

POLICY ON PARTICIPATION AND BENEFICIARIES

North Carolina Supplemental Retirement Plans

Adopted: August 26, 2021

Last Revised: August 26, 2021

Enrollment and Information

1. To enroll in a Supplemental Retirement Plan, a participant must use the process and complete the form (which may be online or by telephone) that are provided by the plans' recordkeeper. Paper forms must be received by the recordkeeper within 90 days of the participant's signature. The recordkeeper is Prudential Retirement as of the date of this policy.
2. A participant is responsible for providing, and keeping current, a current mailing address, telephone number, and email address to the recordkeeper. The Department and the recordkeeper are entitled to rely on a participant's contact information that is on file with the recordkeeper.
3. A participant must communicate with the recordkeeper by using the communication methods and procedures established by the recordkeeper.

Beneficiaries

1. A participant, including an alternate payee who becomes a participant, may designate or change one or more beneficiaries. A beneficiary who becomes a participant is not permitted to name a beneficiary.
2. To designate a beneficiary (including changing a beneficiary), a participant must use the process and complete the form (which may be online or by telephone) that are provided by the Department or the recordkeeper. Paper forms must be notarized and must be received by the recordkeeper within 90 days of the participant's signature.
3. If a participant designates two or more beneficiaries, then the participant must provide a percentage of the participant's account that each beneficiary shall receive. If the percentages are not provided by the beneficiary, then the beneficiaries shall receive equal shares. If the percentages do not equal 100%, then the beneficiary designations are invalid and will not replace the current beneficiary designations, if any, that are on file with the recordkeeper.
4. If a primary beneficiary pre-deceases the participant, then the beneficiary's share of the participant's benefit will be paid in equal shares to any remaining primary beneficiaries. If a contingent beneficiary pre-deceases the participant, then the beneficiary's share of the participant's benefit will be paid in equal shares to any remaining contingent beneficiaries. A "primary beneficiary" is a beneficiary that is first in line to receive the participant's account upon the death of the participant. A "contingent beneficiary" is a beneficiary that

receives the participant's account only if there is no living primary beneficiary at the time of the participant's death.

5. The estate of the participant shall be the beneficiary if, at the time of the participant's death, the participant has not designated a living beneficiary with the recordkeeper.
6. To claim as a beneficiary from a Supplemental Retirement Plan, a beneficiary must use the process and complete the form (which may be an online form) that are provided by the plans' recordkeeper. Paper forms must be received by the recordkeeper within 90 days of the participant's signature. The funds in a deceased participant's account shall be paid to a beneficiary's estate if the beneficiary survives the participant but dies before the recordkeeper receives a valid, timely beneficiary claim form from the beneficiary.
7. A beneficiary other than an estate may waive the right to receive a benefit payable under a plan.

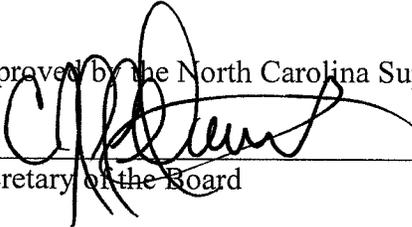
Termination

1. A person's participation in the NC 401(k) Plan is terminated only if the person has no assets in the NC 401(k) Plan *and* the person is no longer eligible to defer compensation into the NC 401(k) Plan. Participation in the NC 401(k) Plan *shall not terminate* due to separation from employment with one participating employer and beginning employment with another participating employer.
2. A person's participation in the NC 457 Plan is terminated only if the person has no assets in the NC 457 Plan *and* the person is no longer eligible to defer compensation into the NC 457 Plan. Participation in the NC 457 Plan *shall not terminate* due to separation from employment with one participating employer and beginning employment with another participating employer.

Revision History and Effective Dates

Version	Effective Date	Description of Changes
1.0	August 26, 2021	Original version

Approved by the North Carolina Supplemental Retirement Board of Trustees:


Secretary of the Board