annual Compensation" limit): <http://www.irs.gov/retirement/article/0,,id=96461,00.html>.

For more information on how Compensation is defined for Plan purposes, please contact the Plan Administrator or consult Plan documents.

### Participant Contributions

#### **Salary Deferrals and Roth Salary Deferrals**

As a participant, you may elect to contribute a portion of your Compensation on a pre-tax basis (Salary Deferral) or an after-tax basis (Roth Salary Deferral). Your total pre-tax Salary Deferrals and after-tax Roth Salary Deferrals in any taxable year may not exceed the maximum limit that is set by law (see the section of the SPD entitled "Limitations on Contributions" below for more information).

### **403(b) Catch-Up Contributions**

If you are an active participant with at least 15 years of service, you may elect to contribute an additional portion of your Compensation known as “403(b) Catch-Up Contributions.” You may elect to defer up to the smallest of:

- \$3,000;
- \$15,000, reduced by any 403(b) Catch-Up Contributions that you contributed in prior years; or,
- The excess of (a) \$5,000 multiplied by your Years of Service with the Employer over (b) the amount of your pre-tax Salary Deferrals and after-tax Roth Salary Deferrals contributed in prior years.

If you elect to make a 403(b) Catch-Up Contribution, a tax deferred annuity (TDA) calculation will be made by the Vendor to determine if you are eligible to make a 403(b) Catch-Up Contribution to the Plan.

### **Age 50 Catch-Up Contributions**

If you reach the limitations imposed by the Plan or the Code on pre-tax Salary Deferrals, you may elect to contribute an additional portion of your Compensation known as “Age 50 Catch-Up Contributions” for each Plan Year beginning with the Plan Year in which you reach age 50. Age 50 Catch-Up Contributions may be contributed regardless of any other limitations on the amount that you may contribute to the Plan. Your total Age 50 Catch-Up Contributions in any taxable year may not exceed the maximum dollar limit that is set by law (see the section of the SPD entitled “Limitations on Contributions” below for more information).

If you are eligible to make both 403(b) Catch-Up Contributions and Age 50 Catch-Up Contributions, any additional amounts that you elect to contribute will first be considered 403(b) Catch-Up Contributions.

### **Changing Your Contributions**

You may elect to increase, decrease or suspend the amount of your pre-tax Salary Deferrals, after-tax Roth Salary Deferrals, 403(b) Catch-Up Contributions or Age 50 Catch-Up Contributions at any time during the Plan Year. Your election to increase, decrease or suspend your contributions will take effect as soon as possible after it is received by the Plan Administrator.

### **Participant Responsibility**

It is your responsibility, upon initial enrollment and thereafter, to provide the Plan Administrator with any information necessary, required or advisable for the Plan Administrator to effectively administer the Plan and your Accounts under the Plan.

### **Employer Contributions**

See the section of the SPD entitled “Employer Contributions” under “Eligibility and Participation” above.

### **Limitations on Contributions**

#### **Salary Deferrals**

The amount that you can make under the Plan on an annual basis is limited by law and may be increased periodically for cost-of-living adjustments. Currently, this annual limit is \$19,500. Information on the annual limit will be provided to you on a yearly basis and can also be found on the IRS’ website (listed as the “402(g) (1) Elective Deferrals” limit): <http://www.irs.gov/retirement/article/0,,id=96461,00.html>.

You should also be aware that this annual dollar limit is an aggregate limit that applies to all pretax Salary Deferrals (including after-tax Roth Salary Deferrals) you may make under this Plan **AND** any other salary deferrals that you make under any other cash or deferred arrangement (including tax-sheltered 403(b) annuity contracts, simplified employee pensions or other 401(k) plans in which you may be participating). Generally, if

your total pre-tax salary deferrals and after-tax Roth salary deferrals under all cash or deferred arrangements for a calendar year exceed the annual dollar limit, the excess must be included in your income for the year. For this reason, it is desirable to request in writing that the excess be returned to you. If you fail to request such a return in a timely manner, you may be taxed a second time when the excess is ultimately distributed from the Plan.

Further, you must decide which plan or arrangement you would like to return the excess. If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Plan Administrator no later than the March 1<sup>st</sup> following the close of the calendar year in which the excess was made. However, if the entire dollar limit is exceeded in this Plan or any other plan we maintain, then you will be deemed to have notified the Plan Administrator of the excess. The Plan Administrator will then return the excess and any earnings to you by April 15<sup>th</sup>. In addition, if you made both pre-tax Salary Deferrals and after-tax Roth Salary Deferrals in the year in which the excess occurs, you must also decide the designation of your excess distribution. If your request fails to designate your excess distribution as pre-tax Salary Deferrals and/or after-tax Roth Salary Deferrals, you will receive a distribution of excess pre-tax Salary Deferrals first from the Plan.

### **Age 50 Catch-Up Contributions**

The limit on the amount of pre-tax Salary Deferrals and/or after-tax Roth Salary Deferrals you can make under the Plan may be extended for any Plan Year in which you are at least age 50. The maximum Age 50 Catch-Up Contribution limit may be increased periodically for cost-of living adjustments and can be found on the IRS' website (listed as the "414(v)(2)(B)(i) Catch-up Contributions" limit):

<http://www.irs.gov/retirement/article/0,,id=96461,00.html>. Currently the limit is \$6,500.

### **Limitation on All Contributions**

The law imposes a maximum limit on the total amount of contributions that may be contributed to your Accounts under the Plan. This annual limit applies to all contributions we make on your behalf, all contributions you make to the Plan (other than 403(b) Catch-Up Contributions, Age 50 Catch-Up Contributions, and Rollover Contributions), and any other amounts allocated to any of your Accounts during the Plan Year, excluding earnings. The current limit is \$57,000. Each Plan Year you will be provided with information on the annual dollar limit, which may be increased periodically for cost-of-living adjustments. The annual dollar limit can also be found on the IRS' website (listed as the "415(c)(1)(A) DC Limits"): <http://www.irs.gov/retirement/article/0,,id=96461,00.html>.

### **Rollover Contributions**

If you are a participant in the Plan, you may be permitted to roll over into the Plan certain distributions from other Eligible Retirement Plans. For this purpose, an **Eligible Retirement Plan** includes an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, an eligible governmental plan described in section 457(b) of the Code or a Roth individual retirement account described in section 408A of the Code.

If you are eligible to receive an Eligible Rollover Distribution from another Eligible Retirement Plan, you may request to have all or a portion of the Eligible Rollover Distribution paid to the Plan. Please contact TIAA at 1-800-842-2252 if you are interested in making a Rollover Contribution to the Plan.

### **Qualified Military Service**

If you return to employment following a period of Qualified Military Service, you will be permitted to make additional pre-tax Salary Deferrals, after-tax Roth Salary Deferrals, 403(b) Catch-Up Contributions and Age 50 Catch-up Contributions, up to the amount that you would have been permitted to make if you had continued to be employed and received compensation during the period of Qualified Military Service (subject to the limitations described above). Employer Contributions that would have been made on your behalf during the period of Qualified Military Service will also be made, (including counting the period of Qualified Military Service toward satisfying the year(s) of Eligibility Service required for eligibility to receive Employer Contributions.) **Qualified Military Service** is any period of time for which you are absent for military service under leave granted by the Employer or required by law, provided you return to employment while your right to re-employment is protected by law.

## **Leave of Absence/Disability**

If you are on an approved leave of absence (or absent from work as a result of a disability), you will continue to be able to make pre-tax Salary Deferrals and/or after-tax Roth Salary Deferrals to the Plan and receive an allocation of any Employer Contributions, provided you continue to receive Compensation during your leave of absence or disability.

## **INVESTMENT OF CONTRIBUTIONS**

### **Accounts**

There are several types of Accounts that may be established for you under the Plan:

- Salary Deferral Account – contains your pre-tax Salary Deferrals
- Roth Salary Deferral Account – contains your after-tax Roth Salary Deferrals
- 403(b) Catch-Up Contribution Account – contains your 403(b) Catch-Up Contributions
- Age 50 Catch-Up Contribution Account – contains your Age 50 Catch-Up Contributions
- Employer Contribution Account – contains the Employer Contributions that your Employer may contribute on your behalf
- Rollover Contribution Account – contains your Rollover Contributions

Your Accounts will be adjusted by:

- Subtracting any distributions or withdrawals made to you from the Plan; and
- Adding or subtracting the proportionate share of the investment earnings, losses and/or Plan expenses of each investment fund in which your Accounts are invested.

### **Investments**

Your Accounts are invested according to your instructions among the Funding Vehicles offered by the Vendor(s). You may change your election as to the investment of future contributions or elect to transfer your existing Plan Accounts among the Funding Vehicles at any time, subject to any restrictions and limitations on the timing of transactions and transfers established by the Vendor(s).

The Plan is intended to be an “ERISA section 404(c) plan,” which is a plan described in section 404(c) of ERISA, and Title 29 of the Code of Federal Regulations, section 2550.404c-1. This means that the Plan allows you to choose from a broad range of investments, and you can (and have the responsibility to) decide for yourself how to invest your Account in the Funding Vehicles offered under the Plan. The Employer, the Plan Administrator, the Vendor(s) and any other fiduciary of the Plan are relieved of liability for any losses that are the result of your exercise of control over the investment of assets in your annuity contract and/or custodial account.

Your Accounts are segregated for purposes of determining the earnings, losses and expenses on these investments. Your Account does not share in the investment performance of other participants’ Accounts.

The amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur. There are no guarantees of performance. The Employer, the Plan Administrator, and the Vendor(s) do not guarantee the performance of any investment you choose.

Please note that if you fail to direct the investment of your Accounts under the Plan, your contributions will automatically be invested in the Funding Vehicle that the Employer has established as the default investment fund

until you affirmatively elect to direct the investment of such amounts. The default investment fund for the Plan is the TIAA Lifecycle Fund.

The current selection of Vendors and Funding Vehicles offered under the Plan is not intended to limit future additions or deletions of Vendors and Funding Vehicles. Any additional investment funds offered by a Vendor(s) will automatically be made available to you in accordance with the procedures established by the Employer, the Plan Administrator and the Vendor(s). You will be notified of any additions or deletions.

Please contact the Plan Administrator for a current list of the Funding Vehicles available under the Plan.

### **Limitation on Investment Transactions**

The investment options available under the Plan are generally intended to be long-term investments suitable for retirement savings and are not designed to accommodate frequent exchanges (purchases and sales) by participants. An exchange occurs any time you transfer all or a portion of your Account from one investment option to another. Frequent exchanges by participants may be harmful to the performance of the Plan's investments by increasing transaction costs that are shared by all investors and by interfering with portfolio management. Therefore, the Plan Administrator and/or the entities that provide investments and administrative services to the Plan may adopt procedures to discourage these activities such as limiting the frequency with which you may submit investment directions, limiting the frequency with which you may transfer in and out of investment options, and limiting the dollar value of such transactions. You will be notified of any such procedures applicable under the Plan. You should keep in mind that such procedures may not detect or prevent all frequent trading in the Plan's investment options and that these activities may be harmful to investment performance.

## **VESTING**

You are fully and immediately vested in the value of your Accounts under the Plan and such amounts are nonforfeitable.

## **DISTRIBUTIONS, IN-SERVICE WITHDRAWALS, LOANS, TRANSFERS AND EXCHANGES**

Distribution of your Account is generally not permitted except in the event of termination of employment, disability or death. If you meet certain requirements, however, the Plan provides for certain in-service withdrawals.

### **Termination of Employment**

You may elect to have your benefit distributed to you as soon as administratively practicable following your termination of employment.

You may leave your benefits with the Vendor if your Account exceeds \$5,000. However, there are rules that require that certain minimum distributions be made from the Plan. Generally, minimum distributions must begin no later than April 1<sup>st</sup> of the calendar year following the later of the year in which you terminate employment or the year in which you reach age 72.

If your Account does not exceed \$1,000, it will automatically be paid to you in the form of a lump sum, unless you elect to have such distribution paid directly to an Eligible Retirement Plan in a direct rollover. If your Account is in excess of \$1,000 but does not exceed \$5,000, and you do not elect to have such distribution paid to you or rolled over to an Eligible Retirement Plan, your Account will automatically be rolled over to an individual retirement account selected by the Plan Administrator. Distributions in the form of a direct rollover to an Eligible Retirement Plan are subject to the restrictions noted below under "Direct Rollover Distributions."

You will be treated as having a termination of employment for purposes of qualifying for a distribution from your pre-tax Salary Deferral Account and/or after-tax Roth Salary Deferral Account if you are performing service in the uniformed services of the United States while on active duty for a period of more than 30 days and are receiving military differential pay. If you take such a distribution, you will not, however, be permitted to make pre-tax Salary Deferrals and/or after-tax Roth Salary Deferrals to the Plan for six months following the date of the distribution.

## **Death Benefits**

Your Account balance will be used to provide your beneficiary with a benefit upon your death. If your Account exceeds \$5,000 at the time of your death, your beneficiary will be entitled to receive distribution of your benefit in any of the forms permitted by the Vendor. If your Account is \$5,000 or less at the time of your death, your beneficiary will receive a distribution of your benefit in the form of a lump sum.

## **Beneficiary Designations**

You may name and/or change a beneficiary by completing a form online in the manner specified by the Vendor. If you appoint a trust as your beneficiary, any change in the beneficiaries of the trust will be considered a change in your beneficiary designation. The latest form you have completed and provided to the Vendor before your death will control. If no valid beneficiary designation exists at the time of your death, your beneficiary will be determined in accordance with the procedures established by the Vendor; otherwise your default beneficiary will be your spouse. If you do not have a spouse, your beneficiary will be your estate.

## **Direct Rollover Distributions**

You may request that all or part of any Eligible Rollover Distribution you receive from the Plan be rolled over directly from the Plan to an Eligible Retirement Plan. In general, an **Eligible Rollover Distribution** is any distribution *other* than the following:

- A payment in the form of installments over the single or joint and last survivor life expectancy of the participant and/or beneficiary, or over a period of 10 or more years;
- A hardship withdrawal;
- A qualified birth or adoption distribution; or,
- A required minimum distribution after age 72.

In addition, an Eligible Rollover Distribution that is considered a “qualified rollover distribution” may be rolled over directly in a trustee-to-trustee transfer from the Plan to a Roth IRA.

If a benefit is payable after your death to your surviving spouse, your surviving spouse may make an Eligible Rollover Distribution under the same rules that apply to distributions made to you. If your beneficiary **is not** your spouse, your non-spouse beneficiary may request that all or part of an Eligible Rollover Distribution be rolled over directly from the Plan to an inherited IRA or an inherited Roth IRA, but not to another employer’s retirement plan.

The Vendor will notify you if any amount to be distributed to you is an Eligible Rollover Distribution for which this election is available. Special tax withholding rules apply to any portion of an Eligible Rollover Distribution that is not rolled over directly to an Eligible Retirement Plan. You will be provided with more information on rollover distributions when you receive a distribution from the Plan.

***Because the tax laws are complex with regard to distributions and rollovers from qualified plans, we urge you to consult your tax advisor before rolling over distributions from the Plan.***

## **In-Service Withdrawals**

To the extent permitted by the applicable Vendor, you may be able to elect an in-service withdrawal from the Plan while you are still employed if you satisfy certain conditions. However, this withdrawal is not in addition to your other benefits and will, therefore, reduce the value of the benefits you will receive after your termination from employment or upon your death.

## **Salary Deferrals Made Prior to January 1, 1989**

You may be eligible to request an in-service withdrawal of any pre-tax Salary Deferrals (and earnings) contributed to your Account prior to January 1, 1989.

## **Withdrawal of Rollover Contributions**

You may request an in-service withdrawal of your Rollover Contributions (and earnings) at any time.

## **Age 59½ Withdrawals**

You may be able to request an in-service withdrawal of your pre-tax Salary Deferrals, after-tax Roth Salary Deferrals, 403(b) Catch-Up Contributions, and Age 50 Catch-Up Contributions once you reach age 59½.

## **Hardship Withdrawals**

To the extent permitted by the Vendor, you may be able to request a withdrawal of all or any portion of your pre-tax Salary Deferrals (excluding earnings) while you are still employed if you incur a financial hardship. However, this withdrawal is not in addition to your other benefits and will, therefore, reduce the value of the benefits you will receive after your separation from employment or upon your death. IRS rules determine what qualifies as a "hardship."

In general, hardship distributions are only available if needed to:

- Pay medical expenses incurred by you, your spouse, your dependents or your named beneficiary;
- Purchase your principal residence (excluding mortgage payments);
- Pay tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse, your dependents or your named beneficiary;
- Prevent your eviction from your principal residence or the foreclosure on the mortgage on your principal residence;
- Pay burial or funeral expenses for your deceased parent, spouse, children, other dependents or your named beneficiary; or,
- Pay expenses relating to the repair of damage to your principal residence that would qualify for the casualty deduction under section 165 of the Code.

The Vendor will obtain information from the Employer or other Vendors to determine the amount of any Plan loans and/or Rollover Contribution Accounts that are available to you under the Plan to satisfy the financial need prior to authorizing a hardship withdrawal.

## **Qualified Birth or Adoption Distributions**

To the extent permitted by the Vendor, you may be able to request a distribution of up to \$5,000 of your pre-tax Salary Deferrals (excluding earnings) while you are still employed if you incur qualified birth or adoption expenses. The distribution must be taken during the 1-year period beginning on (a) the date of birth of your child, or (b) the date on which your adoption of an eligible adoptee is finalized. An eligible adoptee is any person (other than a child of your spouse) who has not attained age 18 or is physically or mentally incapable of self-support. A qualified birth or adoption distribution is not in addition to your other benefits and will, therefore, reduce the value of the benefits you will receive after your separation from employment or upon your death. In general, you may (but are not required to) repay a qualified birth or adoption distribution that you have taken, by making one or more contributions to your Account under the Plan.

## Loans

Starting January 28, 2019, new loans are available only from the portion of your Account under the Plan, which is invested in the Retirement Choice Annuity Contract between Devereux and the Vendor. It generally is permissible to transfer funds in your Account from your individual Retirement Annuity Contracts with the Vendor to the Retirement Choice Annuity Contract. For information, contact TIAA or the Plan Administrator.

Generally, the Plan permits you to apply for a loan under the Plan. The terms and conditions of any loans will be determined by the Vendor and the Plan Administrator.

- **Loan Fees** – The Plan Administrator may charge a reasonable loan processing fee as well as an annual loan administration fee for each year the loan is outstanding. These fees will be deducted from your Account.
- **Amount of Loan** – The maximum amount you may borrow, when added to the outstanding balance of all loans under the Plan or any other plans maintained by the Employer, cannot exceed the lesser of:
  - (a) \$50,000, reduced by the excess, if any, of the highest outstanding balance of your loans (under any qualified plan sponsored by the Employer) during the 12 months before the new loan is to be made, over the outstanding balance of all such loans as of the date the new loan is to be made, or,
  - (b) the greater of:
    - (i) 50% of the present value of your vested benefit in your Account, or,
    - (ii) \$10,000.
- **Term of Loan and Rate of Interest** – The term of a loan may be from one to five years (60 months), unless the loan is used to acquire a house that will be used as your principal residence, in which case the loan term may be longer. The interest rate will be the rate determined by the Vendor.
- **Loan Repayment** –
  - Loans must be repaid through the methods determined by the Vendor.
  - The Vendor will provide you with information of events that will cause your loan, with all interest to become immediately due.
  - If your loan becomes immediately due and payable, you and your beneficiary may satisfy the loan by paying the outstanding balance in full within the time period prescribed by the Vendor. Otherwise, you will be “deemed” to have received a distribution of the outstanding loan balance from the Plan, and you will be taxed on that distribution in the year the default occurs, but your obligation to repay the loan will not be relieved. Your defaulted loan will not be deducted from your Account until a distribution is permitted to be made to you or your beneficiary, in the event of your death.
  - If permitted by the Vendor, you may prepay your entire balance of the loan, without penalty, at any time by remitting payment directly to the Vendor. Partial prepayments are not permitted, unless the Vendor provides otherwise.
  - All your loan repayments are invested in accordance with your most recent investment election for Plan contributions.
- **Maximum Number of Loans** – A loan may be taken, only if (1) outstanding loans do not exceed the maximum number below and (2) in the event of a loan default occurring after September 30, 2016:
  - A Participant will not be eligible to apply for a subsequent loan for a period of two (2) years from the date of the default; and,
  - A Participant will be ineligible to receive future loans in the event of a second loan default.

- The maximum number of loans that a Participant may have outstanding at one time is three (3). Loans issued prior to October 1, 2016 may exceed three (3), but the Participant shall not be eligible for additional loans until such time that the number of outstanding loans is below three (3).

### **Plan-to-Plan Transfers**

Transfers to (or from) the Plan from (or to) another 403(b) plan are not permitted under the Plan.

### **Contract and Custodial Account Exchanges**

Tax-free exchanges of annuity contracts or custodial accounts under the Plan from one Vendor to another Vendor for purposes of changing the investment of your Account under the Plan may be permitted under certain circumstances. Please contact the Vendor(s) if you are considering an exchange under the Plan.

### **Permissive Service Credit Transfers**

Transfers to a tax-qualified defined benefit governmental plan for the purchase of permissive service credits are also permitted under the Plan under certain circumstances. Please contact the Plan Administrator if you are considering the purchase of permissive service credits.

## **FEDERAL INCOME TAX TREATMENT OF DISTRIBUTIONS**

### **Tax Consequences**

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59½ could be subject to an additional 10% early distribution tax. In general, any amount distributed from the Plan is subject to 20% federal income tax withholding unless you roll the distribution over to an IRA or an Eligible Retirement Plan.

### **Reduction or Deferral of Taxes**

You may reduce, or defer entirely, the tax due on a distribution that is an Eligible Rollover Distribution (as defined above) through use of one of the following methods:

- The rollover of all or a portion of an Eligible Rollover Distribution to an Eligible Retirement Plan. If you roll over all or a portion of an Eligible Rollover Distribution to an Eligible Retirement Plan, no tax will be due until you begin withdrawing funds from the Eligible Retirement Plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution (such as a required minimum distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. If you wish to roll over all or a portion of your Eligible Rollover Distribution, the direct rollover option described below will postpone taxation on the distribution.
- The direct rollover of all or a portion of an Eligible Rollover Distribution to an Eligible Retirement Plan. If you directly roll over (also called a direct transfer) all or a portion of an Eligible Rollover Distribution to an Eligible Retirement Plan, no tax will be due until you begin withdrawing funds from the Eligible Retirement Plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct rollover. If you elect to actually receive the distribution rather than request a direct rollover, in most cases 20% of the distribution amount will be withheld for federal income tax purposes. Direct rollovers are generally not subject to 20% withholding.
- The direct rollover of all or a portion of an Eligible Rollover Distribution to a Roth IRA. Special rules apply to direct rollovers (also called direct transfers) to a Roth IRA. Rolling over a taxable distribution to a Roth IRA generally avoids taxes on any earnings in the rollover amount at the time of future distributions if certain requirements are met, but you are taxed currently at the time of the initial rollover distribution.

WHENEVER YOU RECEIVE A DISTRIBUTION, YOU WILL RECEIVE A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES THAT DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

## **PROTECTED BENEFITS, ADMINISTRATION AND CLAIMS PROCEDURES**

### **Non-Assignability of Benefits**

In general, the interests of each Participant and beneficiary under the Plan are not subject to the claims of creditors. There is an exception, however, to this rule. The Plan may be required by law to recognize obligations you incur as a result of court ordered property settlement, child support, or alimony payments. The Plan must honor a qualified domestic relations order, sometimes referred to as a "QDRO." A **QDRO** is defined as a decree or order issued by a court that provides for property settlement in connection with a divorce or separation that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a QDRO is received by the Vendor, all or a portion of your benefits may be used to satisfy the obligation. The Vendor will determine the validity of any domestic relations order it receives in accordance with established procedures. In addition, your benefit may be used to (a) satisfy a tax lien or (b) offset amounts that certain judgments or settlement agreements require you to pay to the Plan.

### **Amendment of Plan**

Devereux may amend the Plan at any time by or pursuant to a resolution of its Board. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will adversely affect the amount already credited to your Accounts under the Plan.

### **Discontinuance or Termination of Plan**

Although we intend to maintain the Plan indefinitely, Devereux reserves the right to terminate the Plan at any time and each Employer has the right to discontinue contributions under the Plan.

### **Claim for Benefits**

Benefits will be paid to you and your beneficiaries without the necessity of formal claims. If you believe that the Plan Administrator has failed to pay any benefit to which you are entitled, you may file a written claim with the Plan Administrator. The Plan Administrator will respond to your claim within a reasonable amount of time.

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Plan Administrator, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim; written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. If your claim is denied, the Plan Administrator will provide you with written or electronic notice setting forth in simple terms:

- Reason for the Denial – the specific reason or reasons for the denial;
- Reference to Plan Provisions – specific reference to the Plan provisions on which the denial is based;
- Description of Additional Material – a description of any additional material needed so that a benefit may be paid and an explanation of why such material or information is necessary; and,
- Description of Claims Review Procedures – an explanation of the claims review procedure under the Plan and the time limits applicable to the claims review procedure, including a statement of your right to bring a

civil action in federal court under section 502(a) of ERISA following denial of your claim under the claims review procedure.

You will also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim. Within 60 days of the date notice denying a claim is mailed to you, you or your duly authorized representative may request (in writing) a full review of the claim by the Plan Administrator. In connection with such review, you or your duly authorized representative may review relevant documents and may submit issues and comments in writing. The Plan Administrator will make a decision promptly, and not later than 60 days after receipt of the request for review, unless special circumstances (such as the need to hold a hearing, if appropriate) require an extension of time for processing. In that case, a decision will be rendered as soon as possible, but not later than 120 days after receipt of the request for review.

The decision on review will include a written statement that will include:

- Reason for the Denial – the specific reason or reasons for the denial;
- Reference to Plan Provisions – specific reference to the Plan provisions on which the denial is based;
- Statement of Entitlement to Documents – a description of your right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and,
- Statement of Right to Bring Action – a statement of your right to bring a civil action in federal court under section 502(a) of ERISA to pursue your claim for benefits.

Appeals not timely filed will be barred. The Plan Administrator's decision on review will be final and binding on all parties.

### **Participant Obligations and Duty to Notify Plan Fiduciary of Errors or Omissions**

In order for a Plan fiduciary (as determined under ERISA) to correct or otherwise rectify any errors or omissions with regard to your Account under the Plan, you have an obligation to monitor your Account to ensure that all directions, instructions and elections made by you are properly implemented. You should promptly review all statements, payroll confirmations and other notices received.

If a Plan fiduciary or an individual or entity with authority delegated by a Plan fiduciary acts or fails to act with respect to your Account and you know or should have known that such act or failure to act was incorrect or inconsistent with the Plan, ERISA or its regulations, the Code, and/or your investment instructions, elections, or other directions, your failure to notify the Plan fiduciary (or the Plan fiduciary's delegate) within 90 days that such act or failure to act was incorrect or inconsistent with your election shall be deemed to be an acceptance and ratification of the Plan fiduciary's (or the Plan fiduciary's delegate) act or failure to act.

### **ERISA Rights**

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you the fair market value of your Accounts, as of the date for which benefits are reported. You will automatically receive a statement of your Accounts (at least quarterly) and you may request (in writing) one additional statement, free of charge. This additional statement is not required to be given upon request more than once every 12 months.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including the Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. You and your beneficiaries can obtain, without charge, a copy of the QDRO procedures from the Plan Administrator.

If it should happen that the Plan’s fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the DOL, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if it finds your claim is frivolous.

If you have any questions about the Plan, then you should contact the Plan Administrator. If you have any questions about this statement, or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the hotline of the Employee Benefits Security Administration.

### **GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information that you may need to know about the Plan as summarized below:

Name of Plan:	Devereux Defined Contribution Retirement Plan
Plan Number:	001
Plan Year:	January 1 through December 31
Plan Sponsor Name and Address	Devereux 2012 Renaissance Boulevard King of Prussia, PA 19406-2786
Plan Sponsor Employer Identification Number:	23-1390618

Name and Address of Plan Administrator

Plan Administrator c/o Devereux  
2012 Renaissance Boulevard  
King of Prussia, PA 19406-2786

The investment fund provider(s) may also perform administration of some aspects of the Plan and the investment options.

Service of Legal Process

Service of legal process may be made upon your Employer. Service of legal process may also be made upon the Plan Administrator.

Participating Employer(s):

Devereux  
Devereux Cleo Wallace (Colorado) Heartland  
for Children, Inc.  
Communities Connected for Kids, formerly  
known as Devereux Community Based Care  
Quality Health Staffing, LLC

Vendor(s):

Teachers Insurance and Annuity Association  
College Retirement Equities Fund (TIAA)  
730 Third Avenue  
New York, NY 10017

### **Type of Plan**

The Plan is a tax-sheltered annuity plan under section 403(b) of the Code that is intended to comply with the requirements of ERISA. It provides eligible employees of tax-exempt organizations with the opportunity to defer part of their earnings, on a tax-favored basis, and invest those amounts in individual tax-sheltered annuities or custodial accounts offered by the investment fund providers. The amount of your Plan benefit will depend on the amount you accumulate in your Account. Each participant's Account will be periodically adjusted to reflect investment earnings, investment losses and Plan expenses. The benefits under this type of plan are not insured by the Pension Benefit Guaranty Corporation.

### **Plan Administrator Information**

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, including information about your Accounts, provides you with the forms you need to complete for Plan participation, and directs the payment of your Accounts at the appropriate time. The Plan Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan and your participation, you should contact the Plan Administrator. The Plan Administrator may designate other parties to perform some duties of the Plan Administrator.

### **Pension Benefit Guaranty Corporation**

The government exempts tax-sheltered annuity plans, such as the Plan, from buying termination insurance. Therefore, benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation. The retirement benefit you receive will depend on how long you work for your Employer, the amount you contribute, the amount of your Compensation and the investment performance of your Accounts.

*\*Please note:* More information about Devereux's Defined Contribution Retirement Plan is available in the Plan Document.

**Devereux Defined Contribution  
Retirement Plan Document**

Amended and Restated effective January 1, 2020

## INTRODUCTION

The Devereux Foundation (d/b/a Devereux Advanced Behavioral Health) (hereinafter “Devereux”) established the Devereux Defined Contribution Retirement Plan (the “Plan”), effective September 1, 1971, to provide retirement income benefits to eligible employees of Devereux and certain subsidiaries and Affiliates of Devereux (collectively, the “Employer”). The Plan was amended and restated effective January 1, 2019 to (1) incorporate prior amendments and (2) make other necessary and conforming changes.

The Plan is amended and restated effective January 1, 2020 to; (1) incorporate prior amendments, and (2) make other necessary and conforming changes.

The Plan is also intended to comply with the applicable requirements of the Employee Retirement Income Security Act of 1974, as amended, pursuant to Department of Labor regulations section 2510.3-2(f) and to meet the requirements of section 403(b) of the Code and the regulations promulgated thereunder.

The Administrator shall have authority to control and manage the operation and administration of the Plan and to interpret its provisions. All findings and determinations of the Administrator shall be conclusive for all purposes of the Plan. The Administrator shall act as such for all Employers that adopt this Plan.

**PLAN DOCUMENT TABLE OF CONTENTS**

<b>ARTICLE I</b>	<b>Definitions</b>	<b><a href="#">Pg. 24</a></b>
<b>ARTICLE II</b>	<b>Participation and Contributions</b>	<b><a href="#">Pg. 29</a></b>
<b>ARTICLE III</b>	<b>Limitations on Amounts Deferred</b>	<b><a href="#">Pg. 31</a></b>
<b>ARTICLE IV</b>	<b>Vesting</b>	<b><a href="#">Pg. 36</a></b>
<b>ARTICLE V</b>	<b>Loans</b>	<b><a href="#">Pg. 37</a></b>
<b>ARTICLE VI</b>	<b>Benefit Distributions</b>	<b><a href="#">Pg. 38</a></b>
<b>ARTICLE VII</b>	<b>Rollover Contributions to The Plan and Plan-To- Plan Transfers</b>	<b><a href="#">Pg. 40</a></b>
<b>ARTICLE VIII</b>	<b>Investment of Contributions</b>	<b><a href="#">Pg. 41</a></b>
<b>ARTICLE IX</b>	<b>Amendment and Plan Termination</b>	<b><a href="#">Pg. 42</a></b>
<b>ARTICLE X</b>	<b>Administration</b>	<b><a href="#">Pg. 43</a></b>
<b>ARTICLE XI</b>	<b>Miscellaneous</b>	<b><a href="#">Pg. 45</a></b>
<b>APPENDIX A</b>	<b>Participating Employers</b>	<b><a href="#">Pg. 47</a></b>

# ARTICLE I

## Definitions

**1.1 Account.** The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

**1.2 Account Balance.** The bookkeeping account maintained for each Participant that reflects the aggregate amount credited to the Participant's Account, including the Participant's Elective Deferrals, Roth Elective Deferrals, and Employer Contributions, the earnings or losses of each Annuity Contract or Custodial Account and any expenses allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. The Account Balance includes any account established under Article VII for rollover contributions (including Roth rollover contributions) and plan-to-plan transfers made for a Participant, and any account or accounts established for an Alternate Payee.

**1.3 Administrator.** The Plan Administrative Committee.

**1.4 Affiliate.** Any entity that, with any Employer, constitutes (a) a "controlled group of corporations" within the meaning of section 414(b) of the Code, (b) a "group of trades or businesses under common control" within the meaning of section 414(c) of the Code, (c) an "affiliated service group" within the meaning of section 414(m) of the Code or (d) that is required to be aggregated with any Employer pursuant to regulations under section 414(o) of the Code. An entity shall be considered an Affiliate only with respect to such period, as the relationship described in the preceding sentence exists.

**1.5 Alternate Payee.** A spouse, former spouse, child, or other dependent of a Participant recognized in a QDRO as having a right to receive all or part of benefits payable to a Participant under the Plan.

**1.6 Annuity Contract.** A nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities and that includes payment in the form of an annuity.

**1.7 Average Contribution Percentage.** The average (expressed as a percentage to the nearest one-hundredth of one percent) of the Contribution Percentages of a specified group of Eligible Employees.

**1.8 Beneficiary.** The person designated by the Participant in accordance with Section 2.8 who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

**1.9 Board.** The Board of Trustees of Devereux.

**1.10 Break in Service.** A Computation Period during which the Employee does not complete at least 501 Hours of Service. For purposes of determining whether a Break in Service has occurred in a Computation Period, an individual absent from work for maternity, paternity or any other approved reason under the Family and Medical Leave Act of 1993 ("FMLA") will receive credit for the Hours of Service that would have otherwise been credited to the individual but for his absence, or in any case in which the hours cannot be determined, eight Hours of Service per day for the absence. The Hours of Service credited under this Section 1.10 shall be credited (a) in the Computation Period in which the absence begins if the crediting is necessary to prevent a Break in Service in that Computation Period, or (b) in all other cases, in the next following Computation Period. The total number of Hours of Service credited shall not exceed 501.

**1.11 Code.** The Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. All references to sections of the Code are to such sections as they may from time to time be amended or renumbered.

**1.12 Compensation.**

- a. With respect to Elective Deferrals (including Elective Deferrals made under Sections 3.2 and 3.3), Roth Elective Deferrals and Employer Contributions, base wages or regular salary, excluding bonuses, overtime, severance payments, payments made under the Devereux Deferred Compensation Plan, and any other form of supplemental remuneration, plus amounts that would be

cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Article II made to reduce compensation to have Elective Deferrals under the Plan). Compensation shall exclude any military differential pay paid to the Participant by the Employer with respect to any period of active military service in the uniformed services of the United States of more than 30 days.

Notwithstanding the foregoing, pursuant to Treas. Reg. section 1.415(c)-2(e), the following amounts if paid by the later of (i) 21/2 months after a Participant's Severance from Employment with the Employer maintaining the Plan, or (ii) the end of the Plan Year that includes the Participant's Severance from Employment with the Employer maintaining the Plan, shall be included in Compensation for purposes of Elective Deferrals, Roth Elective Deferrals and basic Employer Contributions described under Section 3.5:

- i. Payments that, absent a Severance from Employment, would have been paid to the Employee while the Employee continued in employment with the Employer and are regular compensation for services during the Employee's regular working hours; and
  - ii. Payments for accrued bona fide sick, vacation, or other leave (to the extent the Employee would have been able to use the leave if employment had continued)
- b. For purposes of Section 3.9, "Compensation" shall mean the Compensation, as defined in this Section 1.12, that the Participant would have received during the period of Qualified Military Service (or, if the amount of such Compensation is not reasonably certain, the Participant's average earnings from the Employer for the 12-month period immediately preceding the Participant's period of Qualified Military Service); provided, however, that the Participant returns to work within the period during which his right to reemployment is protected by law.
- c. No Compensation of a Participant for a Plan Year shall be taken into account to the extent it exceeds the annual compensation limit applicable under section 401(a)(17) (A) of the Code, as adjusted for increases in the cost of living in accordance with section 401(a)(17)(B) of the Code.
- d. Within states with mandatory daily overtime, time in excess of eight (8) hours may be counted, as long as the total hours for the week do not exceed a base of forty (40) hours.

**1.13 Computation Period.** Each 12-consecutive month period beginning with an Employee's Employment Commencement Date and anniversaries thereof.

**1.14 Contribution Percentage.** The ratio (expressed as a percentage to the nearest one-hundredth of one percent) of (a) the additional Employer Contributions allocated to a Participant's Account for the Plan Year; plus, in the case of any Highly Compensated Employee who is eligible to participate in more than one plan maintained by the Employer or an Affiliate to which employee or matching contributions are made, after-tax employee contributions and employer matching contributions made on his behalf under all such plans (excluding those that are not permitted to be aggregated under Treas. Reg. section 1.401(m)-1(b)(4)(iv)) for the Plan Year, to (b) the Employee's Compensation for the portion of the Plan Year the individual was a Participant. For purposes of determining the Contribution Percentage, the Employer or the Administrator may take Elective Deferrals into account (excluding Elective Deferrals made pursuant to Sections 3.2 and 3.3), in accordance with Treasury regulations. For purposes of this Section 1.14, Compensation shall include any military differential pay paid to the Participant by the Employer with respect to any period of active military service in the uniformed services of the United States of more than 30 days.

**1.15 Custodial Account.** The group or individual custodial account or accounts, as defined in section 403(b) (7) of the Code, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.

**1.16 Devereux.** The Devereux Foundation, d/b/a Devereux Advanced Behavioral Health, a Pennsylvania 501(c) (3) Organization, and any successor thereto that adopts the Plan.

**1.17 Disability.** A disability with respect to which a Participant is eligible for benefits under the long-term disability plan maintained by the Employer.

**1.18 Elective Deferral.** The contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions (with the exception of Roth Elective Deferrals provided under Section 1.38).

**1.19 Eligible Employee.** Each Employee of an Employer other than (a) a non-resident alien with no U.S. source income; (b) a Leased Employee; or (c) any individual whom the Employer classifies as an independent contractor (regardless of the individual's employment status under applicable law). Notwithstanding the foregoing, an Employee who is determined by the Employer to be a "Client Employee," shall not be considered an Eligible Employee for purposes of eligibility to receive basic and additional Employer Contributions.

**1.20 For purposes of this Section 1.19,** if an individual who is not classified as an Eligible Employee as a result of subsection (c) above is subsequently reclassified as, or determined to be, an employee by the Internal Revenue Service, any other governmental agency or authority, or a court, or if an Employer is required to reclassify such individual as an employee as a result of such reclassification or determination (including any reclassification by an Employer or Affiliate in settlement of any claim or action relating to such individual's employment status), such individual, for purposes of this Plan, shall be deemed an Eligible Employee from the actual (and not the effective) date of such reclassification.

**1.21 Eligible Retirement Plan.** An individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, an eligible governmental plan described in section 457(b) of the Code, that accepts the Eligible Rollover Distribution.

**1.22 Eligible Rollover Distribution.** Any distribution of all or any portion of a Participant's benefit under another Eligible Retirement Plan, except that an Eligible Rollover Distribution does not include (a) any installment payment for a period of 10 years or more, (b) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (c) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code.

**1.23 Employee.** Each individual who is a common law employee of the Employer or an Affiliate performing services as an employee of the Employer or Affiliate. A person who is not otherwise employed by an Employer or Affiliate shall be deemed to be employed by any such company if he is a Leased Employee.

**1.24 Employer.** Devereux and each such subsidiary or Affiliate of Devereux as may from time to time participate in the Plan by authorization of the Board and the boards of directors of such subsidiary or Affiliate. Employers participating in the Plan are listed in Appendix A.

**1.25 Employer Contribution.** Basic and additional contributions made by the Employer pursuant to Section 3.5.

**1.26 Employment Commencement Date.** The date on which an Employee first performs an Hour of Service for an Affiliate or the date following a Break in Service that is treated as the Employee's new Employment Commencement Date.

**1.27 ERISA.** The Employee Retirement Income Security Act of 1974, as amended. All references to sections of ERISA are to such sections as they may from time to time be amended or renumbered.

**1.28 501(c) (3) Organization.** An organization that qualifies to be exempt from federal income tax under section 501(c) (3) of the Code.

**1.29 Funding Vehicles.** The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by Devereux for use under the Plan.

**1.30 Highly Compensated Employee.**

- a. Any Employee who performed services for the Employer or an Affiliate during the Plan Year for which a determination is being made (the "Determination Year") and who:
  - i. was at any time in the Determination Year or the immediately preceding Determination Year a five percent (5%) owner, as defined in section 416(i) of the Code; or

- ii. for the immediately preceding Determination Year received “compensation,” as defined under section 415(c)(3) of the Code, from the Employer or an Affiliate in excess of the applicable dollar limit under section 414(q) of the Code, as adjusted by the Secretary of the Treasury in accordance with section 414(q) of the Code.
- b. A former Employee shall be treated as a Highly Compensated Employee if such Employee satisfied the requirements of subsection (a) when such former Employee separated from service or at any time after attaining age fifty-five (55). For purposes of this Section 1.29, “compensation” shall include any military differential pay paid to the Participant by the Employer with respect to any period of active military service in the uniformed services of the United States of more than 30 days.

**1.31 Hour of Service.**

- a. Except as provided in subsection (b):
- i. Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for an Affiliate.
  - ii. Each hour for which an Employee is entitled, either by award or agreement, to back pay from an Employer or an Affiliate, irrespective of mitigation of damages;
  - iii. each hour for which an Employee is directly or indirectly paid or entitled to payment by an Employer or an Affiliate on account of a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), jury duty, layoff, leave of absence; or
  - iv. each hour for which an Employee is absent for Qualified Military Service under leave granted by the Employer or Affiliate or required by law, provided the Employee returns to service with the Employer or Affiliate within such period as his right to reemployment is protected by law.
- b. Anything to the contrary in subsection (a) notwithstanding:
- i. No Hours of Service shall be credited to an Employee for any period merely because, during such period, payments are made or due him under a plan maintained solely for the purpose of complying with applicable workers’ compensation, unemployment compensation, or disability insurance laws.
  - ii. No Hours of Service shall be credited to an Employee with respect to payments solely to reimburse the Employee for medical or medically related expenses.
  - iii. No more than five hundred and one (501) Hours of Service shall be credited to an Employee under subsection (a) (iii) of this definition on account of any single continuous period during which no duties are performed by him, except to the extent otherwise provided in the Plan.
  - iv. No Hours of Service shall be credited twice.
  - v. Hours of Service shall be credited at least as liberally as required by the rules set forth in Department of Labor Reg. sections 2530.200b-2(b) and (c).
  - vi. In the case of an Employee who is such solely by reason of service as a leased employee within the meaning of section 414(n) or 414(o) of the Code, Hours of Service shall be credited as if such Employee were employed and paid with respect to such service (or with respect to any related absences or entitlements by the Employer or Affiliate that is the recipient thereof).

**1.32 Individual Agreement.** The agreements between a Vendor and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

**1.33 Leased Employee.** Any individual who provides services to the Employer if such services are provided pursuant to an agreement between the Employer and any other person (“leasing organization”), such services are performed under the primary direction or control of the Employer, such services are provided to the Employer on

a substantially full-time basis for a period of at least one year, and the Employer classifies such person as a Leased Employee (regardless of the individual's employment status under applicable law).

**1.34 Participant.** An individual who has become a Participant in the Plan as provided in Article II and who has not received a distribution of his entire benefit under the Plan.

**1.35 Plan.** The Devereux Defined Contribution Retirement Plan.

**1.36 Plan Year.** The calendar year.

**1.37 QDRO.** A "qualified domestic relations order" within the meaning of section 206(d) (3) (B) of ERISA and section 414(p) of the Code.

**1.38 Qualified Military Service.** Any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) where the Participant's right to reemployment is protected by law.

**1.39 Roth Elective Deferrals.** The portion of a Participant's Elective Deferrals that the Participant has irrevocably designated as Roth elective deferrals under section 402A of the Code and that he has elected in lieu of receiving cash compensation. Roth Elective Deferrals are limited to after-tax salary reduction contributions and shall be subject to the same rules and conditions that apply to Elective Deferrals.

**1.40 Severance from Employment.** For purpose of the Plan, Severance from Employment means termination of employment for any reason (other than an authorized leave of absence), or in the case of failure to return to employment with the Employer at or before the expiration of an authorized leave of absence, the earlier of the first anniversary date on which the authorized leave of absence began or the date on which the authorized leave of absence ended without the employee returning to employment with the Employer.

**1.41 Valuation Date.** Each business day.

**1.42 Vendor.** The provider of an Annuity Contract or Custodial Account, including without limitation Teachers Insurance Annuity Association of America (TIAA).

**1.43 Year of Eligibility Service.** A Computation Period during which an Employee is credited with at least 1,000 Hours of Service. A Year of Eligibility Service shall be credited at the end of each applicable Computation Period.

## ARTICLE II

### Participation and Contributions

#### 2.1 Eligibility

- a. Elective Deferrals and Roth Elective Deferrals. Each Eligible Employee, including employees of Quality Health Staffing, LLC (QHS) shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his behalf as of the first payroll period immediately following his Employment Commencement Date. Notwithstanding the foregoing, each Eligible Employee may irrevocably designate all or any portion of such Elective Deferrals as Roth Elective Deferrals.
- b. Employer Contributions. Each Eligible Employee, except employees of QHS, shall be eligible to receive an allocation of Employer Contributions for a Plan Year in accordance with Section 3.5 beginning as of the first day of the month coincident with, or next following, the date he has both attained age 21 and (a) for Eligible Employees whose Employment Commencement Date is before December 23, 2018 (and Eligible Employees of Heartland for Children (HFC) regardless of Employment Commencement Date), completed two Years of Eligibility Service, or (b) for Eligible Employees whose Employment Commencement Date is on or after December 23, 2018 (except Eligible Employees of HFC), completed one year of Eligibility Service; provided the Eligible Employee:
  - i. Completes at least 1,000 Hours of Service for the Plan Year (including the Plan Year in which the Eligible Employee satisfies the eligibility requirements set forth in this Section 2.1(b)), unless the employee has attained age 65 or older and is in his or her final year of employment; and
  - ii. Is employed on the last day of the final pay period ending in the Plan Year, whether paid in that Plan Year or the subsequent Plan Year, unless the employee has attained age 65 or older and is in his or her final year of employment.

If age 65 or older and in final year of employment, both the requirement to be employed at the end of the Plan Year and the requirement to complete 1,000 Hours of Service for the Plan Year are waived, and the Employer will make its contribution to the Participant's Account as soon as administratively possible, following the final payment for employment services provided.

- c. Completes at least 1,000 Hours of Service for a Plan Year for purposes of Section 2.1(b) (i) above based on the pay periods included in taxable compensation for the calendar year.
- d. The Employer Contribution includes the applicable Basic Employer Contribution and the Additional Employer (Matching) Contribution under Section 3.5. The contribution will be made as soon as administratively possible and will be based on Compensation from the time the Eligible Employee meets the eligibility requirements through the end of the Plan Year.
- e. If a Participant dies while an active Employee during the Plan Year, both the requirement to be employed at the end of the Plan Year and the requirement to complete 1,000 Hours of Service for the Plan Year are waived, and the Employer will make its contribution to the Participant's Account within thirty (30) days of the Employee's date of death based on Compensation earned during the Plan Year.

**2.2 Compensation Reduction Election.** An Eligible Employee may elect to become a Participant with regard to Elective Deferrals and Roth Elective Deferrals by completing an election to reduce his Compensation (and have that amount contributed to the Plan as an Elective Deferral and/or a Roth Elective Deferral on his behalf) and delivering it to the center People Operations Department. This Compensation reduction election shall be made in the form and manner provided by the Administrator pursuant to which the Eligible Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum deferral amount and may change such minimum from time to time. The participant shall also include a designation of the Funding Vehicles and Accounts therein to which Elective Deferrals and Roth Elective Deferrals are to be made and a designation of Beneficiary on TIAA's website. Any such election shall remain in effect until a new election is completed and delivered to the People Operations Department. Only an individual who performs services for the Employer as an Employee may reduce his Compensation under the Plan. All Elective Deferrals (but not Roth Elective Deferrals) shall be made on a pre-tax basis. An Eligible Employee shall become a

Participant with respect to Elective Deferrals and Roth Elective Deferrals as soon as administratively practicable following the date applicable under the Eligible Employee's election.

**2.3 Information Provided by the Employee.** Each Eligible Employee enrolling in the Plan shall provide to the People Operations Department at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the People Operations Department to administer the Plan, including any information required under the Individual Agreements.

**2.4 Change in Elective Deferral and Roth Elective Deferral Election.** Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his participation election, including changing the amount of his Elective Deferrals and Roth Elective Deferrals, his investment elections, and his designated Beneficiary. A change in investment election shall take effect as of the date provided by the Administrator and/or the Vendor, as applicable, on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

**2.5 Timing of Contributions.** Elective Deferrals and Roth Elective Deferrals shall be forwarded to the Vendor as soon after the applicable pay period as such contributions can reasonably be segregated from the general assets of the Employer, but in any event within 15 business days after the end of the month in which the Compensation to which such contributions relate would otherwise be payable to the Participant. Employer Contributions for a Plan Year shall be forwarded to the Vendor no later than the 15th day of the 6th calendar month following the close of the Employer's fiscal year with or within which the Plan Year end.

**2.6 Leave of Absence.** Unless an Employee's participation election is otherwise changed, if an Employee is on a leave of absence, Elective Deferrals, Roth Elective Deferrals and Employer Contributions under the Plan shall continue to the extent that Compensation continues.

**2.7 Disability.** A Participant who has incurred a Disability and no longer receives Compensation from the Employer shall not be entitled to an Employer Contribution.

**2.8 Designation of Beneficiary.**

- a. Each Participant shall have a Beneficiary who shall receive the balance standing to the Participant's Account in the event the Participant dies prior to the distribution of his entire Account. A designation shall be made in the manner prescribed by the Administrator and/or the Vendor and shall be filed with the Vendor.
- b. A Participant may change his Beneficiary designation at any time by notice to the Vendor in the manner prescribed by the Administrator and/or the Vendor. A designation shall not be effective unless and until it is filed with the Vendor. In the event a Participant designates a trust as his Beneficiary, a change in the Beneficiaries of the trust shall be deemed a change in the Participant's Beneficiary designation under this Plan.
- c. If no person designated as the Participant's primary Beneficiary in accordance with the requirements of subsection (a) survives the Participant, his Beneficiary shall be the contingent Beneficiary or Beneficiaries designated in a designation meeting the requirements of subsection (a). If, however, no person effectively designated as the Participant's Beneficiary survives the Participant, or in the event the Participant fails to designate a Beneficiary, the Participant's Beneficiary shall be determined in accordance with the terms of the applicable Individual Agreement for the Participant's Account; provided that to the extent the applicable Individual Agreement for the Participant's Account does not include a default beneficiary, then the Participant's beneficiary shall be his spouse, if living, otherwise, his estate.

**2.9 Reemployment.**

- a. **Elective Deferrals and Roth Elective Deferrals.** With regard to Elective Deferrals and Roth Elective Deferrals, an individual who is reemployed with the Employer as an Eligible Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals and Roth Elective Deferrals made on his behalf as of the first payroll period immediately following his reemployment.
- b. **Employer Contributions.** With regard to Employer Contributions:

- i. An individual who is reemployed with the Employer as an Eligible Employee and who did not previously satisfy the eligibility requirements of Section 2.1(b) shall be required to again satisfy the eligibility requirements of Section 2.1(b) with regard to Employer Contributions.
- ii. An individual who is reemployed with the Employer as an Eligible Employee and who previously satisfied the eligibility requirements of Section 2.1(b) shall be eligible to receive an allocation of Employer Contributions in accordance with Section 3.5 upon reemployment with the Employer (regardless of the occurrence of a Break in Service or the number of Breaks in Service incurred by such individual since his or her Severance from Employment); provided that the Eligible Employee satisfies the requirements of Section 2.1(b)(ii) (employed on the last day of the last pay period of the Plan Year) for the Plan Year of reemployment.

## ARTICLE III

### Limitations on Amounts Deferred

**3.1 Basic Annual Limitation.** Except as provided in Sections 3.2 and 3.3, for any Participant, the maximum amount of Elective Deferrals and Roth Elective Deferrals made by the Participant under the Plan for any calendar year shall not exceed the amount established under section 402(g) (1) (B) of the Code, as adjusted for cost-of-living to the extent provided under section 415(d) of the Code.

**3.2 Special Section 403(b) Catch-up Limitation for Employees with 15 Years of Service.** Because the Employer is a “qualified organization” (within the meaning of Treas. Reg. section 1.403(b)-4(c)(3)(ii)), the applicable dollar amount under Section 3.1 for any “qualified employee” is increased (to the extent provided in the Individual Agreements) by the least of:

- a. 3,000;
- b. The excess of:
  - i. \$15,000, or over.
  - ii. The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or,
- c. The excess of:
  - i. \$5,000 multiplied by the number of years of service of the employee with the qualified organization, or over.
  - ii. The total Elective Deferrals and Roth Elective Deferrals made for the employee by the qualified organization for prior years.

For purposes of this Section 3.2, a “qualified employee” means an Employee who has completed at least 15 years of service taking into account only employment with the Employer.

**3.3 Age 50 Catch-up Elective Deferral Contributions.** A Participant who will attain age 50 or more by the end of the Plan Year is permitted to elect an additional amount of Elective Deferrals and Roth Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals established under section 414(v) of the Code for the Plan Year, as adjusted for cost-of-living to the extent provided under section 414(v) of the Code. The Participant may not contribute age 50 catch-up Elective Deferrals under this Section unless and until he reaches a limitation on the amount of Elective Deferrals and Roth Elective Deferrals for the Plan Year that is imposed by the Plan or applicable Federal law.

**3.4 Coordination.** Amounts in excess of the limitation set forth in Section 3.1 shall be allocated first as a special 403(b) catch-up contribution under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals and Roth Elective Deferrals for a Plan Year be more than the Participant’s Compensation for the Plan Year.

**3.5 Employer Contributions.** With respect to each Plan Year in which an Eligible Employee who satisfies the requirements of Section 2.1(b):

- a. **Devereux Foundation (other than QHS) and Communities Connected for Kids, Inc. (formerly known as Devereux Community Based Care) Employees.** With respect to Eligible Employees employed by The Devereux Foundation or Communities Connected for Kids, Inc. (formerly known as Devereux Community Based Care):

- i. For Employees whose Employment Commencement Date is before December 23, 2018:

1. The Employer shall contribute an Employer Contribution equal to 5% of the Eligible Employee's Compensation earned during the Plan Year while he was a Participant; and,
2. Provided the Eligible Employee has elected to make Elective Deferrals and/or Roth Elective Deferrals under Section 2.1(a) of from 1% to 2% of Compensation for any portion of a Plan Year, the Employer shall contribute an additional Employer Contribution in accordance with the following schedule:

Elective Deferral/ Roth Elective Deferral	Additional Employer Contribution (as a percentage of Compensation)	Total Employer Contribution (as a percentage of Compensation)
0%	0%	5%
1%	1%	6%
2%	2%	7%

- ii. For Employees whose Employment Commencement Date is on or after December 23, 2018:

1. The Employer shall contribute an Employer Contribution equal to 3% of the Eligible Employee's Compensation earned during the Plan Year while he was a Participant; and,
2. The Employer may, in its absolute discretion, contribute additional Employer Contributions based on Elective Deferrals and/or Roth Elective Deferrals under Section 2.1(a). The amount and computation period of any such discretionary additional Employer Contributions shall be determined by the Employer, in its absolute discretion. This provision shall not be construed as requiring the Employer to make any Employer Contribution described in this subsection in (or with respect to) any computation period. If discretionary additional Employer Contributions are approved, the Employer shall contribute an additional Employer Contribution in accordance with the following schedule:

Elective Deferral/ Roth Elective Deferral	Additional Employer Contribution (as a percentage of Compensation)	Total Employer Contribution (as a percentage of Compensation)
0%	0%	3%
1%	1%	4%
2%	2%	5%

- b. **Heartland for Children, Inc. Employees.** With respect to Eligible Employees employed by Heartland for Children, Inc.:

- i. The Employer shall contribute an Employer Contribution equal to 7% of the Eligible Employee's Compensation earned during the Plan Year while he was a Participant; and,
- ii. Provided the Eligible Employee has elected to make Elective Deferrals and/or Roth Elective Deferrals under Section 2.1(a) of from 1% to 3% of Compensation for any portion

of a Plan Year, the Employer shall contribute an additional Employer Contribution in accordance with the following schedule:

Elective Deferral/ Roth Elective Deferral	Additional Employer Contribution (as a percentage of Compensation)	Total Employer Contribution (as a percentage of Compensation)
0%	0%	7%
1%	1%	8%
2%	2%	9%
3%	3%	10%

- c. **Devereux Cleo Wallace Employees.** With respect to Eligible Employees employed by Devereux Cleo Wallace:
  - i. The Employer shall contribute an Employer Contribution equal to 3% of the Eligible Employee's Compensation earned during the Plan Year while he was a Participant.
- d. **Quality Health Staffing, LLC Employees - No Employer Contribution or additional Employer Contribution shall be made with respect to eligible Employees employed by QHS.**

**3.6 Special Rule for a Participant Covered by another Section 403(b) Plan.** For purposes of this Article III, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article III. For this purpose, the Administrator shall take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his participation in such other plan.

**3.7 Correction of Excess Elective Deferrals and Roth Elective Deferrals.** Except as provided in Sections 3.2 and 3.3, Elective Deferrals and Roth Elective Deferrals shall be subject to the following rules:

- a. For any calendar year, the Elective Deferrals and Roth Elective Deferrals made by a Participant to this Plan and any other tax deferred annuities shall not exceed the dollar limitation prescribed under section 402(g)(1) of the Code, as adjusted pursuant to section 402(g)(4) of the Code, in effect with respect to the calendar year. It shall be the responsibility of each Participant to determine and inform the Administrator of any contributions by an employer, other than the Employer, that are to be aggregated with contributions under the Plan in determining the limitation under section 402(g) of the Code with respect to the Participant.
- b. To the extent that for any calendar year the sum of a Participant's Elective Deferrals and Roth Elective Deferrals to this Plan and his elective deferrals and Roth elective deferrals as defined below in subsection (c) exceed the limitations of subsection (a), such amount shall be an excess deferral, and the Participant may, in his own discretion, notify the Administrator no later than the March 1 next following the end of such year of the amount of the excess deferral allocated to this Plan. If a Participant notifies the Administrator of any such excess deferral, the Administrator shall instruct the Vendor to do the following: (1) recharacterize the excess deferral as an Elective Deferral or Roth Elective Deferral under Section 3.2 or 3.3 to the extent permitted by section 403(b) or 414(v), respectively, of the Code and the regulations issued thereunder, or (2) distribute to the Participant the sum of the excess deferral. Any recharacterization or distribution shall include income attributable to such excess deferral and shall be made by the April 15 next following the end of the year in which the excess deferral arose. Such income shall be equal to the allocable gain or loss for the Plan Year (determined by multiplying the income allocable to the Participant's Elective Deferrals and Roth Elective Deferrals, as applicable, for the Plan Year by a fraction, the numerator of which is the Participant's excess Elective Deferrals and Roth Elective Deferrals, as applicable, for the Plan Year and the denominator is the Participant's Elective Deferral Account and Roth Elective Deferral Account, as applicable, as of the beginning of the Plan Year).
  - i. For purposes of this Section, a Participant's elective deferrals consist of any employer contributions under a cash or deferred arrangement described in section 401(k) of the Code or

section 408(k)(6) of the Code to the extent not includible in the Participant's gross income for purposes of federal income tax for the year (determined without regard to section 402(g) of the Code relating to the limitation on exclusion for elective deferrals) and any contributions the Participant has made to an annuity contract described in section 403(b) of the Code pursuant to a salary reduction agreement with his employer (other than Elective Deferrals and Roth Elective Deferrals to this Plan). It shall be the responsibility of the Participant to determine and inform the Administrator of any contributions by an employer, other than the Employer, that are to be aggregated with contributions under the Plan in determining the section 402(g) limits with respect to the Participant.

- ii. In the case of a distribution of excess Elective Deferrals and/or Roth Elective Deferrals described in subsection (b), to the extent the Participant made both Elective Deferrals and Roth Elective Deferrals during the Plan Year to which such excess relates, the Participant may make an election regarding whether the excess amount to be distributed shall be comprised of Elective Deferrals and/or Roth Elective Deferrals. In the absence of such election, the Plan will distribute excess Elective Deferrals first.
- iii. Notwithstanding anything in this Section to the contrary, a Participant may not allocate the excess deferral to this Plan if the result of such allocation would be that the Participant's elective deferrals under all such plans, other than annuity contracts described in section 403(b) of the Code, would exceed the dollar limitation in effect under section 402(g) of the Code with respect to the calendar year.

**3.8 Limitation under Section 415 of the Code.** The total contributions required to be made for a Participant in any Plan Year under Sections 3.1 and 3.5 (excluding Elective Deferrals under Sections 3.2 and 3.3) may not exceed the limitations under section 415 of the Code on the Participant's "annual addition" for the Plan Year (which shall be the "limitation year" for such purpose under section 415 of the Code). All of the applicable requirements of section 415 of the Code are incorporated herein by reference. Effective for limitation years beginning on or after July 1, 2007, "statutory compensation" shall include those amounts described under Treas. Reg. section 415(c)-2(e)(3)(ii) and (iii) and Treas. Reg. section 415(c)-2(e)(4). For purposes of this Section 3.8, "statutory compensation" shall include any military differential pay paid to the Participant by the Employer with respect to any period of active military service in the Uniformed services of the United States of more than 30 days.

**3.9 Protection of Persons Who Serve in a Uniformed Service.**

- a. Elective Deferrals and Roth Elective Deferrals. An Employee whose employment is interrupted by a period of Qualified Military Service or who is on a leave of absence for Qualified Military Service may elect to make additional Elective Deferrals and Roth Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals and Roth Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals and Roth Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).
- b. Employer Contributions. Upon an Employee's return to service with the Employer or Affiliate within such period as his right to employment is protected by law, the Employer shall contribute to the Plan on behalf of each such Participant eligible to share in such contributions, an amount equal to the Employer Contribution that would have been required under Section 3.5 during the period of Qualified Military Service (including counting the period of Qualified Military Service toward satisfying the Year(s) of Eligibility Service required under Section 2.1(b) for eligibility for Employer Contributions).
- c. Limitations on Contributions. The Elective Deferrals, Roth Elective Deferrals and Employer Contributions made under this Section 3.9 shall be subject to the limitations described in Sections 3.1, 3.2, 3.3, and 3.8 for the Plan Year to which such contributions relate.

**3.10 Limitations on Additional Employer Contributions.**

- a. **Average Contribution Percentage (“ACP”) Test.** For each Plan Year, additional Employer Contributions under Section 3.5 made with respect to Elective Deferrals and/or Roth Elective Deferrals must satisfy one of the following tests:
- i. The Average Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for all other Participants for the preceding Plan Year multiplied by 1.25; or,
  - ii. The Average Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for all other Participants for the preceding Plan Year multiplied by two (2), provided that the Average Contribution Percentage for such Highly Compensated Employees does not exceed the Average Contribution Percentage for all other Eligible Employees by more than two (2) percentage points.
- b. **Aggregation of Plans.** For purposes of this Section 3.10, the Plan shall be aggregated and treated as a single plan with other plans maintained by the Employer or an Affiliate to the extent that the Plan is aggregated with any such other plan for purposes of satisfying section 410(b) (other than section 410(b)(2)(A)(ii)) of the Code.
- c. **Correction of Discriminatory Contributions.**
- i. Should the nondiscrimination test of subsection (a) not be satisfied with respect to additional Employer Contributions for any Plan Year, the Plan Administrator shall (1) determine the amount by which the Average Contribution Percentage of the Highly Compensated Employee with the highest Average Contribution Percentage for the Plan Year would need to be reduced to comply with the limit in subsection (a), (2) convert the excess percentage amount determined under clause (1) into a dollar amount, and (3) reduce the excess contributions of the Highly Compensated Employee or Employees with the greatest dollar amount of additional Employer Contributions by the lesser of (A) the amount by which the dollar amount of the affected Highly Compensated Employees’ additional Employer Contributions exceeds the dollar amount of the additional Employer Contributions of the Highly Compensated Employee or Employees with the next highest dollar amount of additional Employer Contributions or (B) the amount of the excess dollar amount determined under clause (2). This process shall be repeated until the additional Employer Contributions of the Highly Compensated Employee or Employees have been reduced by an amount equal to the excess dollar amount determined under clause (2). The additional Employer Contributions of any Highly Compensated Employee that must be reduced shall be reduced, within 12 months of the close of the Plan Year with respect to which the reduction applies, by distributing additional Employer Contributions allocated on behalf of such Highly Compensated Employee.
  - ii. Any distribution of additional Employer Contributions necessary pursuant to subsection (c) (i) shall include a distribution of the income, if any, allocable to such distributed contributions. Such income shall be equal to the allocable gain or loss for the Plan Year (determined by multiplying the income allocable to the Participant’s additional Employer Contributions, as applicable, for the Plan Year by a fraction, the numerator of which is the Participant’s excess additional Employer Contributions, as applicable, for the Plan Year and the denominator is the Participant’s additional Employer Contribution Account, as applicable, on the last day of the preceding Plan Year). Notwithstanding anything in this Section to the contrary, for any Highly Compensated Employee who is a Participant in both this Plan and any other qualified retirement plan maintained by the Employer or an Affiliate under which the Employee has made employee contributions or elective deferrals, or is credited with employer matching contributions for the year, the Plan Administrator shall coordinate corrective actions under this Plan and such other plans for the year.

## ARTICLE IV

### Vesting

**4.1 Vesting.** A Participant shall be 100% vested in his Account Balance at all times under the Plan.

## ARTICLE V

### Loans

**5.1 Loans.** A Participant shall be permitted to take a loan under the Plan to the extent permitted under this Article V. Loans under the Plan are available only through an executed agreement between the Participant and the Vendor, and effective as promptly as practicable on or after January 28, 2019, will be taken from and repaid to the Participant's Account. A loan may be taken with respect to only the portion of the Participant's Account attributable to Elective Deferrals (not including Roth Elective Deferrals) and rollover contributions under Section 7.1 (a). Effective for loans requested on or after January 28, 2019, a loan may be taken only from the portion of the Participant's Account, which is invested in the Retirement Choice Annuity Contract between Devereux and the Vendor.

**5.2. Information Coordination Concerning Loans.** Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans taken under the Plan, the Administrator or Vendor processing any Participant loan request shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 5.3, including the collection of information from the Employer and other Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator or Vendor, as applicable, shall also take such steps as may be appropriate to collect information from Vendors and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.

**5.3 Maximum Loan Amount.** No loan to a Participant under the Plan may exceed the lesser of:

- a. \$50,000, reduced by the greater of (i) the outstanding balance on any loan under the Plan to the Participant on the date the loan is made, or (ii) the highest outstanding balance on loans under the Plan to the Participant during the one-year period ending on the day before the date the loan is approved (not taking into account any payments made during such one-year period); or,
- b. One half of the value of the Participant's vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved).

For purposes of this Section 5.3, any loan made under any other plan maintained by the Employer shall be treated as if it were a loan made under the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

**5.4 Maximum Number of Loans.**

- a. A loan may be taken, only if (1) outstanding loans do not exceed the maximum number under Section 5.4(b) below, and (2) in the event of a loan default occurring after September 30, 2016:
  - i. A Participant will not be eligible to apply for a subsequent loan for a period of two (2) years from the date of the loan default; and,
- b. A Participant will be ineligible to receive future loans in the event of a second loan default.
  - i. The maximum number of loans that a Participant may have outstanding at one time is three (3). Loans issued prior to October 1, 2016 may exceed three (3), but the Participant shall not be eligible for additional loans until such time that the number of outstanding loans is below three (3).

## ARTICLE VI

### Benefit Distributions

**6.1 Benefit Distributions at Severance from Employment or Other Distribution Event.** Except as permitted under Section 3.7 (relating to excess Elective Deferrals and Roth Elective Deferrals), Section 6.4 (relating to hardship withdrawals), Section 6.6 (relating to qualified birth or adoption distributions) or Section 9.3 (relating to the termination of the Plan), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant (a) has a Severance from Employment, (b) dies, (c) becomes Disabled, or (d) with regard to Elective Deferrals and Roth Elective Deferrals, attains age 59½. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements. Notwithstanding any provision of the Plan to the contrary, a Participant performing service in the uniformed services of the United States while on active duty for a period of more than 30 days and receiving military differential pay shall be treated as having a Severance from Employment for purposes of electing a distribution from his Elective Deferral Account and Roth Elective Deferral Account. A Participant who has elected to receive such a distribution shall not be permitted to make Elective Deferrals and Roth Elective Deferrals to the Plan for six months following the date of any such distribution.

A Participant may make an in-service withdrawal at any time of the Elective Deferrals (and earnings thereon) credited to his Account prior to January 1, 1989. As soon as reasonably practicable after the Participant's request, the Vendor shall pay the Participant the amount requested.

**6.2 Small Account Balances.** The terms of the Individual Agreement may permit distributions to be made in the form of a lump-sum payment, without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed \$5,000 (determined without regard to any separate account that holds rollover contributions under Section 7.1).

If the Participant has a Severance from Employment and the Participant's Account Balance does not exceed \$1,000, the Participant will receive a distribution in the form of a lump-sum payment, unless the Participant elects to have such distribution paid directly to an Eligible Retirement Plan in a direct rollover. If the Participant's Account Balance is in excess of \$1,000 but does not exceed \$5,000, and if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Plan will pay the distribution in a direct rollover to an individual retirement account designated by the Administrator.

**6.3 Minimum Distributions.** The Plan and each Individual Agreement shall comply with the minimum distribution requirements of section 401(a) (9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account and distributions shall be made in accordance with the provisions of Treas. Reg. section 1.408-8, except as provided in Treas. Reg. section 1.403(b)-6(e). The entire account of each Participant will be distributed beginning no later than April 1 of the calendar year following the calendar in which the Participant attains age 72. Upon the Participant's death, the entire remaining Account must be distributed by the last day of the tenth (10th) calendar year following the calendar year of the participant's death, unless the Beneficiary is the participant's spouse, child under the age of minority, disabled or chronically ill (as defined by the code), or not more than 10 years younger than the Participant.

**6.4 Hardship Withdrawals.**

- a. Hardship withdrawals shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship.
- b. Hardship distributions are limited to only Elective Deferrals and Rollover Accounts.
- c. The Participant shall be required to make a representation regarding his need for a hardship distribution.
- d. Participants may take a hardship distribution for certain hardships of the primary beneficiary.
- e. The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements. In addition, in

the case of a hardship withdrawal that is not automatically deemed to be necessary to satisfy the financial need (pursuant to Treas. Reg. section 1.401(k)-1(d) (3) (iii) (B)), the Vendor shall obtain information from the Employer or other Vendors to determine the amount of any plan loans and rollover accounts that are available to the Participant under the Plan to satisfy the financial need.

## **6.5 Rollover Distributions.**

- a. A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an Alternate Payee under a QDRO) who is entitled to an Eligible Rollover Distribution may elect to have any portion of an Eligible Rollover Distribution from the Plan paid directly to an Eligible Retirement Plan specified by the Participant in a direct rollover. In the case of a distribution to an Alternate Payee or a Beneficiary who, at the time of the Participant's death, is neither the spouse of the Participant nor the spouse or former spouse of the Participant, a direct rollover is payable only to an "inherited" individual retirement account or individual retirement annuity (within the meaning of section 408(d) (3) (C) of the Code) that has been established on behalf of the Beneficiary. Effective January 1, 2007, the nontaxable portion of an Eligible Rollover Distribution may be rolled over tax-free to another qualified plan or 403(b) annuity, but only if the rollover is made in a direct trustee-to-trustee transfer and the recipient plan or 403(b) annuity provides for separate accounting of the amount transferred and earnings on such amounts. Effective January 1, 2008, a "qualified rollover contribution" as described in section 408A(e) of the Code may be made from the Plan to a Roth IRA in a direct rollover, subject to the rules and provisions set forth in section 408A(e) of the Code and any regulations issued thereunder.
- b. Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial Eligible Rollover Distribution, an explanation to the Participant of his right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

## **6.6 Qualified Birth or Adoption Distributions**

- a. Qualified birth or adoption distributions shall be permitted under the Plan as provided for in section 72(t) (2) (H) of the Code, to the extent permitted by the Individual Agreements.
- b. The amount of a qualified birth or adoption distribution with respect to any birth or adoption shall not exceed \$5,000.
- c. Notwithstanding the foregoing, qualified birth or adoption distributions are limited to only Elective Deferrals and Rollover Accounts.
- d. A Participant who has received a qualified birth or adoption distribution from his Account under the Plan in accordance with this Section 6.6 may repay the distribution by making one or more contributions to his Account under the Plan in an aggregate amount not exceeding the amount of such distribution, provided the Participant is eligible to make Elective Deferrals and/or Roth Elective Deferrals to the Plan in accordance with Section 2.1.

## ARTICLE VII

### Rollover Contributions to The Plan and Plan-To-Plan Transfers

#### 7.1 Eligible Rollover Contributions to the Plan.

- a. To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an Eligible Rollover Distribution from another Eligible Retirement Plan may request to have all or a portion of the Eligible Rollover Distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an Eligible Retirement Plan. The Vendor shall establish and maintain for the Participant a separate account for any Eligible Rollover Distribution paid to the Plan.
- b. To the extent provided in the Individual Agreements, an Employee who is a Participant may deposit into a Roth Rollover Account amounts that constitute Roth elective deferrals under section 402A of the Code that are transferred directly to the Plan on behalf of the Employee by the trustee of an Eligible Retirement Plan, but only if such amount otherwise qualifies as a Eligible Rollover Distribution under an applicable retirement plan described in section 402A(e)(1) of the Code and only to the extent the rollover is permitted under section 402(c) of the Code; provided that any such rollover shall be allocated to and separately accounted for in the Participant's Roth Rollover Account and invested in accordance with the provisions of Article VIII. Where necessary herein, amounts credited to a Participant's Roth Rollover Account shall be treated as if an appropriate portion were credited to the Participant's Roth Elective Deferral Account. An Employee, who is not a Participant, shall be treated as a Participant with respect to his Roth Rollover Account for purposes of valuations, investments, and distributions.

**7.2 Plan-to-Plan Transfers.** A transfer of assets to or from the Plan, as such is described under Treas. Reg. section 1.403(b)-10(b)(3), shall not be permitted under the Plan.

**7.3 Contract and Custodial Account Exchanges.** Pursuant to Treas. Reg. section 1.403(b)-10(b) (2), a Participant or Beneficiary is permitted to change the investment of his Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, an investment change that includes an investment with a Vendor that is not eligible to receive contributions under Article II is not permitted.

#### 7.4 Permissive Service Credit Transfers.

- a. If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 7.4(a) may be made before the Participant has had a Severance from Employment.
- b. A transfer may be made under Section 7.4(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n) (3) (A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k) (3) of the Code.
- c. In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

## ARTICLE VIII

### Investment of Contributions

**8.1 Manner of Investment.** All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

**8.2 Investment of Contributions.** Each Participant or Beneficiary shall direct the investment of his Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Treasury Regulations. In the absence of Participant direction, the Account of the Participant shall be invested in the Funding Vehicle that is designated as the default investment by the Employer.

**8.3 Current and Former Vendors.** The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor that is not eligible to receive Elective Deferrals and Roth Elective Deferrals under the Plan (including a Vendor that has ceased to be a Vendor eligible to receive Elective Deferrals and Roth Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 7.2 or 7.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

## ARTICLE IX

### Amendment and Plan Termination

**9.1 Amendment.** Devereux may amend the Plan at any time by or pursuant to a resolution of its Board; provided, however, that the Administrator may make all technical, administrative, regulatory and compliance amendments to the Plan, and any other amendment that shall not significantly increase the cost of the Plan to Devereux or significantly impact Devereux policy as the Administrator shall deem necessary or appropriate, without the approval of the Board.

**9.2 Discontinuation of Contributions.** The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

**9.3 Termination.** Devereux may terminate or partially terminate the Plan at any time by or pursuant to a resolution of the Board. Any discontinuance or modification of the Plan shall not adversely affect the benefits accrued by Participants prior to the date of discontinuance or modification. If the Plan is terminated, each Participant shall receive the benefits purchased on his behalf to the date of termination from the Vendor. Thereafter, none of the Participants or the Employer shall have any liability or obligation to make any further contributions under the Plan.

The Employer shall have no liability in respect of payment under the Plan, except to pay over to the Vendor the contributions otherwise required under the Plan, and each Participant or his Beneficiary shall look solely to the Vendor for distribution of benefits under the Plan.

**9.4 Distribution upon Termination of the Plan.** The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer does not make contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by Treas. Reg. section 1.403(b)-10(a).

## ARTICLE X

### Administration

**10.1 Fiduciary Responsibility.** The Plan shall be administered by the Administrator, which shall be the Plan's "named fiduciary" and "administrator," as those terms are defined by ERISA, and its agent designated to receive service of process. All matters relating to the administration of the Plan, including the duties imposed upon the plan administrator by law, including the selection of the Vendors, shall be the responsibility of the Administrator. The Administrator shall have the power to interpret and construe the provisions of the Plan, and to decide such questions as may arise in connection with the operation of the Plan, including interpretation of ambiguous Plan provisions, determination of disputed facts, and application of Plan provisions to unanticipated circumstances. The determination of the Administrator shall be subject to review only for abuse of discretion. All matters relating to the control or management of Plan assets shall, except to the extent delegated under the underlying funding instrument, be the sole and exclusive responsibility of the Vendor.

**10.2 Indemnification of the Administrator.** The Administrator shall be indemnified by the Employer against costs, expenses and liabilities (other than amounts paid in settlement to which the Employer does not consent) reasonably incurred by him in connection with any action to which he may be a party by reason of his service as the Administrator except in relation to matters as to which he shall be adjudged in such action to be personally guilty of negligence or willful misconduct in the performance of his duties. The foregoing right to indemnification shall be in addition to such other rights as the Administrator may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the Administrator may be entitled pursuant to the bylaws of Devereux.

**10.3 Exclusive Benefit Rule.** The Administrator shall administer the Plan for the exclusive benefit of Participants and their Beneficiaries.

**10.4 Method of Handling Plan Funds.** All payments to the fund shall be made by the Administrator or its delegate. All payments from the fund shall be made by the applicable Vendor.

**10.5 Delegation and Allocation of Responsibility.** The Administrator may, by unanimous action in writing, delegate or assign any of its responsibilities for administering the Plan to one or more individuals or entities. In the event of any such delegation or allocation, the Administrator shall establish procedures for the thorough and frequent review of the performance of such duties. Persons to whom responsibilities have been delegated may not delegate to others any discretionary authority or discretionary control with respect to the management or administration of the Plan.

**10.6 Bonding.** The Administrator shall arrange for such bonding as is required by law, but no bonding in excess of the amount required by law shall be considered required by the Plan.

**10.7 Payment of Plan Expenses.** The expenses incurred by the Employer in connection with the operation of the Plan, including, but not limited to, expenses incurred by reason of the engagement of professional assistants and consultants, shall be expenses of the Plan and shall be payable by the Plan at the direction of the Administrator. To the extent permitted by the Funding Vehicle, Plan expenses shall be paid by the Plan to the extent not paid by the Employer.

Payment of any such expenses by the Employer on one occasion shall not bind the Employer to pay any similar expenses on any subsequent occasion.

**10.8 Claims Review Procedure.** In the event that any claim for benefits is denied, in whole or in part, the Participant or Beneficiary (the "claimant") whose claim for benefits has been so denied shall be notified of such denial in writing or in electronic form by the Administrator within 90 days of receipt of the claim (subject to extension for up to an additional 90 days in special circumstances on prior notice to the claimant). The notice of the denial shall specify the reason or reasons for the denial, make specific reference to pertinent Plan provisions, describe any additional information or material necessary for the claimant to perfect the claim (explaining why such material or information is needed), and advise the claimant of the procedure for the appeal of such denial, including the time limits and the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse determination on review.

All appeals shall be made by the following procedure:

- a. The claimant shall file with the Administrator a notice of desire to appeal the denial. Such notice shall be filed within 60 days of notification by the Administrator of claim denial, shall be made in writing, and shall set forth all of the facts upon which the appeal is based. Appeals not timely filed shall be barred.
- b. The Administrator shall render a determination as to the merits of the appeal within 60 days (subject to extension on account of special circumstances on prior notice to the claimant, but in no event more than 120 days after such receipt), which determination shall be accompanied by a written statement as to the specific reasons therefor, reference to the specific Plan provisions on which the determination is based, a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits, and a statement of the claimant's right to bring an action under section 502(a) of ERISA in the event of an adverse determination on review. The determination so rendered by the Administrator shall be binding on all parties.

## ARTICLE XI

### Miscellaneous

**11.1 Non-assignability of Benefits.** Except as provided in Sections 11.2 and 11.3 below, the interests of each Participant and Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant or the Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interests are expressly declared to be non-assignable and non-transferable.

**11.2 Qualified Domestic Relations Orders.** Notwithstanding Section 11.1 above, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments or marital property rights of a spouse or former spouse, child or other dependent of a Participant is made pursuant to the domestic relations law of any State or Commonwealth and is determined to be a QDRO, then the amount of the Participant's Account shall be paid in the manner and to the Alternate Payee so directed in the QDRO. Such payment shall be made without regard to whether the Participant is eligible for distribution of benefits under the Plan.

**11.3 IRS Levy.** Notwithstanding Section 11.1, the Administrator may pay from the Participant's or Beneficiary's Account the amount the Administrator finds is lawfully demanded under a levy by the Internal Revenue Service with respect to the Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

**11.4 Tax Withholding.** Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder).

**11.5 Payments to Minors and Incompetents.** Unless otherwise provided under the terms of the Individual Agreements, if a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed to be so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

**11.6 Non-reversion of Contributions and Mistaken Contributions.** It shall be impossible for any part of the contributions made to a Participant's Account to revert to the Employer, or to be used for, or diverted to, any purpose other than for the exclusive benefit of Participants and their Beneficiaries, except that a contribution (adjusted for any income or loss in value, if any, allocable thereto) made by the Employer under a good faith mistake of fact shall, if the Employer so directs, be returned directly to the Participant (or, to the extent required or permitted by the Vendor, to the Employer) within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Vendor.

**11.7 Procedure When Distributee Cannot Be Located.** Unless otherwise provided under the terms of the Individual Agreements, the Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or the Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within six months. If the Administrator is not able to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the funding vehicle shall continue to hold the benefits due such person.

**11.8 Limitation of Rights; Employment Relationship.** The establishment of the Plan or any modifications of it or the creation of any fund or account, or the payment of any benefits shall not be construed as modifying or affecting in any way the terms of employment of any Employee.

**11.9 Incorporation of Individual Agreements.** The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Treasury Regulations promulgated thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with section 403(b) of the Code.

**11.10 Governing Law.** The Plan will be construed, administered and enforced according to the Code and the laws of the Commonwealth of Pennsylvania.

**11.11 Headings.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

**11.12 Gender.** Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

**11.13 ERISA Section 404(c) Compliance.** It is the intention of Devereux that the requirements of section 404(c) of ERISA and the regulations thereunder be satisfied by the provisions of this Plan, that this Plan be construed in a manner consistent with that intention, and that all fiduciaries of this Plan be afforded the maximum protection from investment liability afforded by section 404(c) of ERISA.

## **APPENDIX A**

### **Participating Employers**

- The Devereux Foundation, dba Devereux Advanced Behavioral Health
- Devereux Cleo Wallace (Colorado)
- Heartland for Children, Inc.
- Quality Health Staffing, LLC
- Communities Connected for Kids (formerly known as Devereux Community Based Care)