
**Professional Firefighters, Police
Officers & Public Employees Tax
Deferred Retirement Plan for the
Town of Derry**

**ADOPTION AGREEMENT
2021 Revision**

**PROFESSIONAL FIREFIGHTERS, POLICE OFFICERS & PUBLIC
EMPLOYEES TAX DEFERRED RETIREMENT PLAN for the
TOWN of Derry**

The Town of Derry, New Hampshire ("Employer") hereby [establishes/revises] its Eligible Deferred Compensation Plan and Trust for its eligible Employees as provided in this Adoption Agreement and the accompanying Plan Document. This Plan is intended to satisfy the requirements for an "Eligible Deferred Compensation Plan" under Section 457 of the Internal Revenue Code, and all other applicable provisions of law and any regulations issued thereunder.

**ARTICLE I
DEFINITIONS**

EFFECTIVE DATE (1.10) The Effective Date of [the Plan/this revision] is 08/01/2021, except as otherwise provided herein or in the Plan Document.

NORMAL RETIREMENT AGE (1.15) A Participant attains Normal Retirement Age under the Plan on the date he attains age: Group I – 20 years of service or age 60; Group II – 20 years of service or age 45 with 20 years of service (per New Hampshire Retirement System).

PLAN (1.17) The name of the Plan, as adopted by the Employer, is the Professional Firefighters, Police Officers & Public Employees Tax Deferred Retirement Plan for the

[] City of _____; or

[X] Town of Derry, NH.

PLAN YEAR (1.21) The Plan Year is a twelve-consecutive month period ending every December 31st.

**ARTICLE II
PARTICIPATION**

2.01 ELIGIBILITY

Eligibility Conditions An Employee is eligible to participate in the Plan as of his first day of employment with the Employer.

Time of Participation An Employee will become a Participant on the Plan Entry Date (if employed on that date) immediately following or coinciding with the date the Employee completes the eligibility conditions in this Adoption Agreement Section 2.01.

**ARTICLE III
CONTRIBUTIONS**

3.01 AMOUNT OF CONTRIBUTIONS The amount of Deferred Compensation contributed to a Participant's Account will equal the amount by which the Participant has reduced his Compensation for the Plan Year pursuant to his Salary Reduction Agreement either in the form of:

(i) Pre-Tax Elective Deferrals, as defined in Section 1.22 of the Plan, or

(ii) Roth Elective Deferrals, as defined in Section 1.25 of the Plan.

Check box (i) or boxes (i) and (ii).

3.02 ALLOCATION OF EMPLOYER CONTRIBUTIONS

Contribution Allocation Formula The Plan Administrator shall allocate Employer contributions, if any, in accordance with the following contribution formula.

(i) **Discretionary Contribution** A percentage of Plan Compensation to be determined annually by the Employer.

(ii) **Fixed Contribution** _____% of each Participant's Plan Compensation for the Plan Year.

(iii) **Fixed Contribution** (*Specify formula*) _____

(iv) **Not Applicable**

Check boxes (i), (ii) and/or (iii), as applicable; if box (iv) is checked, do not check boxes (i), (ii) or (iii).

**ARTICLE IV
ROTH TRANSFERS**

4.01 IN-PLAN ROTH ROLLOVERS If, but only if, selected below by the Employer, a Participant may, subject to the rules of Section 9.04, direct the transfer of Pre-Tax Elective Deferrals to a Designated Roth Account.

Section 9.04, relating to in-Plan Roth rollovers, is incorporated in the Plan.

**ARTICLE V
CARES ACT IMPLEMENTATION**

5.01 CARES ACT IMPLEMENTATION ELECTIONS

Effective Date Each of the provisions elected below was effective as soon as administratively and operationally feasible on or after _____ (no earlier than March 27, 2020).

_____ **A. Coronavirus-Related Distributions** The Plan allows Qualified Individuals to obtain Coronavirus-Related Distributions before December 31, 2020, except as otherwise elected below:

_____ Coronavirus-Related Distributions shall be limited to \$_____ (not more than \$100,000).

_____ **B. Coronavirus-Related Loans** The Plan allows Qualified Individuals to obtain Coronavirus-Related Loans during the 180-day period beginning March 27, 2020, except as otherwise elected below:

_____ Coronavirus-Related Loans shall be limited to \$_____ (not more than \$100,000).

_____ **C. Coronavirus-Related Loan Suspensions** The Plan allows Qualified individuals to suspend loan repayments due from March 27 through December 31, 2020, for up to 12 months, except as otherwise elected below:

_____ Qualified Individuals may suspend loan repayments for up to _____ months (not more than 12 months).

_____ **D. Suspension of required minimum distributions for 2020** The Plan suspends required minimum distributions payable during 2020, except as otherwise elected below:

_____ The Plan continued to pay required minimum distributions for 2020, and such distributions will be reported as eligible rollover distributions.

5.02 CARES ACT DEFINITIONS

For purposes of this Article, the following terms have the following meanings:

A. "Qualified Individual" means a Participant who, or whose spouse or dependent:

(i) is diagnosed with SARS-COV-2 or COVID-19 by a CDC-approved test or

(ii) has experienced adverse financial consequences as a result of quarantine, layoff, reduction in hours or loss of work because of lack of childcare or business closing.

B. "Coronavirus-Related Loan" means a loan to a Participant by the Plan made during the 180-day period beginning on March 27, 2020, the principal amount of which does not exceed \$100,000.

C. "Coronavirus-Related Loan Suspension" means a suspension of loan repayments for a period not exceeding 12 months that commences no earlier than March 27, 2020, and no later than December 31, 2020, under a loan made by the Plan to a Qualified Individual, provided the loan is re-amortized after the suspension ends to include interest accruing during the period of suspension and the term of the loan is extended by a period of time equal to the period of the suspension.


5.03 EFFECT OF ARTICLE

This Article shall be construed and applied as if it were fully set forth in the 2021 Revision of the Plan and shall be deemed to be part of the Plan.

SIGNATURES

Employer The Employer hereby agrees to the provisions of the 2021 Revision of the Plan, in accordance with the provisions of this Adoption Agreement and the accompanying Plan Document, by executing this Adoption Agreement on this 27th day of **July, 2021**.

Name of Employer: **Town of Derry, New Hampshire**
Employer's EIN: **02-6000222**

By:  _____

Print Name: David Caron

Office: Town Administrator

This document outlines the parameters of the loan program(s) available through the Plan as administered by the Plan Sponsor or its designee (the “**Plan Administrator**”). The Plan, Plan Sponsor, and Effective Date of this Loan Policy are set forth in the Loan Program Adoption Form. For non-ERISA 403(b) plans, the term “Plan Administrator” shall not be applicable and this agreement shall be administered by BPAS and each participant with a plan loan.

This document forms part of the Plan and shall be maintained by the Plan Administrator, and updated as necessary. The Plan Administrator shall act in accordance with the provisions of the Plan, the Guidelines for the loan program(s) selected, and all provisions of the Internal Revenue Code and ERISA, if applicable. Moreover, loans shall be made available to Participants on a reasonably equivalent basis, shall not be made to highly compensated employees in an amount greater than the amount available to other employees, shall bear a reasonable rate of interest, and shall be adequately secured by the participant’s vested balance.

BPAS has been retained to provide loan administrative services in connection with the maintenance of Participant loans and repayments. In performing these services, BPAS will not act as a plan administrator or fiduciary under ERISA. These Guidelines may be amended from time to time, in writing, by the Plan Administrator or by BPAS. The Plan Administrator is responsible for the distribution, collection and remittance of the loan documentation to BPAS. The recordkeeper and Plan Administrator exercise no authority with respect to the calculation of payments due.

The Loan Programs available for the Plan Administrator to choose from are summarized below. The Plan Administrator will complete this Loan Policy and Guidelines (“Loan Policy”) and the ‘Loan Adoption Form’ to outline the parameters for the Program(s) chosen.

- **MyPlanLoan Continuation Program (Appendix A).** This Program is designed to assist terminated participants. A loan which was initially taken as a traditional loan is transferred to MyPlanLoan (“MPL”) for invoicing and repayment upon a participant’s termination of employment, allowing the participant to continue to make payments on their outstanding retirement plan loan(s), and avoid the large tax penalties associated with a loan default. The program also allows a terminated Participant to request a new MPL General Purpose loan. Loan Continuation is made available to participants unless the Plan Administrator chooses to opt out on the Loan Adoption Form.
- **MyPlanLoan Administration Program (Appendix B).** This Program provides the Plan Administrator with the option to have participant loans administered by MyPlanLoan, a BPAS service (“MPL”). BPAS assumes the administration of the loan program removing the burden from the Human Resource department (loan repayment through payroll deduction is eliminated). Options include:
 - Transfer of Existing Traditional Loans *Appendix B-1*
 - General Purpose Loans *Appendix B-2*
 - Principal Residence Loans *Appendix B-2*
- **Traditional Loan Program (Appendix C).** This Program offers loans to actively employed participants which are repaid through payroll deduction. Options include:
 - General Purpose Loans
 - Principal Residence Loans

General Terms – All Loan Programs

Application Procedure: Participants apply for a loan as set forth in each Program. Each Participant interested in applying for a loan may request a copy of: (a.) the Loan Policy, (b.) Summary of Material Modifications, (c.) an Application, (d.) the Participant Loan Agreement, if applicable to the Program; and (e.) Fees and Other Disclosures. Such a request should be made to the Plan Administrator.

Approval/Denial of Loans: The Plan Administrator and/or BPAS shall evaluate each loan application to determine whether the applicant is qualified to receive a loan and whether the amount, requirements, and purpose of the requested loan are consistent with the terms of the Code, ERISA, the Plan and the Trust and this Loan Policy. The Plan Administrator shall also consider the amount of the requested loan and whether the applicant could reasonably be expected to timely repay the borrowed amount. The Plan Administrator shall have the discretion to determine whether the applicant's request for a loan satisfies the requirements of the Plan and Trust and this Loan Policy, and the Plan Administrator's determinations shall be upheld unless clearly arbitrary and capricious. No otherwise qualified applicant can apply for a loan if he or she is currently in default on another loan. And no one who has incurred a "deemed distribution" on a previous loan can apply for or receive future loans until the outstanding loan amount is paid in full.

The Plan Administrator shall respond to each loan application within thirty (30) days of the date it is filed; provided, however, that if the Plan Administrator is unable to act upon the loan application within that period of time, it may extend that period another fifteen (15) days by providing written notice to the participant of that extension. If an application for a loan is denied, the Plan Administrator shall indicate the reasons for that denial. In that case, the applicant may request reconsideration of his or her application and may submit additional evidence in support of reconsideration. The Plan Administrator shall then reconsider the application and respond within thirty (30) days of the date the request for reconsideration is received. The determination of the Plan Administrator upon reconsideration shall be conclusive and final.

Default/Risk of Loss: The Plan Administrator may treat this loan in default in the event of:

- i. Failure to pay any installment of principal and interest when due and such failure continues after the last day of the calendar quarter following the calendar quarter in which such failure occurs;
- ii. Any representation or statement to the Plan by or on behalf of the Participant which is false in any material respect when made or furnished;
- iii. Loss, theft, damage, destruction, sale, or encumbrance to or of any of the collateral, or a levy seizure or attachment thereof or thereon; or
- iv. The Participant terminates employment with the Employer and either: (a.) does not voluntarily repay the entire unpaid balance of the loan and interest due or (b.) fails to continue to make scheduled loan repayments, if MPL Loan Continuation is permitted by the Plan Administrator, or (c.) makes a withdrawal (other than periodic distributions which may be used as loan repayments) while any portion of the loan remains outstanding.

The Participant will have the opportunity to repay the loan, by paying any missed payment plus interest or, if distribution is available under the Plan, request distribution of the note. If the loan remains in default, the Plan Administrator has the option to the extent a distribution to the Participant is permissible under the Plan, to offset the Participant's vested accrued benefit (account balance) by the outstanding balance of the loan. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest. Tax Cuts and Jobs Act of 2017 has extended the amount of time a Participant has to rollover a loan offset from 60 days to until the Participant's tax filing due date (including extensions) for the year in which the loan offset amount arose. This extension only applies if the offset was due to the Participant's termination from service or termination of the Plan.

The loan terms shall provide for repayment of the outstanding loan balance in the event that the Participant dies or terminates employment for any other reason (*including retirement*), or if the Plan Administrator notifies the Participant that the loan must be repaid due to the Plan's receipt of a Qualified Domestic Relations Order that affects the Participant's benefits under the Plan.

Except for receipt of a Qualified Domestic Relations Order, all events described in this section are distributable events. Therefore, on the other events, the unpaid amount also shall be deducted from the Participant's Account balance.

The value of the Participant's account available for distribution to the participant or a beneficiary shall mean the value after the satisfaction of the entire unpaid balance thereon.

Definition of Participant: For purposes of this Loan Policy, the term Participant means any Participant (or Employee with a rollover account balance not yet eligible to participate) with a vested Plan account balance (as set forth below) who is:

- i. Actively employed with the Employer
- ii. A beneficiary of a deceased Participant
- iii. An alternate payee under a QDRO

Fees for Loan Issue and Maintenance: A loan origination fee and an annual maintenance fee will be charged to the Participant's account on the date of issuance of each loan in accordance with the Plan Sponsor's fee schedule. The annual maintenance fee will be charged to the Participant's account on each subsequent calendar year or anniversary date thereafter for each loan that has a balance is outstanding.

Limitation on Loan Amount: Unless otherwise specified within the Loan Program, the maximum Loan for a Participant (when added to the outstanding balance of all other loans from the Plan to the Participant) will be the **lesser of:**

- i. \$50,000 (reduced by the excess of the highest outstanding balance on any loans to the Participant from the Plan during the one-year period ending on the day before such loan is made over the outstanding balance on any such loans on the date such loan is made), or
- ii. 50% of the Participant's vested Plan account balance as reported by the Record Keeper (the "IRS Limit").

Loan Minimums: The minimum loan amount a Participant may request is **\$1,000**.

Loan Maximums: The number of loans a Participant may have outstanding under this Plan or any other qualified Plan maintained by the Employer or any Affiliated Company at one time is one loan or multiple loans, as set forth within the Loan Program and Adoption Form.

Loans shall be allowed for the following purposes: No restrictions shall be placed on the use of General Purpose loan proceeds unless otherwise set forth in the Adoption Form.

Loan Term: General Purpose Loans cannot be made for terms that exceed **5 years (60 months)**.

Leave of Absence/Suspension of Payment: For payroll deducted loans, the Plan Administrator will suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. For MyPlanLoan, the Plan Administrator must contact their BPAS Plan Consultant for information on how a participant can suspend their loan(s) during an approved leave of absence. The Plan Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.

Military Service: For payroll deducted loans, if a Participant separates from service (or takes a leave of absence) from the Employer because of service in the military and does not receive a distribution of his or her account balances, the Plan will suspend loan repayments until the Participant's completion of military service. For MyPlanLoan, the Plan Administrator must contact their BPAS Plan Consultant for information on how a participant can suspend their loan(s) during an approved leave of absence. The Employer will provide the Participant with a written explanation of the effect of the Participant's military service upon his or her Plan loan. While the Participant is on active duty in the United States military, the interest rate on the loan will not exceed six percent (6%), compounded annually.

Payments after Leave of Absence: When payments resume following a payment suspension in connection with a leave of absence authorized above, the Participant will select one of the following methods to repay the loan, plus accumulated interest:

- i. The Participant will increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, plus accrued interest, over the remaining term of the loan.
- ii. The Participant will pay a balloon payment of the remaining unpaid principal and interest, at the conclusion of the term of the loan as determined in the promissory note.

- iii. The Participant may extend the maturity of the loan and re-amortize the payments over the remaining term of the loan. In no event will the amount of the adjusted installment payment be less than the amount of the installment payment provided under the promissory note. In the case of a non-military leave of absence, the revised term of the loan will not exceed the maximum term permitted under the section titled *Loan Term* above. In the case of a military leave of absence, the revised term of the loan will not exceed the maximum term permitted under the section titled *Loan Term* above, augmented by the time the Participant was actually in United States military service.

Reasonable Rate of Interest: Unless otherwise specified within the Loan Program, the Interest Rate applicable to a Loan will be the highest prime rate published in the “Money Rates” section of The Wall Street Journal.

Source of Loan Proceeds: When issued, the loan amount will be withdrawn from all available funds in the Participant’s account in the ratio that each fund balance bears to the total of all fund balances. **Note:** If a trading restriction on an investment is imposed at the time of the loan request, that investment will be excluded.

Spousal Consent: If the Plan by its terms is not required to collect a notarized spousal consent form for loans or distributions, spousal consent with respect to the Participant’s participation in the Loan Program is not required by BPAS.

MyPlanLoan Continuation Program (Appendix A)

The MyPlanLoan Continuation Program allows a terminated Participant within the Employer's retirement plan to elect to transfer administration of their outstanding traditional loan(s) to MyPlanLoan for invoicing and repayment. Loan Continuation provides an option for terminated employees to continue to make payments on their outstanding retirement plan loan, while avoiding the tax penalties associated with a loan default. The program also allows a terminated Participant to request a new MPL General Purpose loan. The Program is made available to participants unless the Plan Administrator chooses to opt out on the Loan Adoption Form.

General Terms: In addition to the General Terms – All Loan Programs, the following terms apply to the MyPlanLoan Continuation Program. Please review **Appendix B-2** (MyPlanLoan Administration – General Purpose and Principal Residence Loans) for additional information related to a new General Purpose loan request for a terminated participant.

Application Procedure: For purposes of the MyPlanLoan Continuation Program, a terminated Participant eligible to have their traditional loan(s) converted to MPL for repayment will receive a letter in the mail with instructions on how to apply.

Definition of Participant: For purposes of the MyPlanLoan Continuation Program, the term Participant includes any terminated Participant in the Employer's retirement plan.

Interest Rate: The original Interest Rate applied to each loan will remain in effect for that loan when transferred to MPL.

Loan Re-amortization: To the extent that outstanding traditional loan(s) do not have a monthly repayment schedule, each outstanding loan will be re-amortized onto the MPL system, retaining the original terms of the loan (the remaining loan balance, remaining loan term, and original interest rate) but moving to monthly payments. If there is a lapse in loan payments prior to transfer of the loan to MPL, the new monthly payment amount may be increased in order to repay the loan within the original Loan Term. At the time of the transfer all outstanding loan payments will be accumulated into a single loan payment.

Limitation on Loan Amount: There are no limits placed on traditional loans transferred to MPL. The limits for these loans were validated by the Plan Administrator when the loans were originally requested by the Participant. A limit below the Internal Revenue Section Code 72(p) can be set for new loans requested by terminated Participants (e.g., \$10,000) on the Loan Program Adoption Form.

Loan Eligibility: A terminated Participant may transfer multiple loans to the MyPlanLoan Continuation Program. Any outstanding traditional loan(s) that meet the program's eligibility requirements will be transferred to MPL if the participant elects Loan Continuation. Eligibility requirements include, but are not limited to, the following: (a.) loan(s) must not be in or within 30 days of default, (b.) loan payoff date(s) must be greater than 6 months from the date of transfer, and (c.) vested account balances, excluding any rollover contributions, must be greater than \$5,000. A terminated Participant may request one new MPL loan, regardless of whether the Participant has also transferred an existing loan to MPL for loan repayment, subject to the Limitation on Loan Amount.

Loan Term: The loan term remaining from the original loan will determine the time period in which the loan must be repaid.

Loan Repayments: Loan repayments must be made at least quarterly under a level amortization schedule, and be applied back to the Participant's account based on the Participant's last contribution allocations. Additionally:

- i. Loan payments are made to MyPlanLoan, a BPAS Service;
- ii. Loan(s) will be repayable in monthly installments ("Minimum Payment" on Participant's MPL statement);
- iii. A Participant may pre-pay all or any portion of a loan, at any time, without penalty;
- iv. Upon clearing of the Participant's payment, MPL will verify the amount attributable to repayment of principal and interest and credit that amount to the Plan's custodian for credit into the Participant's Plan Investments;
- v. Payments received by MPL which exceed the outstanding balance from the Participant's MyPlanLoan Continuation Account will be refunded directly to the Participant. In no event will any excess amount be deposited into the Participant's Retirement Plan Account.

Other Fees and Charges: The MyPlanLoan Continuation Program includes fixed fees charged to Participants in connection with certain types of transactions. See Exhibits 1 and 2 of this Loan Policy for applicable fees.

MyPlanLoan Administration Transfer of Existing Plan Loans (Appendix B-1)

The MyPlanLoan Administration Program provides an option for the Plan Administrator to elect to transfer all existing traditional loans at a Plan level to MPL for invoicing and repayment. As such, the Plan Administrator may choose to have BPAS assume the administration of the Plan's existing 'Traditional Loans'. Assumption of these duties does not in any way relieve the Plan Administrator of its fiduciary responsibilities, nor does it imply that BPAS is assuming any fiduciary responsibilities.

General Terms: In addition to the General Terms – All Loan Programs, the following terms apply to MyPlanLoan Administration– Transfer of Existing Plan Loans ("Appendix B-1").

Application Procedure: For purposes of this Appendix B-1, this section is not applicable, as it is a Plan decision to transfer all eligible outstanding loan(s) to MPL for administration.

Definition of Participant: For purposes of this Appendix B-1, the term Participant is expanded to include any terminated Participant in the Employer's retirement plan.

Interest Rate: The original Interest Rate applied to each loan will remain in effect for that loan when transferred to MPL.

Loan Re-amortization: To the extent that outstanding traditional loan(s) do not have a monthly repayment schedule, each outstanding loan will be re-amortized onto the MPL system, retaining the original terms of the loan (the remaining loan balance, remaining loan term, and original interest rate) but moving to monthly payments. If there is a lapse in loan payments prior to the transfer of the loan to MPL, the new monthly payment amount may be increased in order to repay the loan within the original Loan Term. At the time of the transfer all outstanding loan payments will be accumulated into a single loan payment.

Limitation on Loan Amount: There are no limits placed on traditional loans transferred to MPL. The limits for these loans were validated by the Plan Administrator when the loans were originally requested by the Participant.

Loan Eligibility: A Participant may transfer multiple loans to the MyPlanLoan Administration Program. Any outstanding traditional loans not in default, or within 30 days of default, at the time the Plan chooses to transfer loans to MPL are eligible for transfer.

Loan Term: The loan term remaining from the original loan term will determine the time period in which the loan must be repaid.

Loan Repayments: Loan repayments must be made at least quarterly under a level amortization schedule, and be applied back to the Participant's account based on the Participant's last contribution allocations. Additionally,

- i. Loan payments are made to MyPlanLoan, a BPAS Service;
- ii. Loan(s) will be repayable in monthly installments ("Minimum Payment" on Participant's MPL statement);
- iii. A Participant may pre-pay all or any portion of a loan, at any time, without penalty;
- iv. Upon clearing of the Participant's payment, MPL will verify the amount attributable to repayment of principal and interest and credit that amount to the Plan's custodian for credit into the Participant's Plan Investments.
- v. Payments received by MPL which exceed the outstanding balance from the Participant's MyPlanLoan Administration Account will be refunded directly to the Participant. In no event will any excess amount be deposited into the Participant's Retirement plan account.

Other Fees and Charges: The MyPlanLoan Administration Program includes fixed fees charged to Participants in connection with certain types of transactions. See Exhibits 1 and 2 of this Loan Policy for applicable fees.

MyPlanLoan Administration – General Purpose and Principal Residence (Appendix B-2)

The MyPlanLoan (MPL) Administration Program provides an option for both active and terminated participants in the plan to request a new loan in accordance with the Plan's provisions. MPL invoices participants, collects Participants' loan payments, and tracks such payments to the loan's Amortization Schedule, eliminating payroll deduction of loan repayments. Participants have the option to continue to repay any outstanding MPL loans post-employment.

General Terms: In addition to the General Terms – All Loan Programs, the following terms apply to MPL General Purpose and Principal Residence Loans ("Appendix B-2").

Application Procedure: For purposes of this Appendix B-2, the application is completed electronically through the Participant website at www.bpas.com. The Participant receives their loan proceeds via check. Check is mailed to the address on record.

Definition of Participant: For purposes of this Appendix B-2, the term Participant is expanded to include any terminated Participant in the Employer's retirement plan.

Interest Rate: The Interest Rate is the Reasonable Rate of Interest as described in the General Terms – All Loan Programs ("Prime Rate") and will be the highest prime rate published in the "Money Rates" section of The Wall Street Journal on the last business day of the calendar month prior to the commencement of the billing cycle in which a Loan was initiated. If The Wall Street Journal is not published on the last business day of a given month, BPAS will use the highest prime rate published in the "Money Rates" section of The Wall Street Journal on the next publication day.

Loans shall be allowed for the following purposes:

- General Purpose - Loans shall be allowed as described in the General Terms – All Programs.
- Principal Residence - Loans shall be restricted to the purchase of a Participant's primary (principal) residence.

The Plan Sponsor may limit uses for which a participant can apply for a loan, as set forth in the Adoption Form.

Limitation on Loan Amount: The Plan Sponsor may set additional pre-defined limits on the loan amounts taken by Participants to help set prudent loan limits for the Participants. Loan amount limits are set forth in the Adoption Form.

Loan Maximums: The number of loans a Participant may have outstanding under this Plan is set forth in the Adoption Form.

Loan Term: The maximum loan term for repayment is set forth below, based on the loan type:

- General Purpose - 5 years (60 months)
- Principal Residence – 25 years (300 months)

Loan Proceeds Availability:

- The amount transferred to a Participant's MPL Account will be taken from the Participant's other Plan investments as described in the General Terms – All Loan Programs (Source of Loan Proceeds).
- The amount of the loan will be sent via check to the participant.
- Upon a Participant's termination of employment, the Participant's MPL Account may remain open and the Participant may continue making payments provided the Participant's account balance remains with the Plan.

Loan Repayments: Loan repayments must be made at least quarterly under a level amortization schedule and be applied back to the Participant's account based on the Participant's last contribution allocations. Additionally:

- Loan payments are made to MPL, a BPAS Service;
- A Participant may pre-pay all or any portion of a loan, at any time, without penalty;
- Upon clearing of the Participant's payment, MPL will verify the amount attributable to repayment of principal and interest and credit that amount to the Plan's custodian for credit into the Participant's Plan Investments.
- Payments received by MPL, which exceed the outstanding balance from the Participant's MPL Account will be refunded directly to the Participant. In no event will any excess amount be deposited into the Participant's Retirement plan account.

Other Fees and Charges: The MPL Administration Program includes fixed fees charged to Participants in connection with certain types of transactions. See Exhibits 1 and 2 of this Loan Policy for applicable fees.

Traditional Loan Program Payroll Deduction (Appendix C)

A Traditional Loan is a loan that is provided to actively employed participants and repaid through payroll deduction. The loan provides the Plan Administrator with an option to set minimum and maximum limits, as well as limiting the loan types offered (General Purpose and/or Principal Residence).

General Terms: In addition to the General Terms – All Loan Programs, the following terms apply to the Traditional (Payroll Deduction) Loan Program (“Appendix C”).

Application Procedure: For purposes of this Appendix C, the application may be completed electronically through the Participant website at www.bpas.com, or a paper copy may be obtained by calling BPAS Participant Service at 1-866-401-5272.

Default/Risk of Loss: In addition to the General Term – All Loan Programs, Default/Risk of Loss, for purposes of this Appendix C, if the outstanding loan balance (*including accrued interest*) is not repaid by the end of the calendar quarter after the quarter in which the pertinent event occurs, the loan shall be considered in default and shall be deemed distributed, thereby creating a taxable event to the Participant for the year of default.

Interest Rate: The Interest Rate will either be the Reasonable Rate of Interest as described in the General Terms – All Loan Programs (“Prime Rate”) or Prime Rate plus an additional percentage. The Interest Rate is set forth in the Adoption Form. The Prime Rate will be determined from the Wall Street Journal on the first day of each calendar quarter and is used for all loan requests for the quarter, until a new rate is determined.

Loans shall be allowed for the following purposes:

- General Purpose - Loans shall be allowed as described in the General Terms – All Programs.
- Principal Residence - Loans shall be restricted to the purchase of a Participant’s primary (principal) residence.

In addition, the Plan Sponsor may limit the uses for which a participant can apply for a loan, as set forth in the Adoption Form.

Loan Maximums: The number of loans a Participant may have outstanding under this Plan is set forth in the Adoption Form.

Loan Term: The maximum loan term for repayment is set forth below, based on the loan type.

- General Purpose – 4.8 years (58 months)
- Principal Residence – 25 years (300 months)

Loan Proceeds Availability: The proceeds of a loan shall be distributed to the Participant as soon as possible after the loan is processed. Prior to receipt of the check, the Participant must provide:

- i. The delivery of an executed promissory note for the amount of the loan, including interest payable to the Plan; and
- ii. An authorization to the Participant’s employer to make payroll deductions in order to repay the loan to the Plan. The promissory note shall be duly acknowledged and executed by the Participant, and shall be held by the Plan Administrator as agent for the Trustees, as an asset of the Participant’s loan account;

Loan Repayments: Loan repayments must be made at least quarterly under a level amortization schedule, and be applied back to the Participant’s account based on the Participant’s last contribution allocations. Additionally,

- i. Loan payments are made through payroll deductions;
 - a. Except for non-ERISA 403(b) Plans, where loan payments are made via Participant check or ACH;
- ii. A Participant may pre-pay a loan in full, at any time, without penalty;
- iii. Partial repayments will not be permitted, unless they represent a multiple of the original payment.

Exhibit 1 – MyPlanLoan Programs, Maintenance Services, and Fees

MPL Program	Description	MPL Fees
Continuation <i>(Appendix A)</i>	<ul style="list-style-type: none"> • Available to Terminated Employees • Payments made directly to MPL • Alternative to immediate payoff or default upon termination of employment 	<ul style="list-style-type: none"> • Monthly Maintenance Fee of \$4.00 • Processing Fees (Exhibit 2) may apply • Assessed to the participant on their next monthly statement
Transfer of Existing Traditional Loans <i>(Appendix B-1)</i>	<ul style="list-style-type: none"> • Available to Active and Terminated Participants • All outstanding traditional loans within the Plan transferred to MPL for continued repayment • Payments made directly to MPL • Eliminates repayment through payroll deduction • No immediate payoff or default upon termination 	<ul style="list-style-type: none"> • Monthly Maintenance Fee of \$4.00 • Processing Fees (Exhibit 2) may apply • Assessed to the participant on their next monthly statement
General Purpose Principal Residence <i>(Appendix B-2)</i>	<ul style="list-style-type: none"> • Available to Active or Terminated Participants • General Purpose or Principal Residence loans • Administered by MPL • Payments made directly to MPL • No immediate payoff or default upon termination 	<ul style="list-style-type: none"> • Monthly Maintenance Fee of \$4.00 <i>per loan</i> • Processing Fees (Exhibit 2) may apply • Assessed to the participant on their next monthly statement • See additional services below *

Services provided under MyPlanLoan Maintenance:

- Payment clearing, processing and remittance to appropriate custodian
- Participant call center (inbound, outbound calls and email)
- Participant Notifications
- Office of Foreign Assets Control (OFAC) and Audit support

*Additional Services provided under MyPlanLoan Maintenance:

- Monitor 72(p) limit rules for each loan
- Disburse loan proceeds to participant (via check)

Exhibit 2 – MyPlanLoan Processing Fees

Fee	Amount
Returned Payment Fee	\$20 per returned payment
Manual Payment Processing Fee ¹	\$2 per manual payment processed
Manual Statement Delivery Fee ²	\$2 per statement mailed
Loan Default Fee ³	\$100

¹This fee is charged if you do not use MPL's Electronic Payment services. You will incur this fee for **each payment** remitted to BPAS in a form other than an electronic payment (e.g., personal check, money order, cashier's check).

²This fee is charged if you do not enroll in E-Delivery services. You will incur this fee to have your monthly billing statement sent to you by regular U.S. mail.

³This fee is collected from your Plan assets at the time of default. Please refer to "Default/Risk of Loss" in the General Terms section above for a definition of what constitutes a Default on your Loan.

Special Rules Related to Coronavirus The following provisions only apply to qualified individuals who satisfy one of the following criteria: (i) they are diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention; (ii) their spouse or a dependent (as defined in Code section 152) is diagnosed with such virus or disease by a test approved by the Centers for Disease Control and Prevention; or (iii) they experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by them due to such virus or disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

- Coronavirus-related loans are available for qualified individuals from March 27, 2020 through September 23, 2020. A coronavirus-related loan may be up to the lesser of: (i) 100% of the vested account balance under the Plan; or (ii) \$100,000 minus the difference between the highest outstanding balance of loans in the past 12 months and the outstanding balance of loans from the Plan on the date the loan is made.
- Qualified individuals may use 100% of their vested account balance as collateral for coronavirus-related loans.
- Qualified individuals impacted by the coronavirus may suspend any loan payment due by December 31, 2020 for up to one year. Interest on the loan will continue to accrue during this suspension. The loan end date and maximum term will be adjusted accordingly.
- Qualified individuals impacted by the coronavirus will not be in default for missing a scheduled payment from March 27, 2020 through December 31, 2020. Interest on the loan will continue to accrue and the loan end date and maximum term will be adjusted accordingly.

Loan Program Adoption Form

By signing below, the Plan Sponsor acknowledges that they have read and understand the features, associated fees and interest rates of the Loan Program(s) described in the Loan Policy and have found the Program(s) selected below to be appropriate for their Plan. Further, by signing below the Plan Sponsor agrees to adopt the Loan Program(s) and include the Loan Policy attached to this Adoption Form”) as part of the Plan Documents.

Plan Sponsor EIN	02-6000222	Effective Date	December 15, 2022	BPANbr	910312
Adopting Employer	Town of Derry				
Plan Name	Professional Firefighters, Police Officers, and Public Employees Tax Deferred Retirement Plan for the Town of Derry				
The Plan Sponsor elects to have the following Loan Programs added to the Plan referenced above					
<input type="checkbox"/> Opt out	MyPlanLoan Continuation Program (Appendix A) All plans are automatically enrolled in this Program for TERMINATED participants				
<input type="checkbox"/> Select	Transfer existing Traditional Loans to MyPlanLoan (Appendix B-1) No limits apply – transfer based on existing loan details for ALL participants				
<input checked="" type="checkbox"/> Select	MyPlanLoan General Purpose Loans (Appendix B-2) New loan requests available for both ACTIVE and TERMINATED participants				
<input checked="" type="checkbox"/> Select	MyPlanLoan Principal Residence Loans (Appendix B-2) New loan requests available for both ACTIVE and TERMINATED participants				
Additional MyPlanLoan Program Options					
Maximum Loan Amount	Applicable to new loans for Active Participants	<input checked="" type="checkbox"/> 72(p) limit	<input type="checkbox"/> Other \$_____ (\$10,000)		
	Applicable to new loans for Terminated Participants	<input checked="" type="checkbox"/> 72(p) limit	<input type="checkbox"/> Other \$_____ (\$10,000)		
Maximum Number of Loans	Maximum number of loans allowed to be outstanding at one time for Active & Terminated Participants	<input checked="" type="checkbox"/> 1 Loan	<input type="checkbox"/> Multiple_____(# of loans)		
	Maximum number of loans allowed to be outstanding at one time for Terminated Participants (via MyPlanLoan Continuation Program)	<input type="checkbox"/> 1 Loan	<input type="checkbox"/> Multiple_____(# of loans)		
Traditional Loan Program - Payroll Deduction					
<input type="checkbox"/> Select	Traditional General Purpose Loans (Appendix C) Available for ACTIVE participants only				
<input type="checkbox"/> Select	Traditional Principal Residence Loans (Appendix C) Available for ACTIVE participants only				
Additional Traditional Loan Options					
Maximum Number of Loans	Maximum number of Traditional Loans allowed to be outstanding at one time	<input type="checkbox"/> 1 Loan	<input type="checkbox"/> Multiple_____(# of loans)		
Restriction on use of Loan Proceeds	Traditional Loan proceeds restricted to use for the following:	<input type="checkbox"/> IRS Safe Harbor Hardship Reasons	<input type="checkbox"/> Other _____		
Maximum Loan Amount	Applicable to ACTIVE Participants	<input type="checkbox"/> 72(p) limit	<input type="checkbox"/> Other \$_____ (\$10,000)		
Interest Rate	Applicable to ACTIVE Participants	<input type="checkbox"/> Prime Rate	<input type="checkbox"/> Prime Rate Plus ____%		

Authorized Signer: Garrett Miller

Date: 1.4.2023

Printed Name/Title: Garrett Miller, Director PFPOPE 457 Plan

**PROFESSIONAL FIREFIGHTERS, POLICE OFFICERS AND PUBLIC EMPLOYEES TAX
DEFERRED RETIREMENT PLAN, INC.**
FORMAL RECORD OF ACTION

The following is a formal record of action taken by the governing body of Professional Firefighters, Police Officers and Public Employees Tax Deferred Retirement Plan, Inc. (the "Company").

With respect to the amendment and restatement of the Professional Firefighters, Police Officers and Public Employees Tax Deferred Retirement Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended effective December 15, 2022, in the form attached hereto, which Plan is hereby adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute the Plan on behalf of the Company;

RESOLVED FURTHER: That Hand Benefit & Trust Company (HB&T) is hereby appointed as the Trustee of the Plan; and

RESOLVED FURTHER: That the officers of the Company be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports, documents or other information as may be required under applicable law.

Dated this 15 day of December, 2022.

Garrett Miller, Director PFPOPE 457 Plan

Garrett Miller
