



**Colorado County Officials and  
Employees Retirement Association**

**OPERATING AND PROCEDURAL MANUAL**

**May 19, 2017**

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## Chapter 1: ORGANIZATIONAL STRUCTURE

- 1.1 In General.** The Colorado County Officials and Employees Retirement Association (CCOERA) is an association of local governments formed pursuant to Colorado Statute (C.R.S. §§ 24-54-101 et seq.) to provide a retirement system for an Association of Colorado counties, municipalities, and special districts.

The CCOERA Retirement Plan is a formal pension plan adopted to provide income after retirement for eligible officials and employees of member counties, municipalities and special districts. The CCOERA Deferred Compensation Plan is adopted to provide employees an additional means to provide income after retirement for eligible officials and employees of member counties, municipalities and special districts. Retirement benefits through CCOERA's plan are in addition to those provided under the Federal Social Security system.

Effective July 1, 2005 CCOERA has engaged the services of Great West Retirement Services (GWRS) for record keeping.

- 1.2 Governing Board.** Pursuant to 24-54-107(5) C.R.S., the management of the Retirement Association is vested in a Board of Retirement consisting of seven members. Pursuant to 24-54-108 C.R.S. the Retirement Board is to have full and complete control and management of any retirement plan provided for and authorized by state statute. It is allowed by state statute to make all necessary rules and regulations for managing and discharging its duties, for its own government and procedure in so doing, and for the preservation and protection of any funds. A Chairman and Vice-Chairman shall be elected by a majority vote of the Board Members, at the meeting subsequent to the first quarter for a one-year term. It is currently the Governing Board's policy that the Vice-Chairman automatically becomes the Chairman in the year following their election as Vice-Chairman.

**1.2.1 Elected County Members.** Pursuant to 24-54-107(5)(b) C.R.S., two of the members shall be nonelected member county employees elected by said employees. One is to be an employee of an East Slope member county, and one is to be an employee of a West Slope member county. However, the entire county Participant population votes for the elected representatives. Such Board Members serve four-year staggered terms.

**1.2.2 Elected Municipal/Political Subdivision Members.** Pursuant to 24-54-105 (5)(c) C.R.S., two of the members shall be representatives of a municipal or political subdivision Participating Employer and shall be elected by the municipal and political subdivision employers participating in the Plan,

**1.2.2.1 Election Procedure for Both County and Municipal/Political Subdivision Members.** The procedure which the Board has implemented is as follows:

**1.2.2.1.1 Nomination for a Position.** No later than seventy-seven days prior to the expiration of the term of an elected member (April 15th), the current board member shall declare if he/she will seek another term.

**1.2.2.1.2** CCOERA staff shall publish a formal NOTICE OF RETIREMENT PLAN BOARD ELECTION, as set forth

below on the CCOERA website and shall also notify all eligible Participants through their Employers.

- 1.2.2.1.3** The prepared NOTICE announces the election of a Board member for a four-year term and notes the commencement date of that term. Further, it states the method of the election; identifies the current Board Member and whether the current member is seeking another term; and identifies whether nominations to the Governing Board should be made in regard to either a West Slope or East Slope nonelected county employee or in regard to a municipal/political subdivision representative; states a postmark deadline of thirty days (June 1st) prior to the expiration of the term of an elected member for submission of a nonelected county employee participant's name or, in the case of the election of a municipal/political subdivision representative a representative's name to be considered for election. Finally, it requests any interested Participant to submit no more than a one page resume to CCOERA of their self or any Participating Employer of a municipality/political subdivision to nominate a representative and include no more than a one page resume of its nominee which will be reproduced for review and consideration by the voters in casting their votes. A participant may not nominate another participant for election to the Governing Board.
- 1.2.2.1.4** If the current board member declares that he/she is seeking another term and no other nominations are received by the deadline or the current board member declares that he/she is not seeking another term and only one nomination is received by the deadline, no election will be held and said person will be deemed elected.
- 1.2.2.1.5** No later than fifteen days (June 15th) prior to the expiration of the term of the elected member, each Member County Entity Helper and/or Municipal/Political Subdivision Entity Helper shall be mailed a ballot for their respective nominated persons for the board position. Included in the mailing, in addition to the ballot, shall be a copy of the resumes of the nominees that have been received along with instructions that said ballots need to be returned to CCOERA with a postmark of no later than June 30th. Each active County Employee may cast a ballot for the county nominees and one ballot may be cast by each municipality/political subdivision.
- 1.2.2.1.6** Ballots for county nominees will require that the voter certify that the voter is an active county employee of a Participating Entity and ballots for municipal/political subdivision nominees will require that the voter certify that the voter has been authorized to cast the ballot

either by the governing board or CEO of the participating municipality/political subdivision.

**1.2.2.1.7** Results of said election shall be published in the newsletter for the final fiscal quarter (second calendar quarter) distributed the third calendar quarter.

**1.2.2.1.8.** If any date herein specified falls on a Saturday, Sunday or legal holiday, that date shall be extended to the next business day.

**1.2.2.2 Cessation of employment.** No later than thirty days after the cessation of employment of a member for any reason, all Member Counties or Member Municipalities/Political Subdivisions, as appropriate, are notified in writing of a vacancy on the Board following the procedures set forth in 1.2.2.1.3 above. Such notice shall provide a deadline for the submission of all nominations, state whether the member, in the case of a Member County; must be from the East or West Slope and shall request that each nomination be accompanied by a resume of the nominee no longer than one page which will be reproduced for review and consideration by the voters when choosing a new member.

**1.2.2.3** If only one name is submitted in nomination, prior to the deadline, for the vacant position in response to a member's cessation of employment, no election will be held and said person shall be deemed elected.

**1.2.2.4** No later than ninety days after the vacancy occurs, each Member County Entity Helper or Municipal/Political Subdivision Helper shall be mailed a ballot for the respective nominated persons to fill the vacancy. Included in the mailing, in addition to the ballot, shall be copies of the resumes of the nominees that have been received along with instructions that said ballots need to be completed and returned with a postmark of no later than one hundred and twenty days after the vacancy occurs. The person so elected shall serve out the unexpired term of the term associated with the vacancy.

**1.2.3 Chosen Members.** Two members of the Governing Board are registered electors of member counties chosen by the Board(s) of County Commissioners whose Counties are Association Members (pursuant to 1.2.3.1.2). These two members serve four year staggered terms.

**1.2.3.1 Procedure for Choosing.** The procedure which the Board has implemented is as follows:

**1.2.3.1.1 Nomination for a Chosen Position.** No later than seventy seven days prior to the expiration of the term of a chosen member (April 15th), the current board member shall declare if he/she will seek another term.

**1.2.3.1.2** No later than sixty one days prior to the expiration of the term of a chosen member (May 1st), each county commissioner from a member county shall be notified of each of their rights to nominate a registered elector from his county for the chosen member's position, the name of

the current chosen member, whether the chosen position requires experience in investments or personnel / corporate administration and as to whether the current chosen member is seeking another term.

**1.2.3.1.3** No later than thirty days prior to the expiration of the term of a chosen member (June 1st), any county commissioner from a member county may nominate a registered elector from his county to run for the chosen member's position. Such nomination shall be in writing, should also be accompanied by no more than a one page resume of the nominee which must contain a representation that the nominee is experienced in the field of experience required (investments or personnel / corporate administration). These resumes will be reproduced for review and consideration by the commissioners when choosing a new member, and shall be postmarked no later than thirty days (June 1st) prior to the expiration of the term of a chosen member.

**1.2.3.1.4** If the current board member declares that he/she is seeking another term and no other qualified nominations are received by the deadline or the current board member declares that he/she is not seeking another term and only one qualified nomination is received by the deadline, no election will be held and said person will be deemed elected.

**1.2.3.1.5** No later than fifteen days prior to the expiration of the term of the chosen member (June 15th), each Board of Commissioners of every member county shall be mailed sufficient ballots for each member of each Board of Commissioners to cast a ballot for one of the nominated persons for the vacancy. Included in the mailing, in addition to the ballots, shall be copies of the resumes of the nominees that have been received along with instructions that said ballots need to be completed and returned with a postmark of no later than June 30th.

**1.2.3.1.6** Ballots for chosen members shall contain a certification to the effect that the voter is a current county commissioner and active participant in CCOERA.

**1.2.3.2 Resignation or death.** No later than thirty days after the resignation or death of a member, all Boards of Commissioners of member counties are notified in writing of a vacancy on the Board and each commissioner is invited to nominate a registered elector from his county to run for the vacant position. Such notice shall provide a deadline for the submission of all nominations, whether the chosen position requires experience in investments or personnel/corporate administration and shall request that each nomination be accompanied by a resume of the nominee no longer

than one page which must contain a representation that the nominee is experienced in the field of experience required (investments or personnel/corporate administration). These nominations will be reproduced for review and consideration by the commissioners when choosing a new member.

**1.2.3.3** If only one qualified name is submitted in nomination, prior to the deadline, for a chosen member's position in response to a chosen member's resignation or death no election will be held and said person shall be deemed elected.

**1.2.3.4** No later than ninety days after the vacancy occurs, each Board of Commissioners of every member county shall be mailed sufficient ballots for each member of each Board of Commissioners to cast a ballot for one of the nominated persons for the vacancy. Included in the mailing, in addition to the ballots, shall be copies of the resumes of the nominees that have been received along with instructions that said ballots need to be completed and returned with a postmark of no later than one hundred and twenty days after the vacancy occurs. The person so chosen shall serve out the unexpired term of the term associated with the vacancy.

**1.2.4** If any date herein specified falls on a Saturday, Sunday or legal holiday, that date shall be extended to the next business day.

**1.2.5 Ex Officio Treasurer.** Pursuant to 24-54-108(4) C.R.S., the treasurer of the most populous member county shall be treasurer of the Association. The treasurer of the Association shall have no more nor no less duties and responsibilities than any other member of the Governing Board.

**1.2.6 Board Chair.** The following are additional duties and responsibilities of the CCOERA Governing Board Chair:

**1.2.6.1** Chairs all meetings according to Robert's Rules of Order

**1.2.6.2** Primary contact for Executive Director.

**1.2.6.3** Contacts all fellow Board Members for all meeting and agenda topics. Communicates the same to CCOERA's Executive Director and staff for input and preparation for meeting agenda.

**1.2.6.4** With the assistance of CCOERA's staff coordinates all regular and Special Board meetings.

**1.2.6.5** Acts as the CCOERA Governing Board spokesperson when so authorized by a majority of the Board.

**1.2.6.6** Approves Executive Director's travel expenses/monthly reports and reports substantial matters to fellow Board members at next Board meeting.



**1.2.6.7** Determines whether a Special Board meeting is necessary in regard to any matter brought to the Chair's attention either by the Executive Director, the Association's attorney, CCOERA Staff or any other Governing Board member.

**1.2.7 Board Vice Chair.** In the event of the Board Chair's absence, the Vice Chair has the authority to act and assume all duties and responsibilities listed in Section 1.2.6.

**1.3 Executive Director.** The Retirement Plan adopted by the Board provides for a Director, who is hired by the Board and shall be referred to as "Executive Director". The Executive Director is responsible to Governing Board for:

**1.3.1** Administration of the Retirement Plan and administration of the §457 Deferred Compensation Plan.

**1.3.2** Monitor and review outside management of the "Book Value Fund".

**1.3.3** Administration of the self-direction program.

**1.3.4** Additional responsibilities as determined by the Board (currently includes the following):

**1.3.4.1** Employing staff, except for the Assistant Executive Director, as provided below, including all employment decisions and the authority to hire and fire.

**1.3.4.3** Making presentations to potential new entities.

**1.3.4.4** Communicating with various elected officials and appointed officials of entities on an as needed basis.

**1.3.4.5** Communicating with Governing Board Members.

**1.3.4.6** Communicating with current and potential investment companies (GIC's, mortgages, mutual funds), as needed.

**1.3.4.7** Keeping the Board apprised of governmental regulations that may affect the Plans.

**1.3.4.8** General management of the retirement plans and Association.

**1.3.4.9** The authority to contract on behalf of the Association as authorized by the Board.

**1.3.4.10** And other duties as assigned by the Governing Board

**1.4 Assistant Executive Director.** The Governing Board has provided for an Assistant Director position. The Assistant Executive Director is chosen by the Executive Director with the advice and consent of the Board. The Assistant Executive Director is responsible for:

**1.4.1** Assisting the Executive Director in all aspects as called upon and described heretofore in sub-paragraph 1.3.4

**1.5 Chief Financial Officer.** CCOERA employs a Chief Financial Officer (CFO). The CFO's duties include:

**1.5.1** Performing and maintaining all accounting operations, maintaining and reconciling general ledger, preparing quarterly financial statements for Governing Board and Executive Director, drafting annual financial statements and preparing work papers for audit, monitoring investments, coordinating with computer consultant various software updates and changes, preparing cash flow projections, reconciling monthly contributions received from entities, preparing and issuing 1099R's, W-2's and other required tax information to terminated participants and the Internal Revenue Service, assisting the Executive Director and Assistant Executive Director with CCOERA properties, managing office operations, supervising the work of assistant administrators and part-time administrative clerks.

**1.6 Personnel Policies and Procedures.**

**1.6.1 Executive Director.** This position is filled by the Board. The Board shall review the salary of the Executive Director for the coming fiscal year in conjunction with the annual budget process.

**1.6.2 Assistant Executive Director.** This position is filled by the Executive Director with the advice and consent of the Board.

**1.6.3 CFO and Staff.** The Executive Director has the authority and responsibility of employing all other staff members. Employment is at will. Salaries for those staff members will be established yearly by the Executive Director based upon the Governing Board's annual budget.

**1.6.4 Employee Benefits.**

**1.6.4.1 Health Insurance.** Medical and dental insurance is provided to all employees (and their immediate family) working in excess of 20 hours per week.

**1.6.4.2 Participation in CCOERA's Retirement Plan.** Employees working in excess of 20 hours per week shall immediately participate in CCOERA's Retirement Plan and shall contribute an amount equal to 8% of salary (a/o 1/1/10) which shall be matched by the Association on a pre-tax basis (pick-up). Vesting shall occur over 5 years (20% per year). Employees shall be allowed to self-direct the entire portion of their account.

**1.6.4.3 Life Insurance and Disability.** Term life insurance and long term disability insurance shall be provided for CCOERA's Executive Staff, currently the Executive Director, CFO, and the Assistant Executive Director. Term life insurance shall be provided in an amount approximating, but not in excess of twice annual compensation. Long-term disability shall have a 90 day waiting period and shall replace 80% of income for life. The insured under each term life

insurance policy shall have the authority to name the beneficiary of that policy and the insured under each long-term disability policy shall be the beneficiary of the benefits of that policy.

**1.6.4.5 Vacation.** CCOERA provides paid vacation to full-time and eligible part-time employees, based on service to the organization. As of 11/1/10, full-time employees (40 or more hours per week) accrue vacation as follows:

<u>Vacation Accrual</u>	<u>Accrual Rate</u>	<u>Annual Accrual</u>
Years 0-5	6.666 hours/mo.	10 days/yr.
Years 6-10	10 hrs./mo.	15 days/yr.
Years 11+	11.333 hrs./mo	17 days/yr.

Effective 11/1/10, CCOERA provides 10 paid sick leave days to full-time and eligible part-time employees\* based on the fiscal year. For the first 6 months of employment, employees are eligible to use their sick leave only as it accrues (.583 days per month). There is a maximum lifetime accumulation of 60 total unused paid sick days. Unused and accumulated sick leave may annually be redeemed at a 25% per day payout based upon salary at the time of redemption.

\*Part-time employees (who work at least 20 hours per week) accrue vacation on a pro-rated basis.

Employees are eligible to begin using their accrued vacation time after 6 months of employment. Employees may not use vacation time until it has been accrued. Generally, the duration of vacations will be limited to a maximum of two consecutive weeks and a minimum of one day. Employees should schedule and receive approval from management to take vacation time by submitting a Vacation Request form. Forms are available from the Office Manager.

Vacations should be scheduled in a manner that minimizes interruptions to CCOERA's operations, and may be denied if it so interrupts. Historically, December has been a popular month for taking vacation time. Because all staff may not take vacations at the same time without interrupting business, those whom did not take a December vacation in a prior year will be granted preference in the subsequent year. Such preference must be stated and requested not later than October 1<sup>st</sup> of each year.

When a paid holiday falls within your vacation period, an additional day of vacation is granted. Vacation time will be counted in the computation of overtime. Vacation days must be taken in full day increments. Employees may carry over a maximum of 40 hours from one year to the next. All employees are strongly urged to take all vacation in the year in which it is earned.

**1.6.4.6 CCOERA Employee Handbook.** The Board will establish and modify an Employee Manual designed to be a guide and reference

for all CCOERA employees. It contains important information to provide employees with an overview of CCOERA's policies, procedures, benefits and rights and responsibilities as set by the Board. From time to time this Handbook will be modified by the Board as it sees fit.

**1.7 Organizational Chart.** See Appendix A.

## **1.8 Officials**

**1.8.1** At all times, an Official shall be fully vested in his Employer Contributions Account and Prior Service Contribution Account.

**1.8.2** Official means an individual of the Participating Employer who has acquired such position through public election or who has been appointed to fill a vacancy of a publicly elected office.

## **1.9 Withdrawal Procedures from CCOERA Membership**

**1.9.1** A resolution by the participating employer to withdraw per 24-54-106(2) CRS must be submitted to CCOERA.

**1.9.2** Make notification to the CCOERA Board to withdraw including copy of resolution with proposed election date.

**1.9.3** Pre-election disclosures will be made by CCOERA to Participants and Employer via written communication and agreed-upon meetings prior to the election date.

**1.9.3.1** Sharing of materials from both the existing plan and the alternative plan.

**1.9.3.2** Disclosures

**1.9.3.2.1** Immediate vesting for all participants upon plan change.

**1.9.3.2.2** Disclosure of the investment options in both plans.

**1.9.3.2.3** Disclosure of the investment management costs for those options.

**1.9.3.2.4** Disclosure of the Investment returns for YTD, 1 year, 5 year and 10 years.

**1.9.3.2.5** Disclosure of the Standard Deviations of the investment options.

**1.9.3.2.6** Disclosure of the Administrative and record keeping fees and costs for both plans including the Basis Points, charges for inactive participants, corrections, reinstatements, transfers, roll-overs in or out of plan, payouts (check, wire, ACH), 1099-R production, W-2 production, form 5498 production, voice response service center, interactive VRU and website, on-line access, DRO qualification, optical scanning and storage of all documents related to participants, loan origination, on-going loan services, enrollments, IRA trustee services, compliance testing, overnight fees, manual trade input fees, quarterly statements, mailing costs, confirmation of transfers, reports, newsletter, Investment Advisory services, custom portfolios, and annual maintenance fee.

- 1.9.3.2.7** If vote is in the affirmative to move to an alternate plan and participant elects to transfer assets to that plan a participant's assets cannot be transferred in kind but must be liquidated and reinvested.

**1.9.4** Election Procedure:

- 1.9.4.1** Minimum of 20 business days' notice to CCOERA by Employer.
  - 1.9.4.2** Voting will be by secret ballot with absentee ballots permitted if received by election date.
  - 1.9.4.3** CCOERA will be permitted to monitor the election and vote tabulation which will be held on one day.
  - 1.9.4.4** Eligible voters must be active contributors to the 401(a) plan
  - 1.9.4.5** Certification of the results must be by an authorized Employer representative by the following business day after election day.
- 1.9.5** Plan Transition Requirements assuming a successful election (65% approval):
- 1.9.5.1** Any Participants opting to transfer existing assets must voluntarily sign a Transfer form.
  - 1.9.5.2** CCOERA will aggregate all signed forms until an agreed upon date and will have our recordkeeper liquidate the assets of those Participants on the same date.
  - 1.9.5.3** A "bulk transfer" of those funds will be sent to the new recordkeeper in a mutually agreed upon format.
  - 1.9.5.4** Any outstanding loans must either be paid off or transferred to the new recordkeeper.
  - 1.9.5.5** Employer and participants must comply with any and all CCOERA Plan provisions.
  - 1.9.5.6** Subsequent to the bulk transfer date, future transfer requests by individual participants will be accommodated on a monthly basis.

## Chapter 2: INVESTMENT POLICIES

The Investment Policies shall be set forth in a separate Investment Policy Statement.

## Chapter 3: FISCAL AND ADMINISTRATIVE POLICIES AND PROCEDURES

**3.1 Payment of Association Obligations.** The Association shall establish a checking account for association operation, an account for investment activities, and any others as recommended by the Executive Director and approved by the Board. Additional accounts may be established for the management of the Book Value Fund.

**3.1.1 Participant Distribution.** A checking account is maintained for distribution of Participant account balances by GWRS - both §401(a) pension funds, and §457 deferred compensation funds.

**3.1.1.1 Distribution Procedure.** On a daily basis, Association participants may submit Requests for Distribution to GWRS. Each Member Entity certifies the last date of employment of the Participant. Upon receipt by GWRS, each Request is scanned and preserved. CCOERA is notified electronically by GWRS on a daily basis and reviews and approves such requests.

GWRS makes monthly reports of all Distributions available electronically to each Entity. Such report shows each Participant's contributions; matching Employer contributions; voluntary contributions; and deferred compensation funds. A vested account balance is prepared, with distribution costs being reflected. .

Distribution checks are prepared and sent out by GWRS. Properly completed Distribution requests are processed within 5 business days by GWRS.

**3.1.2 Administrative Expenses.** Not less than once per month, the CFO prepares payroll and assembles all administration expense invoices. Based upon invoiced amounts, checks are then prepared. The prepared checks are attached to each applicable invoice. They are then presented to the Executive Director or Assistant Executive Director for review and signature.

**3.1.2.1 Budget.** Annually, the Staff prepares a budget not to exceed ½ of 1% of assets. This is presented to the Board for review, discussion and any proposed modifications. The budget will then be adopted, prior to the commencement of the next fiscal year.

**3.1.2.2 Board Review of Expenditures.** At each quarterly meeting of the Board (including the annual meeting) the CFO prepares for the Board a statement which states the approved budget for the fiscal year, expenses incurred to date, budgeted expenditures by budget categories and the uncommitted budget to date. This statement

shall include all travel expenses of staff and the Executive Director's expenses as approved by the Board Chair. Such review shall constitute approval of the all expenses as reflected in any respective statement. This is a regular agenda item which is introduced for discussion by the Executive Director. Any Board member may inquire or question staff about any related items. (See also "Board and Staff Ethics" at section 4.2.)

At each regularly meeting of the Board, the monthly CCOERA credit card statement and Staff travel reimbursements including the backup documentation shall be provided to the Board for review and approval until further notice.

- 3.1.2.3 Borrowing.** The Executive Director or ex-officio Treasurer have been given authority to borrow funds. All borrowing must be approved by the Board in advance.
- 3.1.2.4 Safeguards.** It is administrative policy that no checks are prepared by the same person who signs the checks. This is reviewed favorably by the bonding insurance company. Bonding is provided for the Executive Director; Assistant Executive Director; CFO. Presently the Executive Director has signature authority.
- 3.1.2.5 Capital Purchases.** The Executive Director has the authority to make capital equipment purchases within the approved capital budget. Any capital equipment purchase in excess of such amount requires prior Board approval.
- 3.1.2.6 Risk Management Policies and Procedures.**
  - 3.1.2.6.1 Insurance.**
    - 3.1.2.6.1.1** Property & casualty- \$112,200; General liability \$1,000,000 each occurrence/\$2,000,000 annual aggregate.
    - 3.1.2.6.1.2** Board Acts and Omissions. Fidelity coverage in the amount of \$2,000,000. Such coverage includes officers, board members, and employees.
    - 3.1.2.6.1.3** Workmen's Compensation.
    - 3.1.2.6.1.4** Fiduciary. \$5,000,000, with a \$50,000 deductible is provided for wrongful acts committed by the directors, officers or employees of CCOERA.
    - 3.1.2.6.1.5** **Cyber Risk. \$1,000,000**
  - 3.1.2.6.2 Plan Provisions.** The Retirement Plan provides that neither the Governing Board, nor any member thereof shall incur any liability of any nature in connection with any act done or omitted to be done in good faith in its or

his capacity as such, and the Governing Board and each member thereof will be indemnified and saved harmless by the Trust Fund from and against any and all liability to which subjected by reason of any such act or conduct, including all expenses reasonably incurred in its or their defense in case the Association fails to provide such defense. Additionally, the Retirement Plan provides that the Trustee may defend any proceeding concerning the Trust Fund, and if any Participant brings legal action, the result of which is adverse to the Participant, the cost of participating in such action or dispute shall be charged to such extent as is possible directly to the share of the said Participant.

**3.1.2.6.3 Colorado Governmental Immunity Act.** Requires that Governing Board members be provided a defense and all judgments and settlements be paid by the Plan where a claim is made against a Board member which arises out of injuries sustained from an act or omission of such Board member occurring during the performance of his duties and within the scope of his duties unless the act or omission was willful or wanton.

**3.1.2.7 Travel and Communication Policies and Procedures.** Client Service Representative(s) designated by the Executive Director visits each Member Entity not less than once per year. The purpose of such visit is to directly communicate to Plan Participants the Retirement Plan and Deferred Compensation Plan benefits and their personal account balances, as well as assisting each participant with any retirement planning.

**3.1.2.7.1 Travel Costs for Staff.** All costs of travel, including mileage is reimbursed. The expenses incurred by CCOERA staff and the Executive Director for travel shall be provided to the Board for their review on a regular basis. Such review shall constitute Board approval of expenses contained therein.

**Vehicle Operational Costs.** Utilizing information published by the American Automobile Association (AAA), all costs of vehicle operation shall be paid in one of the following methods, as determined by the Executive Director:

**Mileage costs** - Staff may be reimbursed for all miles traveled on behalf of the Association, at a floating rate as determined by the IRS. Staff will then be responsible for all costs of maintenance, insurance, and fuel; or

**Vehicle leases and/or Purchases** - CCOERA may lease or purchase a vehicle according to the following policies. The budget line item detail provided to the



Board shall state each vehicle's lease or purchase amounts.

**Insurance.** Insurance on leased or owned vehicles shall be paid by the Association. The Association shall be listed as a loss payee on all policies. Policies may be secured directly by the Association.

**Maintenance and repairs.** Periodic maintenance of leased or owned vehicles shall be paid by the Association. It shall be the responsibility of the employee to keep the automobile serviced, maintained, and repaired in good driving condition, including all maintenance required to keep the vehicle under warranty.

**Personal Use.** In general, CCOERA automobiles shall only be used for Association purposes, other than: Occasional commuting to and from the employee's residence and the office of CCOERA; De minimus personal use and the vehicle may not be driven by anyone other than the CCOERA employee who has use of the leased vehicle or another CCOERA employee without the prior consent of the Executive Director.

**Seminars and Conferences.** Travel allowance is also provided for seminars or education directly related to the service or administration of the Association plans.

#### **3.1.2.7.2 Board Costs.**

**3.1.2.7.2.1 Allowances.** The members of the Board, unless indicated by the individual member otherwise, receive a per diem allowance for attendance at Board meetings (as defined in the Colorado open Meetings Act) which is established by the Board as part of its annual budget.

**3.1.2.7.2.2 Travel costs.** All costs of travel, including lodging, meals, and mileage is reimbursed for all miles traveled on behalf of the Association, at a floating rate as determined by the IRS.

**3.1.2.7.3 Misc.** Spouses of the Board members' and the Staff attending Association activities are not reimbursed for meals or travel unless specifically voted on and approved by the Board as necessary.

**3.1.2.8 Legal Representation.** The Association shall be represented by a law firm chosen by the Board.

- 3.1.2.8.1** At any time, a Board member may directly contact the Association's attorney(s) about any legal matter related to CCOERA.
- 3.1.2.8.2** Should any Board member feel that there is a legal matter concerning the acts or omissions of the staff which require legal review, such Board member with the approval of a majority of Board members may contact another law firm for legal counseling in regard to such matter. All costs and expenses associated therein will be paid for by the Association.
- 3.1.2.8.3** The Executive Director reviews the law firm invoices. As to legal time, the Executive Director reviews the charges, attorney notes, and reasonableness of the time. Monthly legal bills are reviewed by the Board at the next scheduled Board meeting.
- 3.1.2.8.4** The Executive Director has the authority of the Governing Board to utilize the contract legal services of the approved Association attorney within the budget constraints as adopted by the Governing Board in the annual budget. If the Executive Director sees the need for additional legal services beyond the previously adopted annual budget amount, he must obtain specific approval from the Governing Board before obligating the Association for any additional legal costs.

**3.1.2.9 Rent.** The Association rents space as determined by the Board.

**3.1.2.10 Distribution Fees.**

**3.1.2.10.1** After July 1, 2005 there are no fees for periodic distributions.

**3.1.2.11 Plan Loans.**

**3.1.2.11.1** Effective July 1, 2005 participants may obtain loans from their account(s) subject to Great West Loan Policy Administration as described in Appendix B

**3.2 Annual Audit.** Each year an audit is performed by an independent certified public accounting firm, competitively selected by the Board for an indefinite term as determined by the Board. Upon conclusion of the audit, a presentation of the results of the audit, including a management letter shall be made directly to the Board by the auditing firm.

**3.3 Errors.** Upon the discovery of posting errors, whether clerical or computer related, CCOERA Staff will immediately report the error to the CFO and Executive Director and then proceed to determine the problem that caused the error and whether the error was caused by GWRS, the Entity or the Participant.

- 3.3.1** If it is GWRS related, staff will work with GWRS to eliminate the continuation of the error. Then, in the most expedient manner, staff and GWRS will calculate the amount of the error to all participant accounts.
- 3.3.2** If the error causes a decrease to the participant's account, staff will work with GWRS to document and post the proper amount to the participant's account.
  - 3.3.2.1** Staff and/or GWRS will notify the participant of the reason for the correction and will provide appropriate documentation of the error correction.
  - 3.3.2.2** If necessary, GWRS will also seek and obtain from the participant written direction as to the continued investment selections of the participant.
- 3.3.3** If the error causes an increase to the participant's account, GWRS will contact the participant, inform the participant of the error and, if necessary, obtain written direction as to the continued investment selections of the participant.
- 3.3.4** The Governing Board will establish and maintain a fund known as the "Reserve for Error Corrections" to cover the funds needed to correct errors to participants' accounts.
  - 3.3.4.1** The amount of the funds shall, at no time, be more than \$5,000
  - 3.3.4.2** The Executive Director will report any errors that require more than \$5,000 for the Reserve account immediately to the Governing Board.
    - 3.3.4.2.1** Any amounts less than \$5,000 will be reported to the Board at its next scheduled Board meeting.
- 3.3.5** All errors discovered shall be handled in the following manner:
  - 3.3.5.1** Errors shall be corrected prospectively and the matter shall be brought to the Governing Board's attention at its next Board Meeting.
  - 3.3.5.2** The Board will, in its sole and absolute discretion, determine what action, if any, will be taken in regard to the error retrospectively.
- 3.3.6** Participant statements and confirmations will include the following language:
  - 3.3.6.1** Current language is:

"Please review this statement carefully to confirm that we have properly acted on your instructions. Corrections will be made only for errors which have been communicated within 90 calendar days of the last calendar quarter. Please direct all inquiries / complaints to the following:

Client Service Department  
Attn - Correspondence Dept 6T2  
8515 E. Orchard Rd.  
Greenwood Village, CO 80111

1-800-352-0313

After 90 days, this account information shall be deemed accurate and acceptable to you. If you notify the Company of an error after 90 days the correction will only be processed from the date of notification forward and not on a retroactive basis.”

- 3.4 Admission to CCOERA.** Admission to CCOERA of new participating entities will only occur on the majority vote of the Governing Board. At the time that the Governing Board considers the admission of a new participating entity, it shall be provided in advance of that consideration the following: a) Fully completed and executed Participation Agreements from the prospective new participating entity; b) A written summary from the Executive Director describing or identifying the prospective new participating entity, the elected officials of that entity, who the entity contact will be for that entity, the plans the entity will participate in, the estimated amount of rollovers from a prior retirement plan, the contribution levels at which it will participate and the estimated per annum contributions from the entity; and c) A written certificate from the attorney for the Association as to the legal status of the prospective new participating entity, the statute under which the entity was formed, the I.R.S. organizational status and that the entity is qualified and permitted to become a participating entity pursuant to 24-54- 101 *et. seq.* C.R.S.

Admission of a new participating entity shall not occur unless and until the Governing Board has been provided all of the above described documentation and the Governing Board, by a majority vote, has approved its admission to CCOERA.

- 3.5 CCOERA Fees.** The CCOERA annual Administrative fee charged to Participants shall be the greater of .25% of the account balance or \$28.00. The fee is reviewed at least annually and is subject to modification by the Board. Effective July 1, 2014 the .25% annual fee will not be charged on any combined account balance exceeding \$175,000. The maximum annual fee to any one Participant shall not exceed \$437.50.

## Chapter 4: BOARD AND STAFF MANAGEMENT AND ETHICS POLICIES

**4.1 Board Meetings.** The Board has regular meetings at least once per quarter, and holds special meetings as necessary.

All meetings are posted at CCOERA headquarters in conformance with the Colorado Open Records law. A meeting is defined to include any statutory Meeting as specified in C.R.S.

All members of the Board are expected to attend all regular meetings. Attendance at any scheduled meeting constitutes a waiver of any objection regarding notice.

An Agenda and related materials are circulated to Board members one week in advance of the meeting. Board members are to review the materials prior to the Board meeting.

**4.1.2 Special Meetings.** Special meetings of the Board may be requested by any Board member and held at times and places other than set forth in the Board's regular meeting schedule as the Board in its discretion deems necessary. The Chair is responsible for calling and notifying Board members, including arrangement of conference calls, if necessary. No special meeting shall be called or held until the following procedure has been complied with by the Board:

**4.1.2.1** Setting a reasonable place and time for the meeting.

**4.1.2.2** Diligently taking all action necessary to reasonably and timely notify all Board members of the time and place of said special meeting.

**4.1.2.3** Taking such further action as is reasonable to notify those persons or parties known to have a direct interest in the subject matter of the special hearing of the time and place of such meeting.

**4.1.2.3** Notice requirements of the Colorado Open Meetings Law are completely complied with.

**4.1.3 Conduct of meetings.**

**4.1.3.1 Meeting Procedure.** All meetings will be open to members of the public and administered by Board Chair, using procedures similar to Robert's Rule of Order, based upon an agenda which is circulated in advance of the meeting. Motions will pass based upon a majority vote of a quorum. Except for Emergency Meetings, Board attendance may not be made by telephonic or other electronic means. The Board may adopt such additional rules as are necessary for the fair and efficient conduct of such meetings.

**4.1.3.2 Normal Agenda Items.** At each regular meeting, the Board considers the following items:

**4.1.3.2.1** The Executive Director presents the Financial Statements of the Association, which include a Balance Sheet and an Income Statement.

- 4.1.3.2.2 The Executive Director presents the Budget, including expenses to date.
- 4.1.3.2.3 The Board also considers any pending litigation or any legal matters.
- 4.1.3.2.4 Any other business item which includes quarterly reports from financial advisors.
- 4.1.3.2.5 Any board member wishing to have a matter acted upon at the next Board Meeting must submit the item and any related material to the Board Chair.

**4.1.3.3 Executive Sessions.** All executive sessions shall comply with the Colorado Open Meetings Law in all respects including but not limited to notice, items to be considered and the record of the executive sessions.

**4.1.4 Board action.** No official action, decision, resolution or regulation of the Board shall be taken except at a regular meeting as set forth in paragraph 4.1.1 above, or special meeting pursuant to 4.1.2, and unless three Board members are present. Three Board members shall constitute a quorum for the conduct of official business. Motions will pass based upon a majority vote of a quorum. If there is lack of a quorum a meeting may be held, but only for discussion purposes.

**4.1.5 Records of Board Proceedings.** The Executive Director, or a member of staff designated by the Executive Director, shall keep minutes of all meetings and each special meeting, which are reviewed and approved at the following Board meeting. The minutes will be kept at Association headquarters. Copies of the previous Board meeting's minutes will be provided in advance of the following Board meeting for individual Board member review prior to the next scheduled meeting. All meetings will be taped but no minutes or transcription will be made of such Executive sessions, and the tapes of all meetings shall be retained by CCOERA's counsel for no less time than that required by the Colorado Open Meetings Law.

**4.1.6 Public Records of the Association.** The Staff, the Board and the Association's legal counsel shall fully and completely comply with any and all provisions of any Colorado statute that requires disclosure of information or documents of the Association to the public.

**4.1.6.1 Injury to the Public Interest.** However, the disclosure of information and documents resulting from (1) a duly called and held executive session of the Board, (2) matters involving the attorney-client relationship, (3) personnel matters and (4) financial information provided to the Board or Staff, at the request of the Association, by third parties has been determined by the Board to do substantial injury to the public interest (24-72-202(3)(a) C.R.S.) and therefore that information and those documents will not be disclosed to the public without a prior court order.

**4.1.6.2 Application to the District Court.** If a request is received from the public for information or documents falling within any one of the four categories referred to in 4.1.6.1., Staff and legal counsel shall apply to the district court pursuant to 24-72-204(6)(a) C.R.S. for an order permitting the Association to restrict such disclosure.

**4.2 Board and Staff Ethics.** On November 9, 1990, the Board adopted the ethical policy set forth below, by the following Resolution:

**RESOLVED**, That all proposed expenditures for the administration of the Retirement Association, as well as all proposed expenditures for the investment of the Retirement Association funds, will be first approved by the Governing Board at its regular or special meetings. Any proposed transactions involving related parties will be disclosed to the Governing Board and, after discussion, which shall be set forth in the Minutes of the Meetings of the Board, the Governing Board shall take action on the proposed transaction solely on the basis of the best interest of the Retirement Association.

**BE IT FURTHER RESOLVED**, That the attached "Standards of Professional and Ethical Conduct", modeled after and that used by the Colorado Public Employees Retirement Association as attached hereto is hereby adopted.

#### **STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT**

It is the obligation of every member of the Governing Board and each employee of the Colorado County Officials and Employees Retirement Association to conduct themselves with utmost integrity, professionalism and ethical behavior in relations with retirees, members, the public, employers and staff.

In performing his or her duties and responsibilities, the following standards apply:

**A member of the Governing Board and a CCOERA employee must:**

- recognize and be accountable for his or her responsibility as a fiduciary;
- conduct all CCOERA business responsibilities in a fair manner and be honest in all business negotiations;
- strive to provide the highest quality of performance and counsel;
- avoid any activity which may be interpreted as a conflict of interest by others;
- exercise prudence and integrity in the management of funds in their custody;
- communicate to an appropriate Board or staff member information on actions that may be violations of the law, these standards of conduct or actions which may be conflicts of interest;
- be responsible for maintaining their professional competence;
- maintain confidentiality of information so designated which is received or maintained by CCOERA; and

**No member of the Governing Board and no CCOERA employee shall:**

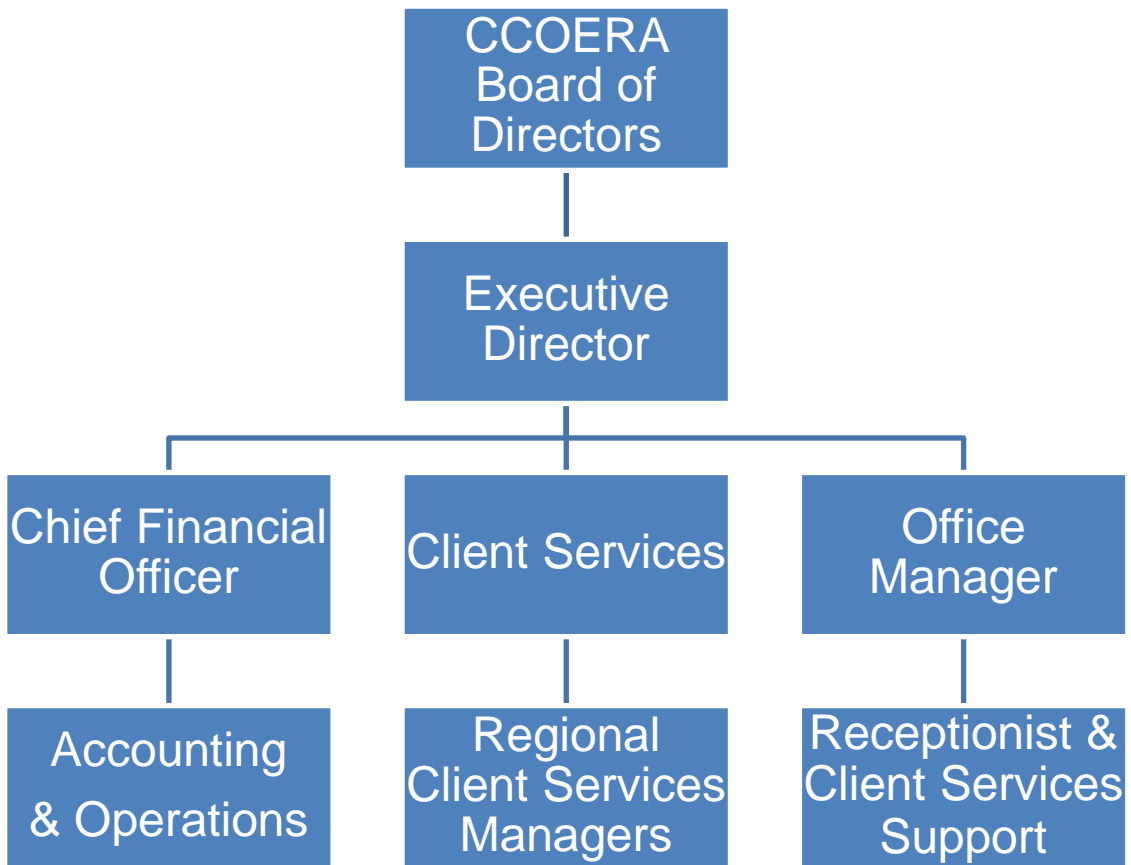
- utilize any property or resources of CCOERA for personal gain;
- falsify or fail to record proper entries on any books or records of CCOERA;
- knowingly be a party to, or condone, any illegal activity;
- authorize payment on behalf of CCOERA of any amount, or for any purpose, other than that explicitly disclosed in the original request for payment;
- directly or indirectly seek or accept gifts, money or property that would influence or appear to influence the conduct of his or her duties;
- engage in or conduct outside activities of financial or personal interest that may conflict with the impartial and objective execution of CCOERA business activities;
- sell or provide goods or services to CCOERA without disclosure;
- utilize the services of relatives or close personal associates for CCOERA business without disclosing such relationship prior to execution and obtaining the Governing Board's approval;
- engage in activities involving dishonesty, fraud, deceit or misrepresentation;
- engage in outside employment that would interfere with or hamper expected performance at CCOERA.

The Governing Board and the Executive Director of CCOERA are responsible for communicating the standards of professional and ethical conduct and monitoring their compliance and enforcement within CCOERA.



Appendix A

Organizational Chart



## Appendix B

### Great West Loan Policy Administration

#### Article I. Eligibility

**Section 1.01** Only active employees who participate in a deferred compensation plan or defined contribution plan that permits loans may request a loan. The participant must have a minimum vested account balance of \$5,000.

#### Article II. Minimum and maximum loan amounts

**Section 2.01** The minimum loan amount that a participant may request is \$2,500.

**Section 2.02** The maximum loan amount that a participant may request is \$50,000 or 50% of the vested account balance – which ever is less. The \$50,000 maximum loan amount is reduced by the highest loan balance during the past 12 months minus the loan balance on the date a new loan is made.

**Section 2.03** If a participant has an outstanding loan through another qualified plan, 403(b) plan, or a 457 plan maintained by the same employer, the maximum loan amount available must be reduced by the highest outstanding loan balance during the past 12 months. The participant is responsible for ensuring that the aggregated loan amount on all plans sponsored by the same employer is the lesser of \$50,000 or 50% of the vested account balance.

#### Article III. Number of loans permitted

**Section 3.01** The number of loans a participant may have outstanding at one time is one (1) as long as the loan repayments are submitted via payroll deduction. Loans may be refinanced if the participant qualifies.

**Section 3.02** If a participant has an outstanding loan and wishes to initiate another loan and does not qualify for refinancing, the participant must first repay the current outstanding loan via a cashier's check or money order.

#### Article IV. Cost

**Section 4.01** A loan setup and implementation fee may be assessed to the plan prior to loans being offered to participants. The loan setup fee may vary from plan to plan. The implementation department will determine any applicable loan setup and implementation fee.

**Section 4.02** A loan origination fee in the amount of \$50.00 shall be deducted from the loan amount approved for plan sizes > 5,000 participants.

**Section 4.03** An administrative fee of \$25.00 per year/per loan, deducted quarterly at a rate of \$6.25 will be assessed to each participant's account for plans with sizes > 5,000 participants.

**Section 4.04** If a participant requests their loan check to be sent express delivery, an additional \$25.00 charge will be deducted from the loan check amount.

## **Article V. Loan Initiation**

**Section 5.01** Empower Retirement Services (GWRS) uses a two-step loan process. The first step of the loan process begins by the participant applying for a loan via the Web site or KeyTalk®. The second step combines the Promissory Note and Loan Check into one document, eliminating the step of returning the signed Promissory Note prior to issuing the Loan Check. By endorsing the check, the participant agrees to the terms of the Note and the repayment obligation.

**Section 5.02** Plans will be required to sign the Loan Administration Policy document prior to loans being made available. The signed Loan Administration Policy document will allow the participant to initiate and complete a loan request electronically without the plan's signature.

## **Article VI. Distribution of loan amount**

**Section 6.01** Loan distribution amounts will be prorated across all available money types as follows 1.non-fixed fund(s); 2.guaranteed fixed fund(s).

## **Article VII. Types of loans available**

**Section 7.01** A General Purpose Loan has a term of one to five (1-5) years. No reason or documentation (other than a signed promissory note) is required when a participant requests a General Purpose Loan. The interest rate for this type of loan is fixed for the life of the loan. The interest rate is 1% over the Prime Rate published in the Wall Street Journal on the first business day of the month before the loan is originated.

**Section 7.02** A Principal Residence Loan has a term of six to fifteen (6-15) years. This loan must be utilized for the purchase of a primary residence ONLY. The interest rate is 1% over the Prime Rate published in the Wall Street Journal on the first business day of the month before the loan is originated.

## **Article VIII. Interest**

**Section 8.01** Interest paid on loans is not income tax deductible.

## **Article IX. Payment Requirements**

**Section 9.01** Scheduled payments must be made by payroll deduction or in some circumstances by cashier's check or bank money order. Loan repayments will be allocated to the participant's account according to current allocation percentages on ISIS.

**Section 9.02** Once a new loan has been initiated, the payroll department will be sent a report or an electronic file to begin loan payments. Loan repayments must begin on time or the loan payments will be in arrears. If loan payments are not caught up in time, the loan may default. Loan default results in adverse tax consequences to the participant.

**Section 9.03** Basic Rules Regarding Loans to Ensure They Do Not Default

- (a) Any amount paid out of a plan will be treated as a taxable distribution unless the plan loan rules under Code section 72(p) and the applicable Treasury regulations are followed.
- (b) Payments must be made in level amortized amounts and must be made at least quarterly.
- (c) Missed payments must be received prior to the end of the calendar quarter following the quarter in which the payment was missed.
- (d) If a participant fails to make a loan repayment on time, and the missed loan repayment(s) is/are not made by the end of the following calendar quarter (or within the plans' more restrictive cure period), the loan is in default and ceases to comply with section 72(p).
- (e) The entire outstanding loan balance plus accrued interest at the time of the default is taxable to the participant as a deemed distribution.
- (f) The plan loan rules under Code section 72(p) do not provide a mechanism to ignore missed payments or to reverse a loan that has already defaulted.

**Section 9.04** Loans are in arrears and delinquent when any payment is missed. A late loan payment notice will be issued after the end of the calendar quarter in which the payment is delinquent. If all missed payments are not made by the end of the calendar quarter after the calendar quarter in which a payment is first missed such that the loan is totally paid up to date, the loan will be in default. In that event, the entire outstanding loan balance, consisting of the missed payments, all accrued but unpaid interest and the remaining principal, will be reported to the IRS as taxable income on a Form 1099-R for the year in which the loan default occurs.

**Section 9.05** In addition, if a loan has not been fully repaid by the end of its term, the outstanding balance will be taxable and will be reported to the IRS on Form 1099-R as taxable income. There is no opportunity to cure a late payment once the term has expired. The payroll department will be notified of the final loan payment amount prior to the final payment due date.

**Section 9.06** If the participant has a loan that defaulted at any time in the past, their eligibility for a new loan is revoked.

**Section 9.07** Participants who leave service prior to the end of the loan term will be required to pay off the loan at severance of employment as provided by the plan. A former participant may avoid treatment of an unpaid loan as a "deemed distribution" and reporting of income to the IRS by paying the loan balance by the end of the grace period via a cashier's check or money order. Non-payment will force a "deemed distribution" and reporting of taxable income in the year the "deemed distribution" occurs.

**Section 9.08** When a participant takes a leave of absence of not longer than 1 year, either without pay from the employer or at a rate of pay that is less than the amount of the installment payments required under the terms of the loan, the plan should provide leave of absence information for a leave start and stop dates. The loan may be reamortized when the participant returns from leave to pay the loan in full by the maturity date of the loan. The entire outstanding loan balance, including all accrued but unpaid interest, will be reamortized.

**Section 9.09** If the participant takes a military leave of absence, the interest rate on the loan will be reduced to 6%, during the period of military service provided the interest rate on the loan is

greater than 6%. Loan payments must resume upon the participant's return from military leave. The term of the loan may be extended by the term of the military leave. The entire outstanding loan balance, including all accrued but unpaid interest, will be reamortized.

**Section 9.10** The participant's outstanding loan balance will be offset upon receiving any type of distribution after severance of employment. As required by federal tax regulations, a participant's defaulted loan will remain on the books until a qualifying event occurs, even though income has been reported to the IRS.

**Section 9.11** Partial lump sum loan repayments, via a cashier's check or money order, are permitted in order to catch up on a past-due amount or to reduce the principal amount of the loan. If a participant remits a partial payment, the loan payment amount will not change but the loan would be paid off earlier.

## **Article X. Early Loan Payoff**

**Section 10.01** A loan can be paid in full at any time, in the form of a cashier's check or money order. The participant may obtain a loan payoff quote via KeyTalk®. The loan payoff quote is valid for 15 days from the date it is obtained.

## **Article XI. Outstanding Loan at Death**

**Section 11.01** All outstanding loan principal and accrued interest shall be treated as a distribution from the plan when Great- West Retirement Services is notified of a participant's death. A deceased participant's loan may not be transferred or assumed by the participant's beneficiary(ies). If a participant's loan has not been repaid as of the date of the participant's death, any distributions made from the deceased participant's plan account will be made net of any outstanding loan obligations. The amount of the outstanding loan as of the participant's date of death will be tax reported as a distribution to the participant or to the participant's estate as applicable.

## **Article XII. Future additions**

**Section 12.01** Future tax laws regarding plan loans will be incorporated into this loan policy and the Promissory Note.

## **Article XIII. Enforcement**

**Section 13.01** Empower Retirement Services is required to enforce these rules. The loan policy and loan administration procedures have been developed to comply with the requirements of Internal Revenue Code section 72(p) and the federal Treasury regulations there under, as amended from time to time.

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CCOERA has authorized GWRS as the Service Provider to implement participant initiated loans based on the Loan Policy outlined above.

