PRUDENTIAL RETIREMENT

SPECIMEN GOVERNMENTAL 457(b) PLAN

ADOPTION AGREEMENT

This Adoption Agreement is to be used in conjunction with the Prudential Retirement Specimen Governmental 457(b) Plan Document

This Adoption Agreement is not to be used for a tax exempt organization 457(b) plan.

This document has not been amended to reflect specific provisions of applicable state law. Each adopting entity should review its local and state law requirements before either adopting the Prudential Retirement Specimen Governmental 457(b) Plan or executing this Adoption Agreement.

Prudential and its affiliates do not provide tax or legal advice. This specimen document is for the use of the Employer's tax or legal advisors.

Revised: July 2011

PRUDENTIAL RETIREMENT
SPECIMEN GOVERNMENTAL 457(b) PLAN

ADOPTION AGREEMENT

Part I Adopting Entity

Name of Employer: **State of North Carolina**

Address: **3200 Atlantic Ave**

Supplemental Retirement Plans, Second Floor

City: **Raleigh**

State: **North Carolina**

Zip: **27604**

Employer Contact: **Steve Toole**

Contact Phone Number: **919-814-4197**

Employer's Tax ID: [redacted]

ADOPTION AGREEMENT

Part II Plan Administrator

Name of Plan Administrator: **State of North Carolina**

Address: **3200 Atlantic Ave**
Supplemental Retirement Plans, Second Floor

City: **Raleigh**

State: **North Carolina**

Zip: **27604**

Plan Administrator Phone Number: **919-814-4197**

Plan Administrator Fax Number: __________

Plan Administrator Contact: **Steve Toole**

E-mail (if available): **steve.toole@nctreasurer.com**

ADOPTION AGREEMENT

Part III Plan Data

1. This Plan is (*check one*): □ A new plan.
   X A restatement of an existing plan.

Caution: *If this is a restatement of an existing plan, the Employer should carefully review the prior Plan document to ensure that any changes from the terms of the prior Plan document which may result from the adoption of the restatement are intended.*

2. Name of Plan. The name of the Plan is (*provide name*):

   North Carolina Public Employee Deferred CompensationPlan

3. Plan Year.

   (a) The Plan Year is (*a twelve month period – e.g., Jan. 1.– Dec. 31*):

   January 1 – December 31

   (b) The Plan □ will / □ will not (*check one*) have a short initial Plan Year. The short Plan Year will be (*a less than twelve month period – e.g., Oct. 1 – Dec. 31*):

   N/A

4. Effective Date.
   (*provide information required by Item 4(a) or 4(b) (as applicable)*):

   (a) For new plans:

   (i) The Effective Date of the Plan is (*provide date*):

   ____

   (b) For restated plans:

   (i) The initial effective date of the Plan was (*provide date*):

November 12, 1974

(ii) The Effective Date of this amendment and restatement of the Plan is (*provide date*):

December 10, 2015

Part IV Eligibility Requirements

5. Eligible Employees.

(a) The following Employees of the Employer are eligible to participate in the Plan (*check one*):

□ All employees.
X Only the following classes of employees (*please specify*):

Any employee of an Adopting Employer to include employees of the State of North Carolina, any county or municipality of the State, the North Carolina Community College System, and any political subdivision of the State. This shall include, but not be limited to, full-time and part-time employees, elected and appointed officials and re-employed retired employees, except as excluded in (b) below.

□ All employees other than the following classes (*please specify*):

____

Note: The definition for an Adopting Employer is considered as the following: i) State of North Carolina (the "State") and its agencies, departments, subdivisions and instrumentalities; ii) counties and municipalities of the State and any other political subdivisions of the State; and iii) Community Colleges of the State and any local board of education which is electing to adopt the Plan.

(b) Independent contractors performing services for the Employer who satisfy the eligibility criteria selected in Item 5(a) □ are / **X** are not (*check one*) permitted to participate in the Plan.

6. Entry Date. The following is the Plan's Entry Date (*check one*):

X The first day of the Plan Year and the first day of each calendar month thereafter.
□ The first day of the Plan Year and the first day of each calendar quarter thereafter.
□ The first day of the Plan Year and the first day of the seventh (7th) month of the Plan Year.
□ Other (*please specify*):

____

Part V Elective Deferrals

7. Includible Compensation.

(a) Except as provided below in the case of independent contractors, Includible Compensation means (*check one*):

□ Safe Harbor Compensation as described in Code section 415(c)(3) and the regulations promulgated thereunder.

□ Code section 3401(a) wages (as modified by Code section 415(c)(3) and the regulations promulgated thereunder).

□ Information required to be reported under Code sections 6041, 6051, and 6052 (e.g., the "Wages, Tips and Other Compensation" box on Form W-2) (as modified by Code section 415(c)(3) and the regulations promulgated thereunder).

X Other (*please specify a definition that complies with the requirements of Code section 415(c)(3) and the regulations promulgated thereunder (including any optional inclusions/exclusions under Code section 415(c)(3))*):

Information required to be reported under Code sections 6041, 6051, and 6052 (e.g., "Wages, Tips and other Compensation" bos on Form W-2 (as modified by Code section 415(c)(3)) and to include post-severance payments as defined by the final section 415 rules and as may be deferred and treated as deemed compensation under Section 415.

The Includible Compensation of independent contractors eligible to participate in the Plan pursuant to an election under Item 5(b) shall be determined in accordance with the special rules for self-employed individuals in Code section 415(c)(3)(B) and the regulations promulgated thereunder.

(b) Includible Compensation □ does / **X** does not (*check one*) include amounts treated as "deemed 125 compensation" because of the Employer's requirement that its Employees participate in an Employer-sponsored health insurance program unless they state that they are provided health care coverage elsewhere.

ADOPTION AGREEMENT

Note: Pursuant to the Heroes Earnings Assistance and Relief Tax Act of 2008, amounts paid as differential military pay are included in the Internal Revenue Code definition of includible compensation.

8. Minimum Deferrals.

(a) The minimum amount and/or percentage by which a Participant must elect to have his or her Includible Compensation reduced and contributed to the Plan as Deferred Compensation is equal to (*check one*):

X There is no minimum amount or percentage.

☐ Other (*complete Items 8(a)(i) and/or 8(a)(ii), as necessary*):

(i) $__________

(ii) __________% of Includible Compensation

(b) The limits described in Item 8(a) shall be applied on the following basis:

☐ Annually.
☐ Monthly.
X Pay Period by Pay Period
☐ Other (*please specify*)

____

____

9. Maximum Deferrals.

(a) The maximum annual amount and/or percentage by which a Participant may elect to have his or her Includible Compensation reduced and contributed to the Plan as Deferred Compensation (other than as a catch-up contribution) is equal to (*check one*):

X The Dollar Limitation (e.g., the amounts set forth in the chart below) and Percentage Limitation (e.g., 100% of Includible Compensation) in effect under Code section 457(b)(2) for the applicable Plan Year.

Year	Dollar Limitation
2008	$15,500
2009	$16,500
2010	$16,500
2011	$16,500
2012 and later	As adjusted for the cost-of-living

☐ Other (*complete Items 9(a)(i) and 9(a)(ii), as necessary*):

(i) $__________

(ii) ___________% of Includible Compensation (not in excess of 50%). If no percentage is selected a default maximum percentage of 50% will automatically apply.

(b) The limits described in Item 9(a) shall be applied on the following basis:

X Annually.
☐ Monthly.
☐ Pay Period by Pay Period
☐ Other (*please specify*)

____

____

10. Roth Elective Deferrals. The Plan **X** does / ☐ does not (*check one*) permit Roth elective deferral contributions. These contributions will be permitted (*check one*):

☐ On and after January 1, 2011
X On and after ______**April 1, 2011**___________ (*Indicate a date on or after January 1, 2011)*

Note: Roth elective deferral contributions will be treated as pre-tax elective deferral contributions for all purposes under the Plan, including, but not limited to, eligibility for matching contributions. In addition, Roth elective deferral contributions must be permitted under the Plan to permit Roth rollover contributions.

ADOPTION AGREEMENT

11. Last Three Years Catch-Up Contributions. The maximum annual amount of catch-up contributions available in the last three taxable years before Normal Retirement Age which may be made by any Participant shall not exceed (*check one*):

 X The Catch-Up Contribution limit (e.g., double the amounts set forth in the chart in Item 9(a)) in effect under Code section 457(b)(2) for the applicable Plan Year.

 □ Other (*please specify a lower dollar amount*):

 ____

 ____

12. Age 50 Catch-Up Contributions. The Plan **X** will / □ will not (*check one*) permit Participants to make Code section 414(v) catch-up contributions up to the amounts set forth in the chart below (as permitted under the rules coordinating last three years catch-up contributions and Code section 414(v) catch-up contributions).

Year	Age 50 Catch-up Limit
2008	$5,000
2009	$5,500
2010	$5,500
2011	$5,500
2012 and later	As adjusted for the cost-of-living

Note: If the Plan permits Roth elective deferral contribution, Roth catch-up contributions will also be permitted and treated as pre-tax catch-up contributions for all purposes under the Plan.

13. Accumulated Sick, Vacation, and Back Pay.

 (a) The Plan **X** does / □ does not (*check one*) permit Participants to contribute the value of their accumulated sick pay to the Plan.

 (b) The Plan **X** does / □ does not (*check one*) permit Participants to contribute the value of their accumulated vacation pay to the Plan.

 (c) The Plan **X** does / □ does not (*check one*) permit Participants to contribute the value of their accumulated back pay to the Plan.

Note: Such elections may only be made in accordance with the requirements of Code section 457(b) and the regulations promulgated thereunder.

14. Automatic Enrollment.

(a) The Plan □ does / **X** does not (*check one*) automatically enroll newly hired Eligible Employees and □ does / **X** does not (*check one*) automatically enroll rehired Eligible Employees. If automatic enrollment applies under this Item 14(a), Eligible Employees hired or rehired, as applicable, on or after ______________________ (*indicate date*) will be automatically enrolled thirty (30) days after his or her date of hire at a pre-tax elective deferral contribution rate of _____% (*indicate default percentage*) of Includible Compensation. Automatic enrollment will take effect as soon as administratively practicable.

(b) The Plan □ does / **X** does not (*check one*) automatically enroll all Eligible Employees. If automatic enrollment applies under this Item 14(b), Eligible Employees hired on or after ___________________________ (*indicate date*) will be automatically enrolled thirty (30) days after his or her date of hire at a pre-tax elective deferral contribution rate of _______% (*indicate default percentage*) of Includible Compensation and existing Eligible Employees will be automatically enrolled at the same default contribution rate after _________________________ (*provide date 30 days after notice will be provided*). Automatic enrollment will take effect as soon as administratively practicable.

(c) The Plan □ does / **X** does not (*check one*) permit, to the extent permitted by Code section 414(w), automatically enrolled participants to withdraw contributions made pursuant to an automatic enrollment provision elected under Item 14(a) or 14(b) above if the election is made no later than the date which is 90 days after the date of the Eligible Employee's first elective contribution.

Note: These automatic enrollment-related provisions will be interpreted and conformed to comply with any applicable Internal Revenue Service requirements.

Part VI Loans

15. Loans.

(a) The Plan **X** does / □ does not (*check one*) permit Participants to take loans. If Plan loans are permitted, a copy of the Plan Administrator's loan procedures shall be provided to Prudential.

(b) The following individuals are eligible to receive Plan loans (*check all that apply*):

□ All Plan Participants (including former Employees with balances in the Plan and Employees not currently eligible to contribute to the Plan).

X Only Plan Participants who are eligible to contribute to the Plan because they are eligible employees described in Item 5 at the time the loan is requested.

Part VII Additional Employer Contributions

16. Discretionary Contributions.

(a) The Employer **X** may / □ may not (*check one*) make additional discretionary contributions to Participants' Accounts.

(b) Participants shall vest in discretionary contributions on the following basis (*check one*):

X Immediate, 100% vesting
□ Graded vesting at a rate of 20% per year (100% at 5 years)
□ Other (*please specify an alternative vesting schedule*):

____

____

Note: Under regulations issued by the Internal Revenue Service, contributions, and earnings on these contributions that are subject to a vesting schedule are recognized as contributions to the Plan when these amounts vest. As a result, if an Employer elects to apply a vesting schedule, Participants may be deemed to have impermissible excess contributions to the Plan in the year in which contributions vest if the amounts vested during the year causes an excess deferral for that year. <u>Employers should discuss this issue with independent legal counsel prior to electing to apply a vesting schedule</u>.

(c) The Employer **X** may / □ will not (*check one*) make discretionary contributions for a Participant who dies while in qualified military service pursuant to and in a manner consistent with Code section 414(u)(9). This provision is effective (*check one*):

□ January 1, 2007
X Other (*please specify a date no earlier than January 1, 2007*):

<u>January 1, 2010</u>

(d) The Employer **X** may / □ will not (*check one*) make discretionary contributions for a Participant who becomes disabled while in qualified military service pursuant to and in a manner consistent with Code section 414(u)(9). This provision is effective (*check one*):

□ January 1, 2007
X Other (*please specify a date no earlier than January 1, 2007*):

January 1, 2010 ______________________________

17. Matching Contributions.

(a) The Employer **X** may / □ will not (*check one*) match Participant contributions to the Plan. Matching contributions will be made based on the following formula (*please specify*):

As enacted by the North Carolina General Assembly or approved by the Governing Board of a political subdivision of the State.

(b) Participants shall vest in matching contributions on the following basis (*check one*):

X Immediate, 100% vesting
□ Graded vesting at a rate of 20% per year (100% at 5 years)
□ Other (*please specify an alternative vesting schedule*):

____

____

Note: Under regulations issued by the Internal Revenue Service, contributions, and earnings on these contributions that are subject to a vesting schedule are recognized as contributions to the Plan when these amounts vest. As a result, if an Employer elects to apply a vesting schedule, Participants may be deemed to have impermissible excess contributions to the Plan in the year in which contributions vest if the amounts vested during the year causes an excess deferral for that year. Employers should discuss this issue with independent legal counsel prior to electing to apply a vesting schedule.

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(c) The Employer **X** may / □ will not (*check one*) make matching contributions for a Participant who dies while in qualified military service pursuant to and in a manner consistent with Code section 414(u)(9). This provision is effective (*check one*):

□ January 1, 2007
X Other (*please specify a date no earlier than January 1, 2007*):

January 1, 2010

(d) The Employer **X** may / □ will not (*check one*) make matching contributions for a Participant who becomes disabled while in qualified military service pursuant to and in a manner consistent with Code section 414(u)(9). This provision is effective (*check one*):

□ January 1, 2007
X Other (*please specify a date no earlier than January 1, 2007*):

January 1, 2010

Part VIII Retirement Age and Commencement of Distributions

18. Normal Retirement Age. A Participant's Normal Retirement Age for purposes of the Last Three Years Catch-Up Contributions described in Item 11 of this adoption agreement is (*check one*):

- ☐ Age 70½.
- ☐ Age 65
- ☐ Age 62
- ☐ Age 60
- ☐ Age 55
- **X** Other (*please specify*):

Normal retirement age is defined as the date that the member would be eligible to retire with an unreduced service retirement from the State Administered Retirement System in which the member currently participates, but not later than age 70 ½.

Note: A Participant's Normal Retirement Age may not be (a) earlier than the earlier of age 65 or the earliest date that the Participant will become eligible to retire and receive under the Employer's basic defined benefit pension plan covering the Participant (or the Employer's money purchase pension plan in which the Participant also participates if the Participant is not eligible to participate in the Employer's basic defined benefit pension plan) immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, if any, and (b) later than the Participant's mandatory retirement age (or age 70-1/2, if earlier), if any. Special rules may apply in the case of "qualified" police or firefighters.

19. Automatic Distribution Date. The date on which the distribution of a Participant's Plan benefit must commence is (*check one*):

- ☐ The latest date permitted under Code section 401(a)(9)
- ☐ 60 days after the close of the Plan Year in which a Participant's Severance Event occurs
- ☐ Age 70½
- ☐ Age 65
- ☐ Age 62
- ☐ Age 60

□ Age 55
X Other (*please specify*):

For Participants with account balances of less than $1000 and who have had a Severance Event, distributions shall be made upon the direction of the State of North Carolina. For all other Participants, benefits must commence on the latest date permitted under Code Section 401(a)(9).

Note: Regardless of the election made in this Item 19, the Automatic Distribution Date will not apply to a Participant until he or she either (1) attains age 70½ or (2) has a Severance Event. In addition, the date selected as an Automatic Distribution Date may not be later than the latest date permitted under Code section 401(a)(9) and regulations promulgated thereunder.

20. Other Distributions Events.

(a) The Plan **X** does / □ does not (*check one*) permit a Participant to receive distributions of pre-tax contributions (including pre-tax rollover contributions) in-service starting in the calendar year in which the Participant attains age 70½.

(b) The Plan **X** does / □ does not (*check one*) permit a Participant to receive distributions of Roth contributions (including Roth rollover contributions) in-service starting in the calendar year in which the Participant attains age 70½.

(c) The Plan □ does / **X** does not (*check one*) permit a Participant to receive distributions while in military service pursuant to and in a manner consistent with the Heroes Earnings Assistance and Relief Tax Act of 2008. This provision is effective (*check one*):

□ January 1, 2009
□ Other (*please specify a date no earlier than January 1, 2009*):

____

Any distributions pursuant to this Item 20(c) shall result in a suspension of a Participant's right to contribute Deferred Compensation for a period of six-months from the date of distribution in a manner consistent with Code section 414(u)(12)(B).

Part IX Distribution Options

21. Normal Distribution.

(a) A Participant's Account may be paid in any of the following payment forms (*check all that apply*):

X	Option 1:	One lump-sum payment;
X	Option 2:	Equal monthly, quarterly, semi-annual or annual payments in an amount chosen by the Participant, continuing until his or her Account is exhausted;
X	Option 3:	Approximately equal monthly, quarterly, semi-annual or annual payments, calculated to continue for a period certain chosen by the Participant.
☐	Option 4:	Annual Payments equal to the minimum distributions required under Code section 401(a)(9), including the incidental death benefit requirements of Code section 401(a)(9)(G), over the life expectancy of the Participant or over the life expectancies of the Participant and his or her Beneficiary.
X	Option 5:	Payments equal to payments made by the issuer of a retirement annuity policy acquired by the Employer provided that such payments shall comply with the requirements of Code section 401(a)(9), including the incidental death benefit requirements of Code section 401(a)(9)(G).
X	Option 6	Other (*please specify*):

Partial lump sum ($500 minimum)

X	Option 7:	A split distribution under which payments under Options 1, 2, 3, 5, or 6 commence or are made at the same time.
X	Option 8:	A split distribution under which payments under Options 1, 2, 3, 5, or 6 commence or are made at different times.

Note: A Participant may not elect a payment form which causes his or her distributions to violate the minimum required distribution requirements of Code section 401(a)(9).

(b) The default method of paying benefits to a Participant who has reached his or her Automatic Distribution Date but failed to timely elect to receive a distribution is the distribution method available under Option **2 – annual payment** (*provide Option number*) of Item 21(a).

Note: If the default method of paying benefits (1) results in the payment of an "eligible rollover distribution" (*i.e.*, eligible to be rolled over to a 401(a), 403(a), 403(b), governmental 457(b) plan, or an IRA) that exceeds $1,000 (including rollover contributions), (2) occurs because of a Participant's reaching his or her Automatic Distribution Date prior to the Participant's Normal Retirement Date (or age 62, if later), and (3) occurs on or after the effective date listed in Item 26, the distribution will be subject to the Code section 401(a)(31)(B) mandatory rollover rules.

22. Post-Retirement Death Benefits. If a Participant dies after he or she has begun receiving benefits from the Plan, the Participant's Account shall be paid to the Participant's Beneficiary (*check one*):

☐ In accordance with the minimum required distribution rules under Code section 401(a)(9).

X In a single lump sum as soon as administratively practicable.

23. Pre-Retirement Death Benefits.

(a) If a Participant dies before he or she has begun receiving benefits from the Plan, the Participant's Beneficiary may elect to have the Participant's Account paid in one of the following payment forms (*check all that apply*):

X Option 1: One lump-sum payment;

X Option 2: Equal monthly, quarterly, semi-annual or annual payments in an amount chosen by the Beneficiary, continuing until his or her Account is exhausted;

X Option 3: Approximately equal monthly, quarterly, semi-annual or annual payments, calculated to continue for a period certain chosen by the Beneficiary.

□	Option 4:	Annual Payments equal to the minimum distributions required under Code section 401(a)(9), including the incidental death benefit requirements of Code section 401(a)(9)(G), over the life expectancy of the Beneficiary.
X	Option 5:	Payments equal to payments made by the issuer of a retirement annuity policy acquired by the Employer provided that such payments shall comply with the requirements of Code section 401(a)(9), including the incidental death benefit requirements of Code section 401(a)(9)(G).
X	Option 6	Other (*please specify*):

Partial lump sum ($500 minimum)

X	Option 7:	A split distribution under which payments under Options 1, 2, 3, 5, or 6 commence or are made at the same time.
X	Option 8:	A split distribution under which payments under Options 1, 2, 3, 5, or 6 commence or are made at different times.

Note: A Beneficiary may not elect a payment form which causes his or her distributions to violate the minimum required distribution requirements of Code section 401(a)(9).

(b) The default method of paying benefits to a Beneficiary when a Participant has died before payment of his or her Plan benefit has commenced shall be (*check one*):

□ A lump sum.
□ A single life annuity.
X Other (*please specify*):

Annual installments as available under Option 2, above

(c) Distribution of the benefits described in this Item 23 shall commence (*check one*):

X On the date selected by the Beneficiary so long as such date complies with the distribution requirements of Code section 401(a)(9). If the Beneficiary fails to make an election before the **59th** (*please provide the number of days, default is 60th day*) day following the death of the Participant, the distribution of benefits described in this Item 23 shall commence on the **60th** (*please provide the number of days, default is the 61st day*) day following the Participant's death.

□ On the ____ (*please provide the number of days, default is the 61st day*) day following the Participant's death.

24. Unforeseeable Emergencies.

(a) The Plan **X** does / □ does not (*check one*) permit Participants to receive distributions in the event of Unforeseeable Emergencies. Unforeseeable Emergency distributions may be made from pre-tax contributions (including pre-tax rollover contributions) and **X** may / □ may not (*check one*) be made from Roth contributions (including Roth rollover contributions).

(b) Participants □ may / **X** may not (*check one*) receive a withdrawal under Item 24(a) based on Beneficiaries' Unforeseeable Emergencies.

(c) The Plan □ does / **X** does not (*check one*) permit Beneficiaries of deceased Participants to receive distributions in the event of Unforeseeable Emergencies.

25. Voluntary In-Service Distributions.

(a) The Plan **X** does / □ does not (*check one*) permit voluntary in-service distributions when the provisions of applicable Treasury Regulations permitting such distributions are satisfied.

(b) If the Plan permits voluntary in-service distributions, a Participant will be eligible to elect to receive a voluntary in-service distribution if the value of the Participant's Account is no greater than (*check one*):

□ $1,000
□ $3,500
X $5,000

□ Other (*please specify an amount not in excess of $5,000*):

____

(c) For purposes of calculating the value of a Participant's Account for purposes of applying Item 25(b), a Participant's Account **X** will / □ will not (*check one*) include amounts attributable to rollover contributions (as defined in Code section 411(a)(11)(D)).

26. Involuntary In-Service Distributions.

(a) The Plan □ does / **X** does not (*check one*) permit involuntary in-service distributions when the provisions of applicable Treasury Regulations permitting such distributions are satisfied. Such distributions shall be made pursuant to a uniform procedure established by the Plan Administrator that is applied in a uniform and non-discriminatory manner.

(b) If the Plan permits involuntary in-service distributions, a Participant will receive a mandatory in-service distribution if the value of the Participant's Account is no greater than (*check one*):

□ $1,000
□ $3,500
□ $5,000
□ Other (*please specify an amount not in excess of $5,000*):

_____ **N/A** __________________________________

(c) For purposes of calculating the value of a Participant's Account for purposes of applying Item 26(b), a Participant's Account **X** will / □ will not (*check one*) includes amounts attributable to rollover contributions (as defined in Code section 411(a)(11)(D)).

Note: If an involuntary distribution (1) results in the payment of an "eligible rollover distribution" (*i.e.*, eligible to be rolled over to a 401(a), 403(a), 403(b), governmental 457(b) plan, or an IRA) that exceeds $1,000 (including rollover contributions), (2) occurs prior to the Participant's Normal Retirement Date (or age 62, if later), and (3) occurs on or after the effective date listed in Item 27, the distribution will be subject to the Code section 401(a)(31)(B) mandatory rollover rules.

27. Mandatory Rollovers. The Plan is subject to the Code section 401(a)(31)(B) mandatory rollover rules as of (*check one*):

□ March 28, 2005
□ January 1, 2006
X Other (*please specify a date no later than the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after January 1, 2006*):

The Plan is not subject to 401(a)(31)(B) since the Plan has not elected the option for involuntary in-service distributions under above Item #26.

____

28. Non-Spouse Beneficiary Rollovers. The Plan **X** does / □ does not (*check one*) permit non-spouse Beneficiaries to elect to roll over payments owing to them to an inherited IRA to the extent permitted under Code section 402(c)(11). This provision is effective as of (*check one*):

□ January 1, 2007
□ January 1, 2008
X Other (*please specify a date no earlier than January 1, 2007*):

December 19, 2008

Note: Pursuant to applicable law, non-spouse beneficiary rollovers are mandatory for Plan Years beginning after December 31, 2009.

29. Pre-Tax Payment of $3,000 in Qualified Health Insurance Premiums for Eligible Retired Public Safety Officers. The Plan □ does / **X** does not (*check one*) permit Participants who are "eligible retired public safety officers" (as defined in Code section 402(l)(4)(B)) to pay up to $3,000 in "qualified health insurance premiums" (as defined in Code section 402(l)(4)(D)) for the "eligible retired public safety officers", their spouses, or their dependents. This provision is effective as of (*check one*):

- □ January 1, 2007
- □ January 1, 2008
- □ Other (*please specify a date no earlier than January 1, 2007)*:

N/A

30. Spousal Consent and Default Beneficiary.

(a) The Plan □ does / **X** does not (*check one*) require spousal consent for plan distributions of any kind (including loans) in a form other than a joint and survivor annuity.

(b) The Plan □ does / **X** does not (*check one*) require spousal consent for designating a Beneficiary other than a spouse.

(c) If no Beneficiary is designated by a Participant, the Participant's default beneficiary will be the Participant's □ surviving spouse (if married or estate if unmarried) / **X** estate (if married or unmarried) (*check one*).

(d) If spousal consent is required pursuant to Item 30(a) or (b), spousal consent must be (*check all that apply*):

- □ Witnessed by □ notary public / □ Plan Administrator (*check all that apply*).
- □ Irrevocable
- □ If spousal consent applies under Item 30(b), spousal consent is required in order to designate any beneficiary □ other than the spouse / □ other than the spouse who separately or combined with other beneficiaries will receive more than 1/2 of the benefits to be paid (*check one*).
- □ Other (*please specify*):

N/A

(e) The determination of whether an individual is a person's spouse or surviving spouse at any applicable time **X** is / □ is not (*check one*) made by applying the provisions of the Defense of Marriage Act of 1996. If the Defense of Marriage Act of 1996 is not applied, spouse or surviving spouse status is determined pursuant to procedures attached to this Adoption

Agreement; provided, however, if no procedures are attached, the provisions of the Defense of Marriage Act of 1996 will apply.

Note: The determination of whether an individual is a person's spouse or surviving spouse at any applicable time is made under procedures adopted by the Plan Administrator. Employers should review the impact of Federal and state laws on spousal beneficiary designations with independent legal counsel prior to completing this Item 30(e).

Part X Rollover Contributions

31. Pre-Tax and Roth Rollover Contributions.

(a) The Plan **X** will / □ will not (*check one*) accept pre-tax rollover contributions from another eligible plan. If pre-tax rollover contributions are accepted the Plan, the pre-tax rollover contributions from the following types of eligible retirement plan shall be accepted by the Plan (*check one*):

X All eligible retirement plans as defined in Code section 402(c)(8)(B).
□ Only governmental Code section 457(b) plans.
□ Other (*please specify*):

____

____

____

(b) The Plan **X** will / □ will not (*check one*) accept Roth rollover contributions from another eligible plan. If Roth rollover contributions are accepted by the Plan, the Roth rollover contributions from the following types of eligible retirement plan shall be accepted by the Plan (*check one*):

X All eligible retirement plans as defined in Code section 402(c)(8)(B) that maintain a Roth contribution account pursuant to Code section 402A.
□ Only governmental Code section 457(b) plans that maintain a Roth contribution account pursuant to Code section 402A.
□ Other (*please specify*):

____

____

____

Note: Roth rollover contributions are only permitted if the Plan permits Roth elective deferral contributions. Roth rollover contributions shall be eligible for distribution at the same time as pre-tax rollover contributions.

(c) The following individuals are eligible to make rollover contributions (*check one*):

□ Option #1: All Plan Participants (including former Employees with balances in the Plan and Employees not currently eligible to contribute to the Plan) and surviving spouse Beneficiaries.

X Option #2: All Plan Participants (including former Employees with balances in the Plan and Employees not currently eligible to contribute to the Plan).

□ Option #3: Only Plan Participants who are otherwise eligible to contribute to the Plan because they are eligible employees described in Item 5 at the time they elect to make a rollover contribution.

32. <u>In-Plan Roth Rollovers</u>.

(a) The Plan **X** does / □ does not (*check one*) permit in-plan Roth rollovers (*i.e.*, the conversion of eligible pre-tax funds held in the Plan into Roth after-tax contributions inside the Plan) to the extent permitted under applicable Internal Revenue Service guidance. This provision is effective as of (*check one*):

□ On and after January 1, 2011

X On and after <u>April 1, 2011</u>_____ (*Indicate a date on or after January 1, 2011)*

Note: Roth elective deferral contributions must be permitted under the Plan to permit in-plan Roth rollovers.

(b) The following individuals are eligible to make in-plan Roth rollovers (*check one*):

□ Option #1: All Plan Participants (including former Employees with balances in the Plan and Employees not currently eligible to contribute to the Plan) and surviving spouse

		Beneficiaries (*check only if Option #1 in Item 31(c) is checked*).
X	Option #2:	All Plan Participants (including former Employees with balances in the Plan and Employees not currently eligible to contribute to the Plan) (*check only if Option #1 or #2 in Item 31(c) is checked*).
□	Option #3:	Only Plan Participants who are otherwise eligible to contribute to the Plan because they are eligible employees described in Item 5 at the time they elect to make a rollover contribution (*check only if Option #1, #2, or #3 in Item 31(c) is checked*).

Part XI Custody of Assets

33. Exclusive Benefit Requirement of Code Section 457(g). The assets of the Plan shall be held for the exclusive benefit of Participants and their beneficiaries. The assets of the Plan shall be held in (*check one or more*):

    X A trust.
    X Custodial accounts within the meaning of Code section 401(f).
    X Annuity contracts within the meaning of Code section 401(f).

34. Trustee. If pursuant to Item 33, some or all assets of the Plan are to be held in a trust, the Trustee of the trust shall be (*check one*):

    ☐ Prudential Trust Company
    30 Scranton Office Park
    Scranton, PA 18507-1789
    ☐ Prudential Bank & Trust, FSB
    280 Trumbull Street
    Hartford, CT 06013-3513
    X Other:

    Supplemental Retirement Board of Trustees

    Unless Prudential Trust Company or Prudential Bank & Trust, FSB is the Trustee, this Adoption Agreement shall not become applicable unless the Trustee or a qualified representative thereof approves and countersigns this Adoption Agreement.

ADOPTION AGREEMENT

Part XII Governing Law

35. Governing Law. The Plan shall be governed by the laws of (*check one*):

- ☐ New Jersey
- ☐ New York
- ☐ Pennsylvania
- **X** Other (*please specify which state's laws shall govern the Plan*):

North Carolina

ADOPTION AGREEMENT

Signatures

By signing this Adoption Agreement the Employer hereby certifies that it (1) is a governmental entity described in Code section 457(e)(1)(A), (2) has received a copy of the Prudential Retirement Specimen Governmental 457(b) Plan, (3) accepts the terms and conditions of such Plan and any related services agreement between it and Prudential, (4) acknowledges that it has relied upon its own advisors regarding the completion of this Adoption Agreement, (5) understands or has been advised by its own legal and tax advisors of the legal and other tax implications of adopting the Plan, including, but not limited to, the requirements of Code section 457(b), (6) has had legal counsel review and revise the Plan and Adoption Agreement to ensure that the Plan and Adoption Agreement comply with all applicable state and local law requirements, and (7) understands and acknowledges that Prudential will be under no obligation to update this Adoption Agreement or the Prudential Retirement Specimen Governmental 457(b) Plan document for any subsequent changes in applicable law.

IN WITNESS WHEREOF, the Employer has caused this Adoption Agreement to be executed by a duly authorized representative this 10th day of December ________, 2015.

Attest: **State of North Carolina**
Name of Political Subdivision

By: Stan C. Frob

Title: Director

PRUDENTIAL RETIREMENT
SPECIMEN GOVERNMENTAL 457(b) PLAN

ADOPTION AGREEMENT

Acknowledged on behalf of Prudential Retirement, a business division of The Prudential Insurance Company of America in its role as recordkeeper for the Plan:

By: Christine C. Marcks

Title: Sr. Vice President, PICA

Date: 1-6-16