

Qualified Retirement Plan Pension Protection Act of 2006 Amendment Kit

For use with Ascensus' Individual(k) (Owner-Only) Profit Sharing Plans

INSTRUCTIONS

- Review the Ascensus Individual(k) Basic Plan Document Amendment and file with your other qualified plan documents.
- Complete the Ascensus Summary of Material Modifications and provide each participant and beneficiary of a deceased participant with a copy. Retain with your other qualified plan documents – and provide to new employees as they become eligible to participate in the plan, along with a copy of the summary plan description.

Pension Protection Act of 2006 Individual(k) Basic Plan Document Amendment

This amendment of the Plan (hereinafter referred to as “the Amendment”) is comprised of this Pension Protection Act of 2006 Individual(k) Basic Plan Document Amendment (the “Basic Plan Document Amendment”) and is adopted to reflect provisions of the Pension Protection Act of 2006 (“PPA”) and other legislation, including the Worker, Retiree, and Employer Recovery Act of 2008 (other than the waiver of 2009 required minimum distributions). The Amendment is intended to provide good faith compliance with the PPA and related guidance until the Plan is restated to include the PPA requirements. Except as otherwise provided, the Amendment shall be effective as of the later of the first day of the first Plan Year beginning after August 17, 2006, or the Effective Date of the Plan. This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of the Amendment. This Amendment will not cause the Plan to become individually designed.

DEFINITIONS

Qualified Optional Survivor Annuity (QOSA)

Qualified Optional Survivor Annuity (QOSA) is added to the Plan as a new defined term with the following definition:

Means an annuity 1) for the life of the Participant with a survivor annuity for the life of the Spouse that is equal to the “applicable percentage” of the amount of the annuity that is payable during the joint lives of the Participant and the Spouse, and 2) that is the actuarial equivalent of a single annuity for the life of the Participant. If the survivor annuity provided by the Qualified Joint and Survivor Annuity is less than 75 percent of the annuity payable during the joint lives of the Participant and the Spouse, the applicable percentage is 75 percent. If the survivor annuity provided by the Qualified Joint and Survivor Annuity is greater than or equal to 75 percent, the applicable percentage is 50 percent.

CONTRIBUTIONS

OTHER PROVISIONS

Part A. Direct Rollovers to the Plan of After-Tax Amounts in Annuity Contracts

Effective for Plan Years beginning on or after January 1, 2007, the Plan will not accept Direct Rollovers of distributions of Nondeductible Employee Contributions made from Code Section 403(b) plans.

Effective for Plan Years beginning on or after January 1, 2007, the Plan will accept Direct Rollovers of distributions of Roth Elective Deferrals (if such deferrals are permitted by the Plan) made from Code Section 403(b) plans.

DISTRIBUTIONS TO PARTICIPANTS

The Basic Plan Document section titled Qualified Joint and Survivor Annuity is amended by adding the following paragraph to the end:

A Plan that is subject to the Qualified Joint and Survivor Annuity requirements must offer an additional survivor annuity option in the form of a qualified optional survivor annuity (QOSA). A QOSA is an annuity 1) for the life of the Participant with a survivor annuity for the life of the Spouse that is equal to the applicable percentage of the amount of the annuity that is payable during the joint lives of the Participant and the Spouse, and 2) that is the actuarial equivalent of a single annuity for the life of the Participant. If the survivor annuity provided by the Qualified Joint and Survivor Annuity is less than 75 percent of the annuity payable during the joint lives of the Participant and Spouse, the applicable percentage for the qualified optional survivor annuity is 75 percent. If the survivor annuity provided by the Qualified Joint and Survivor Annuity is greater than or equal to 75 percent of the annuity payable during the joint lives of the Participant and Spouse, the applicable percentage for the qualified optional survivor annuity is 50 percent.

Effective Date: This provision applies to Plan Years beginning after December 31, 2007.

The Basic Plan Document section titled Determination of Income or Loss, and discussing the distribution of Excess Elective Deferrals, is modified by replacing the first sentence of this paragraph with the following:

Excess Elective Deferrals shall be adjusted for any income or loss up to the end of the Plan Year to which such contributions were allocated.

The Basic Plan Document section titled Determination of Income or Loss, and discussing the distribution of Excess Contributions, is modified by replacing the first sentence of this paragraph with the following:

Excess Contributions shall be adjusted for any income or loss up to the end of the Plan Year to which such contributions were allocated.

OTHER PROVISIONS

Part A. Distributions Because of Beneficiary Hardship

The definition of hardship under the Basic Plan Document section titled *Hardship Withdrawals* provides that if an event would constitute a hardship if it occurred with respect to the Participant’s Spouse or dependent, such event will also constitute a hardship if it occurs to a person who is the Participant’s primary Beneficiary under the Plan.

Effective Date: This section applies to distributions on or after August 17, 2006.

Part B. Direct Rollovers From the Plan By Beneficiaries

A Beneficiary (subject to additional regulatory guidance) may directly roll over their portion of the Individual Account to an inherited individual retirement arrangement (under Code Sections 408 or 408A). Such Direct Rollovers must otherwise qualify as Eligible Rollover Distributions.

Effective Date: This section applies to distributions on or after January 1, 2007.

Part C. Qualified Reservist Distributions

After September 11, 2001, Participants may take penalty-free qualified reservist distributions from the Plan. A qualified reservist distribution means any distribution to a Participant if 1) such distribution is made from Elective Deferrals, 2) such Participant was ordered or called to active duty for a period in excess of 179 days or for an indefinite period, and 3) such distribution is made during the period beginning on the date of such order or call and ending at the close of the active duty period. The Participant must have been ordered or called to active duty after September 11, 2001, and before December 31, 2007, or such later date as extended by legislation or other means.

Effective Date: This section applies to distributions after September 11, 2001.

Part D. Distribution Notices

Distribution notices under Code Sections 402(f), 411(a)(11), and 417 and notices under ERISA Section 205(c)(7)(A) (and under all related regulations) that have been subject to a 90-day maximum period will become subject to a 180-day maximum period.

Effective Date: The revised maximum notice period applies to Plan Years beginning after December 31, 2006.

MISCELLANEOUS

The Basic Plan Document section titled Bonding is modified by adding to the end of the paragraph the following sentence:

In the case of a Plan that holds employer securities (within the meaning of ERISA Section 407(d)(1)), the maximum bond amount is \$1,000,000 or such other amount as the Secretary of Labor prescribes.

The Basic Plan Document section titled Investment Authority is modified by adding the following, as the next alphabetically ordered paragraph, to the end:

Diversification Requirements When Employer Securities Are Held as Investments in the Plan

For Plan Years beginning on or after January 1, 2007, Code Section 401(a)(35) requires qualified retirement plans that hold employer securities to allow Participants, Alternate Payees with Individual Accounts under the Plan, or Beneficiaries of deceased Participants to diversify their investments. This Code section and other relevant guidance govern the diversification procedures, which include the following.

1. Employee Contributions And Elective Deferrals Invested In Employer Securities – In the case of the portion of an Individual Account attributable to Nondeductible Employee Contributions and Elective Deferrals (if applicable) that are invested in employer securities, the Participant, Alternate Payee, or Beneficiary, as applicable, may elect to direct the Plan to divest any such securities and to reinvest an equivalent amount in other investments that meet the investment option requirements below.
2. Employer Contributions Invested In Employer Securities – In the case of the portion of an Individual Account attributable to Employer Contributions other than Elective Deferrals that are invested in employer securities, a Participant who has completed at least three years of service, an Alternate Payee with respect to a Participant who has completed at least three years of service, or a Beneficiary, as applicable, may elect to direct the Plan to divest any such securities and to reinvest an equivalent amount in other investments that meet the investment option requirements below.
3. Investment Options – The diversification requirements above are met if the Plan offers not less than three investment options, other than employer securities, to which a Participant, Alternate Payee, or Beneficiary, as applicable, may direct the proceeds from the divestment of employer securities, each of which is diversified and has materially different risk and return characteristics. The Plan may limit the time for divestment and reinvestment to periodic, reasonable opportunities that occur no less frequently than quarterly. Except as provided in regulations, the Plan must not impose employer securities investment restrictions or conditions that are not imposed on the investment of other Plan assets (other than restrictions or conditions imposed by securities laws or other relevant guidance).
4. Exception For Certain Plans – The diversification requirement does not apply to a one-Participant retirement plan or to an employee stock ownership plan (ESOP) if 1) there are no contributions or earnings in the ESOP that are held within such plan and that are subject to Code Sections 401(k) or (m), and 2) such plan is a separate plan for purposes of Code Section 414(l) with respect to any other defined benefit plan or defined contribution plan maintained by the same employer or employers.
5. Transition Rule For Securities Attributable To Employer Contributions – In the case of the portion of an Individual Account attributable to Employer Contributions other than Elective Deferrals that are invested in employer securities, including, a Participant who has completed at least three years of service, an Alternate Payee with respect to a Participant who has completed at least three years of service, or a Beneficiary, as applicable, the employer securities acquired in a Plan Year beginning before January 1, 2007, will be subject to the following divestiture and reinvestment transition schedule, which applies separately with respect to each class of securities.

For the Plan Year in which diversification requirement applies the applicable percentage subject to diversification is:

First.	33%
Second.	66%
Third.	100%

This three-year phase-in requirement does not apply to a Participant who has attained age 55 and who has completed at least three years of service before the first Plan Year beginning after December 31, 2005.

Pension Protection Act of 2006 (PPA) Summary of Material Modifications

Name of Plan _____

Name of Adopting Employer _____

Plan Sequence Number _____ Plan Year End _____

The purpose of this document is to update several provisions of your Summary Plan Description (SPD). This document is very important and should be kept with your SPD. If any provisions in this Summary of Material Modifications (SMM) conflict with your SPD the terms of this SMM will apply. Unless otherwise noted, the effective date of this SMM is the first day of the first Plan Year beginning after August 17, 2006, or the effective date of the Plan, whichever is later. To the extent addressed below, the following sections of your SPD are amended to read as follows:

CONTRIBUTIONS

Q1. If I have money in other retirement plans, can I combine it with my dollars under this Plan?

Rollover Contributions

Your Employer may allow you to roll over dollars you have saved in qualified plans, 403(b) annuity plans, eligible plans under Code Section 457(b) and IRAs into this Plan unless you are part of any excluded class of employees. This Plan will accept both rollovers paid directly from the distributing plan to this Plan and rollovers distributed to you and then deposited into this Plan through an indirect rollover procedure. Nondeductible Employee Contributions, including those from 403(b) annuity plans, may not be rolled into this Plan. Roth Deferrals from 403(b) annuity plans may be rolled into this Plan. Your Employer will provide you with the forms or information needed to determine whether your prior plan balance is qualified to be rolled over into this Plan and whether you meet the eligibility requirements for a rollover. You are always 100% vested in your rollover contributions.

DISTRIBUTIONS

Q2. Can I withdraw money from the Plan while I am still employed?

Hardship Distributions

If you experience a financial hardship, you may request a distribution of the vested portion of any of your Plan balance, regardless of the original source of the contribution.

The types of expenses that would qualify for a hardship distribution include medical expense for you, your spouse, or your dependents; payment to purchase your principal residence; tuition and education-related expenses for you, your spouse or your dependents; payments to prevent eviction from your principal residence; funeral expense for you, your spouse, or your dependents; payments to repair your principal residence that would qualify for a casualty loss deduction. The Plan will consider a financial hardship of your primary Beneficiary as if it were a qualifying hardship of your spouse or dependents. This may allow you to withdraw Deferrals if your primary Beneficiary has a hardship. Your Employer may modify the list of events that qualify for a hardship distribution when Employer contributions are being used to satisfy your hardship request.

In-Service Distributions

Starting September 12, 2001, the Plan permits you to take a penalty-free distribution from your Deferrals if you were called to active military duty after September 11, 2001, and before December 31, 2007 (or any later date allowed by law), you were ordered or called to active duty for a period of at least 180 days or an indefinite period, and your distributions are taken after you were called to duty and before your active duty ended.

Q3. Does my beneficiary have the option of rolling their distribution to an inherited IRA?

Starting January 1, 2007, the Plan permits your beneficiary to directly roll over their portion of the individual account to an inherited IRA. Such a distribution must otherwise qualify as a distribution that is eligible to roll over.

INVESTING IN YOUR PLAN ACCOUNT

Q4. What if my account contains publicly traded employer stock?

For Plan Years beginning on or after January 1, 2007, if applicable, you were able to change your investments in employer stock held within your account. This rule allows you to invest your account in a broader range of investments that are offered by your Employer, which may help you to increase your earnings and/or lessen your risk. If the Plan previously placed restrictions on selling the employer stock held in your account, please review the "Notice of Right to Diversify Employer Securities" you previously received or ask your Employer for a copy if you did not previously receive one. If you have additional questions, please ask your Employer for more information.