

**403(b) RETIREMENT PLAN**

**Policy Regarding Funding Vehicle(s) / Vendor(s) Selection and Deselection**

**Purpose**

Craig City School District (the “District”) offers the Craig City School District 403(b) Retirement Plan (the “Plan”) to give its employees the opportunity to save additional funds for retirement. The investment options made available under the Plan include annuity contract(s) and/or custodial accounts(s) (referred to as “Funding Vehicles”) and/or investment providers or any other entities authorized by investment providers or any other entities authorized by investment providers that offer annuity contract(s) and /or custodial account(s) (referred to as “Vendors”), provided such Funding Vehicles and/or Vendors are specifically approved by the District for use under the Plan.

This Policy Regarding Funding Vehicle(s) / Vendor(s) Selection and Deselection (the “Policy”) sets forth the policy of the Board of Education of the Craig City School District (the “Board”) regarding the manner in which Funding Vehicles and/or Vendors will be selected and deselected by the District for use under the Plan.

**Policy**

*Selection of Funding Vehicle(s) and/or Vendor(s)*

Funding Vehicle(s) and/or Vendor(s) offered as an investment option under the Plan will be listed on one or more of four (4) appendices to the Plan document, subject to the terms of the Plan/ These appendices to the Plan are as follows: Appendix A (Funding Vehicle(s) / Vendor(s) authorized to Receive Plan Contributions), Appendix B (funding Vehicle(s) / Vendor(s) authorized to Receive Only Contract Exchanges and Plan Transfers), Appendix C (funding Vehicle(s) / Vendor(s) Authorized to Receive Only Plan Contributions from Grandfathered Participants) and Appendix D (Funding Vehicle(s) / Vendor(s) Selected for Deposit of Automatic Enrollment Contributions). Appendices B, C and D may be used only if such designations and transactions are permitted under the terms of the plan.

Subject to the terms of the Plan, a Funding Vehicle and/or Vendor will be listed in Appendices A, B, C and/or D (as applicable) and offered as an investment option under the Plan only if all of the following conditions are satisfied:

(1) The Funding Vehicle and/or Vendor must be designated as the investment selection for Plan contribution by at least 1 employees who are eligible to participate in the Plan (or such other minimum number of eligible employees as is provided under the terms of a collective bargaining agreement, if applicable).

In order for a Funding Vehicle and/or Vendor to be considered for selection as an investment option offered under the Plan, a letter of request to include the Funding Vehicle and/or Vendor as an investment option offered under the Plan must be submitted to CPI Common Remitter Services,

BP 4155.1(b)  
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PO Box 110, Great Bend, KS 67530-0110 and such letter of request must include an enclosure of copies of account applications with such Funding Vehicle and/or Vendor signed by the minimum number of eligible employees designated above.

(2) The provider of the Funding Vehicle and/or Vendor must enter into and comply with the terms of a 403(b) Retirement Plan Group Investment Provider Agreement (“Investment Provider Agreement”) with CPI Common Remitter Services (CPI/CRS).

(3) The representative(s) of the Funding Vehicle and/or Vendor must follow the solicitation policy of the District in accordance with the provisions of the Investment Provider Agreement or any other written compliance agreement referenced in Section (2) above. Pursuant to this solicitation policy, the representative(s) of the Funding Vehicle and/or Vendor are only allowed to meet with and otherwise solicit employees on campus at such dates, times and in such locations as in determined at the discretion of the District and indicated by written approval of the Superintendent or the Superintendent’s designee.

(4) The Funding Vehicle and/or Vendor is not required to but may agree to reimburse Plan recordkeeping fees as an operation expense paid by the provider of the Funding Vehicle or Vendor from its general assets (“Reimbursement Credits”) and/or to reimburse Plan recordkeeping fees as an individual account expense deducted directly from each Plan participant’s custodial account or annuity contract, subject to agreement by the Plan participant in the Salary Reduction Agreement and the terms of any applicable collective bargaining agreement (“Reimbursement Debits”).

In the event of Funding Vehicle and/or Vendor submits a letter of request to be included as an investment option offered under the Plan and it is determined that one or more of the above conditions are not satisfied, CPI/CRS will issue a written notice that advises the District, the funding Vehicle and/or Vendor and the eligible employees who have designated such Funding Vehicle and/or Vendor of the conditions that are not satisfied. If such unsatisfied conditions may be subsequently satisfied by the Funding Vehicle and/or Vendor, a letter of request may be re-submitted to CPI/CRS with evidence of such subsequently satisfied conditions.

*Deselection of Funding Vehicle(s) and/or Vendor(s)*

In the Event of Funding Vehicle and/or Vendor that is offered as an investment option under the Plan and listed on one or more of the four (4) appendices to the Plan document fails to satisfy any one of the conditions listed above to be included as a selected Funding Vehicle and/or Vendor under the Plan, such funding Vehicle and/or Vendor will be deselected as an investment option offered under the Plan and removed from the applicable listing(s) on the Plan appendices.

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At the time that CPI/CRS and/or the District determine that a Funding Vehicle and/or Vendor has failed to satisfy any one of the conditions listed above, CPI/CRS will issue a written notice to the Funding Vehicle and/or Vendor advising it of the condition(s) that are not satisfied and that the Funding Vehicle and/or Vendor will be deselected as an investment option offered under the Plan if such condition(s) are not subsequently satisfied. The Funding Vehicle and/or Vendor will be given an opportunity to subsequently satisfy such conditions, pursuant to the term of the Investment Provider agreement or other written compliance agreement between the provider of the Funding Vehicle and/or Vendor, CPI/CRS and/or the District. If the funding Vehicle and/or Vendor does not satisfy all of the conditions listed above within the time period and pursuant to the terms provided under the Investment Provider Agreement or other written compliance agreement, the Funding Vehicle and/or Vendor will be deselected as an investment option offered under the Plan at such time.

If the only condition that is not satisfied is that the minimum number of eligible employees are no longer contributing to the Funding Vehicle and/or Vendor, the Funding Vehicle and/or Vendor will be given an opportunity to submit the CPI/CRS a letter of request to remain as a selected Funding Vehicle and/or Vendor with an enclosure of copies of account applications with such Funding Vehicle and/or Vendor signed by the minimum number of eligible employees designated above. If the funding Vehicle and/or Vendor cannot provide copies of account applications signed by the minimum number of eligible employees within the time period provided under the Investment Provider Agreement or other written compliance agreement and the Funding Vehicle and/or Vendor has entered into the 403(b) Retirement Plan Group Investment Provider Agreement with CPI/CRS, the Plan participants contributing to such Funding Vehicle and/or Vendor at such time may continue to contribute to the Funding Vehicle and/or Vendor, but no other Plan participants or eligible employees may contribute to the Funding Vehicle and/or Vendor. In such case, the Funding Vehicle and/or Vendor will be listed on Appendix C (Funding Vehicle(s) / Vendor(s) authorized to Receive Only Plan Contributions from Grandfathered Participants) as authorized to receive only Plan Contributions from such grandfathered participants. If the Funding Vehicle and/or Vendor cannot provide copies of account applications signed by the minimum number of eligible employees within the time period provided under the Investment Provider Agreement or other written compliance agreement and the Funding Vehicle and/or Vendor has not entered into the 403(b) Retirement Plan Group Investment Provider Agreement with CPI/CRS, the Funding Vehicle and/or Vendor will deselected as a investment option offered under the Plan at such time and no Plan participant may contribute to such Funding Vehicle and/or Vendor.

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