



JUDSON INDEPENDENT SCHOOL DISTRICT

Meeting Date: October 16, 2025

Submitted By: Cecilia Davis
Title: Deputy Superintendent

Agenda Item: Consider and take action regarding approving the 457(b) Federal Insurance Contributions Act (FICA) Alternative Retirement Plan.

CONSENT ITEM

RECOMMENDATION:

It is recommended that the Board of Trustees approve the 457(b) Federal Insurance Contributions Act (FICA) Alternative Retirement Plan.

IMPACT/RATIONALE:

A 457(b) FICA alternative retirement plan allows a Texas school district to achieve significant cost savings while offering an attractive retirement benefit for its part-time, temporary, and seasonal employees. The structure will be 7.5% contributed by the employee to the FICA plan instead of 6.2% contributed by the employee and matched by the employer to social security administration. This alternative is available to employees not eligible for the Teacher Retirement System of Texas (TRS). The arrangement was made possible by the Omnibus Budget Reconciliation Act of 1990 (OBRA 90), which allows public agencies to provide an alternative plan in place of Social Security.

BOARD ACTION REQUESTED:

Approval/Disapproval



457 FICA ALTERNATIVE PLAN

DOCUMENT AUTHORIZATION

The information on this page reflects the information that has been given to National Benefit Services, LLC (NBS) in preparing your plan document. Please carefully review the Company Information, Plan Information and Vendors sections and mark any changes you see.

Company Information			
Employer Legal Name	Judson Independent School District		
EIN	74-1556846	Entity Type	Public School District
Employer Physical Address	8012 Shin Oak Drive, Live Oak, TX 78233		
Phone Numbers	210-645-5610		
Primary Contact for Plan Operation	Cecilia Davis(signer) - Frances Whitaker would be easiest to catch for questions		
Contact Email Address	Cdavis139@judsonisd.org		
What is the Company's NAICS Code?	611110		
If not known what is the Company's Industry? _____			
Is this a governmental plan? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Payroll Information			
Payroll Contact Name	Frances Whitaker (Fran)	Email	fwhitaker@judsonisd.org
Payroll Contact Phone	210-945-5525	Payroll Cycle	bi-weekly
Next Pay Date(s)	1/2/2026, 1/16/2026 & 1/30/2026		
Plan Information			
Original Effective Date of Plan	1/1/2026	Plan Year End	12/31
NBS Administration Start Date	1/1/2026	Takeover Plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Legal Plan Name	Judson ISD 457 FICA Alternative Plan		
Authorized Signer(s)	Tony Kingman email is tkingman@judsonisd.org Or Amanda Martinez email is amartinez211@judsonisd.org		
Plan Administer shall be	<input checked="" type="checkbox"/> The Employer <input type="checkbox"/> The Trustee <input type="checkbox"/> A Committee <input type="checkbox"/> Other (Specify Name(s) or Other Description):		
Plan Design			
Contribution	<input checked="" type="checkbox"/> Automatic 7.5% of Compensation <input type="checkbox"/> % of Compensation by the Employee, with the remainder of the 7.5% paid by the Employer <input type="checkbox"/> \$ per pay period, with the remainder of the 7.5% paid by the Employer		
Participant may defer in Excess of required Amount	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		



457 FICA ALTERNATIVE PLAN

DOCUMENT AUTHORIZATION

Eligibility	<input checked="" type="checkbox"/> Part-time Employees who work less than 20 hours per week <input checked="" type="checkbox"/> Temporary Employees who work full-time or part-time under a contract which is not expected to exceed 2 years. <input checked="" type="checkbox"/> Seasonal Employees who work full-time for less than 5 months during the Plan Year
Plan Entry Date	<input checked="" type="checkbox"/> Daily <input type="checkbox"/> Monthly

Advisor Contact Information

Advisor Name	n/a	Email	n/a
Phone	n/a		

NBS Notes

Teacher's Pension Exchange will be vendor acting as Recordkeeper. Swayne will get plan ID along with any other vendor forms needed.

New Provisions	Prior Document Provisions

Upon review of this form, please indicate any changes that may be required. Also include any comments you may have that will be beneficial during the on-boarding process. You must initial this section below, verifying changes and/or that no changes are required.

Plan Sponsor Comments and/or Changes



457 FICA ALTERNATIVE PLAN

DOCUMENT AUTHORIZATION

Initial Here: _____

Administration Fee Schedule	
Plan Document Services	
Plan Document	\$ waived
Plan Amendments (required or employer requested)	\$ 200
Administration Services	
Administration / Participant Fees Paid by:	60 BP's
Takeover of Prior Plan Data	\$ n/a
Extra Hourly Work	\$ 200 / hour
Audit Support	\$ 200 / hour

Please review the fees listed above and the Service Agreement for the Plan. By signing below you are agreeing to the above fee schedule, the provisions of the Service Agreement, and authorizing NBS to prepare the plan documents for the benefit type listed above.

Once this signed document has been received, NBS will prepare the plan documents and send them to you. You will also receive an email so you can electronically sign the documents via AdobeSign. A copy of the document signature pages should be saved with your records in case of an audit. Once the plan documents are signed by the appropriate parties, the plan is official and in force.

Voluntary changes during Plan Implementation to provisions outside of those listed in the Document Authorization will result in a \$150 reprocessing fee.

Signature

Print Name

Date



SERVICE AGREEMENT

EMPLOYEE BENEFITS

Employer: **Judson Independent School District**

RECITALS

- A. The above-named employer ("Employer") desires to retain National Benefit Services, LLC ("NBS"), a Utah limited liability company, (collectively, the "Parties") to provide employee benefit services in a manner consistent with the law. As used throughout this agreement, "law" refers to the federal or state legal requirements identified in the "Schedule of Defined Terms, Services and Obligations" attached to this agreement as "Schedule A."
- B. The Parties understand and agree that the employee benefits to which this agreement applies are subject to legal requirements which identify and define the obligations undertaken by the Employer or plan in providing the benefits.
- C. The Parties further understand and agree that regardless of whether the law identifies the Employer or a plan fiduciary as responsible for the manner in which employee benefits are provided, the use of "Employer" in this agreement is intended by the Parties to identify the individual or entity held responsible under the law.

Accordingly, the Employer hereby retains NBS to provide employee benefit services according to the following terms and conditions, which together with all the schedules attached hereto, represents the entire agreement of the Parties ("Service Agreement"):

AGREEMENT

- 1. **Defined Terms.** Terms with special meaning in the Service Agreement are defined when first used and are capitalized thereafter. Certain terms specific to the services selected by the Employer are defined in Schedule A.
- 2. **Engagement and Services.** NBS agrees to provide the services described in Schedule A according to the terms and conditions of the Service Agreement, which include the Employer Obligations listed in Schedule A.
- 3. **Fees.** The costs for the selected services are itemized on a Fee Schedule applicable to such services attached hereto as "Schedule B." At the end of each calendar year, NBS has the right to increase the fees listed in Schedule B as necessary to account for inflation costs in the industry. Any automatic increase, however, shall not exceed the prior-year fees by more than four (4) percent. In no event shall an update to the amounts listed in Schedule B to implement an increase under this Section be considered a "modification" of the Service Agreement as described in Section 4. This Section 3 shall not apply to fee changes necessitated because of increases in the cost of administration (including changes in regulatory requirements) or to ensure the assessed fees are consistent with industry standards. Changes in fees which are not due to inflation costs shall be governed by Section 4 of the Service Agreement.
- 4. **Modification.** Either Party may request modification of the Service Agreement in writing. As provided in this Section 4, no modification of the Service Agreement shall be effective until approved by the Party to be bound.
 - A. For material modifications to Schedule A, NBS will notify Employer in writing of the proposed changes and request Employer's signed approval. If NBS does not receive Employer's approval or written objection within thirty (30) days of receipt of written notice, NBS may:

- i. Deem the modifications as accepted by Employer;
 - ii. Suspend performance of services under the Service Agreement until consent is given; or
 - iii. Terminate the Service Agreement.
 - B. Unless NBS receives prior written objection from the Employer, the Employer's consent is deemed received thirty (30) days after receipt from NBS of any notice proposing the following:
 - i. Any modification of a Schedule B.
 - ii. Any modification of a Schedule A, which NBS, in its sole discretion, considers non-material.
5. **Employer's General Obligations to NBS.** The Employer acknowledges that under the law, providing plan documents or filing reports in an untimely manner or which contain errors or omissions may result in fines or penalties, including the disqualification of a qualified benefits plan (if applicable). The Employer further acknowledges that NBS may rely solely upon, and shall have no responsibility to independently verify the accuracy of, information provided by the Employer. Accordingly, the Employer shall:
- A. Provide NBS with all information requested by NBS in good order. As used in the Service Agreement, "in good order" shall mean without limitation information which is:
 - i. Verified and warranted by Employer to be complete and accurate;
 - ii. Compliant with the document type and formatting requirements specified by NBS for the information requested; and
 - iii. Furnished to NBS in a timely manner. As used in the Service Agreement, "timely manner" shall mean received by NBS no later than the date specified in the Service Agreement or in any written notice from NBS.
 - B. Pay all amounts billed by NBS for extra hourly work at the rate stated on a Schedule B for any administrative services repeated by NBS because information was not provided by the Employer in good order.
 - C. To the extent permitted by law, hold NBS harmless for any consequences that may result from NBS's inability to complete its work, in the ordinary course of business, due to the failure of the Employer to provide information to NBS in good order.
 - D. Review all documents and reports prepared by NBS for accuracy and consistency with the Employer's own records. Employer waives the right to request corrections or return of fees if not reported to NBS within thirty (30) days of receipt of the document or report.
 - E. Ensure all government reports which NBS prepares are timely filed with the appropriate agency.
 - F. Pay any fines resulting from a failure to timely file required government reports with the appropriate agency, if failure is caused by Employer's delay in providing information to NBS in good order.
 - G. Timely provide required benefit information to relevant parties (employees, participants, beneficiaries, etc. as applicable). As used herein "required benefit information" shall include, without limitation: notices, elections, and reports required under the law.
 - H. Comply with all benefit plan provisions (where the services selected by the Employer are for a qualified plan or plans) and all relevant legal requirements.
 - I. Be responsible for payment of all amounts that may become due and owing under the Service Agreement.

Note: some or all of these Employer Responsibilities may be outsourced to NBS as outlined in the Fiduciary Services Schedule A

6. **Controlled Groups.** The Employer acknowledges that:

- A. The law includes complex rules governing business associations such as controlled groups, affiliated service groups, employee lease arrangements, and management organizations.
- B. The rules governing business associations may impact the operation and qualified status of employee benefits and that NBS does not provide analysis nor determine the effect of these rules on such benefits.

Accordingly, the Employer warrants and agrees that:

- C. The Employer has disclosed to NBS all related businesses and associations relevant to the benefits and the administration of the benefits;
- D. If any related businesses and/or associations exist, the Employer has obtained certification from a competent professional as to (1) whether a controlled group, affiliated service group, employee lease arrangement, and/or management organization exists with the affiliation(s) and (2) whether such group has any current issues, concerns, and/or complications;
- E. The Employer shall notify NBS in writing prior to any relevant changes in business structure or organization. For purposes of the Service Agreement "relevant changes in business structure or organization" shall include, but is not limited to:
 - i. Any change in name or ownership of the Employer;
 - ii. Any change in the Employer's business entity type which may impact the qualified status of the benefits and the administration of such benefits; and
 - iii. Any change which results from merger or acquisition involving the Employer.
- F. Upon request, the Employer shall certify in writing, that the warranties provided in this Section 4 remain accurate and current.

7. **Form of Notice.** Notice of termination of the Service Agreement shall be in the manner prescribed in section 23. All other notices required or identified herein shall be in writing and conveyed to the other Party in the manner best-calculated to provide the recipient with actual notice. If notice is conveyed by email, sender shall require proof of receipt. Notice will at a minimum convey what action is required to be taken by the Party receiving the notice and will specify a clear deadline for compliance.

8. **Format of Documents.** All documents to be provided pursuant to the Service Agreement, unless otherwise provided herein, shall be provided electronically. For purposes of the Service Agreement, documents provided in a secure format will be considered "received" when both the document and the means to access the document have been received by the intended Party.

9. **Time is of the Essence/Force Majeure.**

- A. For all the services selected by the Employer and provided by NBS, time is of the essence. Deadlines applicable to the services provided hereunder shall be identified in Schedule A or by specific notices provided to the Employer. Except as specifically provided in Section 9.B., failure by the Employer to comply with the timing provisions specifically identified in the Service Agreement or through notices by NBS shall constitute a breach of the Service Agreement.
- B. Neither Party shall be held responsible for the delay or failure to perform services and/or obligations under the Service Agreement when such delay or failure is due to fire, flood, epidemic, strike, an act of God or any public enemy, unusually severe weather, failure or malfunction of any electronic, electric or mechanical equipment, legislative or regulatory acts of any public authority, delays or defaults caused by public carriers, or other circumstances which cannot reasonably be forecasted or provided against.

10. **Ministerial Services Only.**

- A. Unless this agreement includes a Fiduciary Services Schedule A, the Parties acknowledge and agree that NBS will NOT act as a "Plan Administrator" or "Fiduciary" to a Plan as defined in ERISA § 3. The Parties further acknowledge that the Service Agreement does not grant NBS any discretionary authority or control regarding management or administration of the benefits and that the services provided by NBS shall not be construed by the Parties as management or disposition of benefit plan assets.
- B. The Parties acknowledge and agree that NBS will not provide investment advisory services, and that the services provided hereunder will not be interpreted as investment advice as that term is used in ERISA § 3(21)(A).
- C. The Parties also acknowledge and agree that NBS will not provide accounting services outside of the record-keeping services required for benefit administration as listed in Schedule A. Furthermore, NBS will have no liability for the accuracy or completeness of any of the books or records regarding the administration of the benefits for any period preceding the signed date of the Service Agreement.
- D. Although NBS employs licensed in-house attorneys to discharge its obligations under the Service Agreement, NBS will not provide legal services or legal advice to the Employer. Accordingly, the Employer will be responsible to have all documents and forms completed by NBS reviewed by competent legal counsel to ensure that they are appropriate for and meet the specific requirements of the benefits selected by the Employer. The Employer agrees to consult with an attorney experienced in employee benefit matters regarding any questions or concerns that the Employer may have relative to benefit plan qualification, coverage of employees, and any other issues of a legal nature.

11. **Nonexclusive Services.** The Parties acknowledge and agree that NBS will be performing similar services and other types of work for other employers. Nothing contained in the Service Agreement shall grant to either Party any right, title, or interest in or to the business activities or opportunities of the other Party—or the power or authority to contract on behalf of the other Party—other than as specifically provided in the Service Agreement.

12. **Legal Compliance.** Each of the Parties hereto agrees to comply with all applicable federal, state, and local laws, rules and regulations in the performance of their respective responsibilities under the Service Agreement, including any mandated confidentiality requirements.

13. **Cooperation from NBS.** Upon the Employer's request, NBS will promptly provide all benefit information necessary for an audit or investigation to the specified entity and in the manner requested. Without limiting the foregoing, "audit or investigation" includes any investigation by the Department of Labor and audits conducted by the Internal Revenue Service, the Employer, or by a third party firm designated by the Employer. The first three hours of audit support is included in the Audit Coordination fee, additional support shall be billed at the rate for extra hourly work.

GENERAL CONDITIONS

14. **Billing Procedures and Collections.** Consideration for providing the services listed in Schedule A shall be by payment of the fees identified in Schedule B. Fees for services rendered are payable by the Employer, or other party as agreed upon in Schedule B, upon receipt of an accurately invoiced statement for services. Acceptance by NBS of any payment by a third party shall not constitute a waiver of any rights NBS may have under the Service Agreement or by law to collect from the Employer amounts due and owing to NBS for services provided. If NBS does not receive payment in full within thirty (30) days of the statement date, the Employer's account shall be subject to a FINANCE CHARGE of 1.5% per month (18% APR). If the Employer's state of domicile requires a lesser rate, the Employer's past-due balance shall be subject to a FINANCE CHARGE at the highest allowable rate. If NBS does not receive payment in full within sixty (60) days of the statement date, NBS may terminate the Service Agreement immediately and pursue collection actions. Employer understands and agrees that it is responsible for all unpaid participant fees. This Section 14 does not apply to Claim Reserve

funding for welfare benefit plans. For the Employer's obligations related to billing and remittance of Claim Reserve funds for welfare benefit plans, see the applicable welfare benefit Schedule A.

Should NBS employ an attorney to assist in the collection of past due fees, the Employer shall pay all resulting collection costs and attorney fees whether or not litigation commences.

15. **Compliance/Breach.** If the Employer fails to perform any of the terms and conditions of the Service Agreement, the Employer shall be deemed in material breach of the Service Agreement, and NBS shall have the right to cease to provide any further services for the Employer and terminate the Service Agreement. If the breach arises for reasons other than non-payment of fees, NBS may notify the Employer in writing of the breach and instruct how and by when the Employer must cure the breach. Such notice may include, as necessary, the amount of any additional charges the Employer must pay to enable NBS to meet applicable federal deadlines. If the Employer does not cure the breach within the timeframe stated in the notice, NBS may terminate the Service Agreement without waiving NBS's right to receive payment for services rendered and costs incurred, or to exercise any other remedies available at law or equity.

If NBS fails to perform any material terms and conditions contained in the Service Agreement, NBS shall be deemed in breach of the Service Agreement, and the Employer may terminate the Service Agreement or suspend payments under the Service Agreement to NBS until such breach is cured. If the Employer chooses to suspend payments, the Employer shall submit a written notice to NBS stating that it considers NBS in breach and has suspended payment. If NBS does not cure the breach within fifteen (15) days of receiving the notice, either party may terminate the Service Agreement.

16. **Jurisdiction and Venue.** The Service Agreement shall be construed, administered and enforced in accordance with the laws of the state where the services under the Service Agreement are performed. Additionally, the Parties submit to the exclusive jurisdiction of and venue in the appropriate state or federal courts located in the county where the services under the Service Agreement are performed.
17. **Damages.** A Party's liability to the other arising out of or relating to the Service Agreement—including liability for any claim for indemnification—will not exceed the lesser of the total fees payable to NBS for services for the current or most recent contract year or \$50,000. In no event will either Party be liable to the other for any consequential, indirect, special, incidental, or punitive damages—regardless of the form of action—whether in agreement, tort, strict liability or otherwise, even if advised of the possibility of such damages and even if the damages were foreseeable. The limitations in this section do not apply to any amounts owing under the terms of the Service Agreement, any claims for attorney fees, or other litigation costs either Party is entitled to recover.
18. **Indemnification.** NBS and the Employer agree to assist each other to resolve matters in dispute or potential liability to the Parties through open, amicable, and timely communication.

To the extent permitted by law, the Employer hereby agrees to indemnify, defend, and hold harmless NBS and its members, officers, agents, and employees from and against any and all claims, damages, judgments, liabilities, attorney and professional fees, court costs, and litigation costs caused by, arising out of, or relating to (1) any act or omission by the Employer or its agent which occurred prior to the effective date of the Service Agreement; (2) any information provided, or instructions given, by the Employer or its agent to NBS pursuant to the Service Agreement; (3) the Employer's failure to disclose any controlled-group issues or to obtain the controlled-group certification required under the Service Agreement; (4) the Employer's material breach of the Service Agreement; or (5) any claim by any third-party against NBS arising from the Employer's failure to perform or comply with the terms and obligations of any qualified benefit plan, applicable statutes, and regulations governing benefit plans or the Employer's gross negligence or willful act or omission. The Employer will not indemnify against any liability resulting from gross negligence, willful misconduct, actual fraud, or criminal conduct of NBS.

To the extent permitted by law, NBS hereby agrees to indemnify, defend and hold harmless the Employer and its members, officers, agents, and employees from and against any and all claims, damages, judgments, liabilities, attorney and professional fees, court costs, and litigation costs caused by, arising out of, or relating to (1) NBS's material breach of the Service Agreement or (2) any claim

by a third party against the Employer arising from the gross negligence or willful act or omission by NBS. NBS will not indemnify against any liability resulting from gross negligence, willful misconduct, actual fraud, or criminal conduct of the Employer.

Within thirty (30) days receipt of any such litigation or demand, NBS and the Employer agree to give one another prompt written notice of any claim threatened or instituted against the other which might constitute the basis for a claim of indemnity by either Party against the other. If either Party does not notify the other within the said thirty (30) days, this indemnification is null and void against the Party who fails to make such notification. Any successful indemnification claim is limited in damages as described in section 17.

19. **Integration and Severability.** The Service Agreement, together with all attachments hereto, including all schedules and exhibits, represents the entire agreement of the Parties and supersedes any prior agreement as to the subject matter contained herein. In the event that any provision or portion of the Service Agreement is declared void or unenforceable in a court of law, the remaining provisions of the Service Agreement shall remain binding upon the Parties as if the void or unenforceable provision had not been originally included.
20. **Consent to Breach or Waiver.** Any consent to breach or waiver of any provision of the Service Agreement shall be in writing. Such writing shall establish the scope and terms of the waiver or consent and shall be signed by the Party waiving its right. In no event shall a Party's failure to enforce any provision of the Service Agreement be deemed a consent to breach or a waiver of any provision of the Service Agreement; nor shall any written consent to breach or a waiver of any provision of the Service Agreement be deemed to extend beyond its express terms.
21. **Headings.** Section headings in the Service Agreement are for the purpose of convenience only and are not intended to affect the meaning or interpretation of the Service Agreement.
22. **Multiple Counterparts.** The Service Agreement may be signed in multiple counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute but one and the same agreement.
23. **Termination of Service Agreement.** The Service Agreement may be terminated by either Party on thirty (30) days written notice or on such shorter time as the Parties may agree in writing. Early termination by the Employer, unless agreed upon in writing, shall result in an early termination fee. The early termination fee shall be the greater of the amount of the most recent invoice or \$500.00. Notice shall be deemed effective as of the date the written notice of termination is deposited in the United States Mail or on such date that the Party giving notice of termination delivers the notice electronically (for example, by e-mail) using such means as the Parties have used to communicate in writing during the period that the Service Agreement has been in effect.

Unless the Parties otherwise agree in writing to specific delivery conditions, upon termination of the Service Agreement, NBS shall provide to the Employer, within a reasonable time following termination, all benefit information which NBS considers necessary to enable the Employer to continue operation of the benefit. Such information shall be provided in an electronic format at the address contained in NBS's records at the time of termination of the Service Agreement. Any information classified as Protected Health Information ("PHI") under HIPAA shall be provided, if at all, only as permitted under HIPAA. NBS shall be entitled to full payment of all fees for services rendered for the Employer, including services provided subsequent to the date of termination of the Service Agreement as requested by the Employer, and for copy charges associated with any requests for benefit records or documents.

The Parties acknowledge that upon termination, any continued reliance by the Employer, or any of the Employer's agents or representatives, on any benefit forms, documents and/or records, including any plan document, created and provided by NBS are at the Employer's complete and sole risk. NBS shall not be held liable in any way for such reliance.

24. **Record Access and Maintenance.** Subject to all applicable benefit and privacy requirements, records maintained by NBS, which are reasonably necessary to the performance of the services, may be examined by the Employer, governmental regulatory agencies, or any other person lawfully entitled to access them. NBS shall maintain these records until they are provided to the Employer.

IN WITNESS HEREOF, the Parties have executed the Service Agreement for the following benefit services:

- 403(b)
- 457(b)
- FICA
- FSA
- COBRA

effective as of the date of execution by the Employer below.

Judson Independent School District

Signed: _____
(Its Authorized Agent)

Title: _____

Date: _____

NATIONAL BENEFIT SERVICES, LLC

Signed: Paul R. Lovell
(Its Authorized Agent)

Title: CEO

Date: October 3, 2025

NATIONAL BENEFIT SERVICES, LLC

EXHIBIT 1 – CYBERSECURITY

NBS has spent decades investing in technologies and enhancing our systems to keep our clients' data safe and secure. NBS satisfies all twelve of the best practices emphasized by the US Department of Labor. Additionally, NBS was one of the first third-party administrators in the country to implement a Service Organization Control (SOC) 2 Type II examination. We have received SOC 2 Type II Certification since 2017. And we endeavor to ensure your peace of mind when it comes to cybersecurity risks.

NBS is audited annually by an independent CPA firm which issues both SOC-1 Type-2 and SOC-2 Type-2 reports. Our efforts in this examination and audit process demonstrate an ongoing commitment to our clients to serve as a dependable, transparent, secure third-party administrator focused on minimizing risk (through effective controls), increasing value, and maintaining service standards. NBS makes available a Service Organization Controls 1 (SOC 1), Type II report. The report is prepared in accordance with the attestation standards of the American Institute of Certified Public Accounts (AICPA), using the Audit and Accounting Guide, Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting (SOC 1). Our SOC 1 report addresses relevant aspects of our internal control environment, including controls over our retirement and cafeteria benefit plan administration and transaction processing. The SOC 1 report audit attests that NBS control objectives are appropriately designed and that the controls safeguarding client data are operating effectively.

Moreover, NBS also makes available a Service Organization Controls 2 (SOC 2), Type II, report. The report is prepared based on the criteria for a description of a service organization's system set forth in DC section 200, 2018 Description Criteria for Description of a Service Organization's System in a SOC 2 Report to provide reasonable assurance that relevant service commitments and system requirements were achieved based on relevant trust services criteria. The NBS SOC 2 is an evaluation of the design and effectiveness of controls that meet the criteria for security and availability set forth in the AICPA's Trust Services Principles criteria. This report provides additional transparency into NBS's safeguards based on defined industry standards and further demonstrates NBS's ability to protect client data.

NBS understands that you must safeguard your data and find trustworthy contractors who value cybersecurity as much as you. NBS also understands that you have obligations to vet vendors and contractors who handle your data. Consequently, NBS is pleased to make available, upon request, a copy of the most recent SOC1 or SOC2 report free of charge to NBS clients. NBS feels that upon reviewing our SOC reports, most, if not all, of your questions regarding NBS's cybersecurity and data protection will be answered.

If your questions regarding NBS's cybersecurity and data protection are not answered by either our SOC1 or SOC2 reports and you must require NBS to answer some form of security assessment or data protection survey, then NBS will do so at its sole discretion. **HOWEVER, BE AWARE THAT NBS WILL CHARGE YOU THE EXTRA HOURLY WORK RATE LISTED ON SCHEDULE B OF THE SERVICE AGREEMENT (MINIMUM OF TWO HOURS) FOR COMPLETING ANY SECURITY ASSESSMENT YOU REQUIRE.** While NBS appreciates your duty to conduct cybersecurity due diligence, please understand that security assessments can be time consuming, and NBS has invested significant time and money upfront to ensure you have what you need to feel secure about your data.

SCHEDULE 'A'

SCHEDULE A – SERVICES AND OBLIGATIONS

457(b) FICA ALTERNATIVE PLAN

I. APPLICABLE LAW AND DEFINED TERMS

A. Applicable Law

1. As used in this Service Agreement, “the law” means the relevant portion of the Internal Revenue Code (“the Code”), relevant final and proposed regulations adopted under the Code, and any relevant state law.

B. Defined Terms

1. Employees: “Employees” means those employees of the Employer meeting the definition of “employees” under the Code.
2. Employer: “Employer” means the entity identified as the Employer in Recital A of the Service Agreement document. “Employer” as used in the Service Agreement shall mean whichever entity is designated by the Plan to fulfill those responsibilities. Unless another individual or entity is named in the Plan Document as the Administrator or the Plan Sponsor, the Employer is considered as the Administrator and the Plan Sponsor.
3. Plan: “Plan” means the particular Defined Contribution Plan that is sponsored by the Employer for the benefit of its Employees and meets the requirements of § 457(b) of the Code.
4. Plan Document: “Plan Document” means the written instrument within the meaning of § 401(a) of the Code, which contains all of the operating rules adopted by the Employer as prescribed by § 401(a) and the regulations thereunder.

II. NBS SERVICES

NBS shall provide services as described in this Service Agreement on behalf of the Employer and as agreed upon herein by the Parties. NBS shall provide the services described herein in a professional, workmanlike manner. NBS, as a Third Party Administrator, shall be obligated to perform only those services specifically enumerated in this Service Agreement and in the attached Service Proposal. NBS reserves the right to perform other services, which in its sole discretion it believes are necessary to the efficient, professional, and workmanlike execution of its obligations hereunder; however, performance of such services not enumerated herein shall not create an ongoing obligation to perform such services. In no event will NBS be deemed to have breached its obligations to the Employer because of a failure to perform some function not enumerated herein, and agreed-upon by the Parties.

A. Perform the general administration services of the Plan, which are:

1. Assist the Employer in establishing and maintaining a non-specific provider retirement plan, meeting operational, compliance and administrative guidelines under Internal Revenue Code (“IRC”) Section 457(b). All rights, privileges and responsibilities for establishing the terms and conditions of the Plan, implementation of the Plan and managing the Plan shall be at the sole discretion and direction of the Employer as Plan Sponsor. NBS shall review and make recommendations to the Employer, or such other

SCHEDULE 'A'

person designated by the Employer, regarding any plan changes that may be required to assist the Employer with continuing administration;

2. Maintain all necessary records for the administration of the Plan;
3. Assist the Employer in sending NBS encrypted Employee data and to receive retirement plan contributions for the Plan through payroll deductions. The Employer shall (1) remit, each pay period, retirement plan contributions for the Employees to NBS via ACH/EFT, check, or Fed Wire; and (2) provide NBS a file of Employee data from the Employer's payroll system via encrypted Internet transmission, in a format reasonably acceptable to NBS. NBS agrees that contributions and repayments remitted shall be promptly transmitted to the applicable investment option provider according to the instructions provided in the corresponding file within three (3) business day provided funds and data are received in good order. NBS shall remit Plan contributions to the applicable investment provider via the U.S. Postal Service unless the provider can accommodate an ACH/EFT transmission of funds by NBS in a reasonable manner;

NBS shall only remit contributions to the investment providers if funds and payroll data sent by the Employer to NBS include no discrepancies. NBS shall contact the Employer in a timely manner in the event discrepancies are discovered. NBS shall not forward contributions to investment providers until all discrepancies have been resolved.

4. Remain a technical resource for the Employer and provide ongoing services to resolve operational, administrative and compliance issues during the term this Service Agreement;
5. Provide Plan document services, subsequent restatements, or amendments as necessary to comply with Federal and State law and as requested by the Employer. All plan documents and forms completed by NBS should be reviewed by the Employer's legal counsel. NBS shall provide forms, information and documents in timely fashion or as required by law.
6. Facilitate the collection of provider agreements. NBS shall notify the Employer and make recommendations regarding any provider or potential provider who will not agree to comply, or has failed to comply, with all administrative and compliance procedures as established by NBS, and/or with the terms of the provider agreement;
7. Assist in compliance activities with the investment providers that have entered into a provider agreement with NBS, including the approval of transactions with the investment providers and the gathering of pertinent information from the investment providers, specifically NBS shall:
 - a. Coordinate the approval or denial of transactions with investment providers and/or the Employees, as applicable. Transactions subject to approval are:
 - i. Rollovers and distributions;
 - ii. Transfers or exchanges;
8. Process, as instructed by the Employer if instructions are necessary, Employee contributions that have been, for whatever reason, returned or rejected by an investment provider and are in the possession of NBS; and
9. Perform all other services described in the attached Service Proposal.

SCHEDULE 'A'

10. Invoice the Plan's investment providers for all or a portion of the negotiated fees associated with this Service Agreement. NBS will make reasonable attempts to collect fees from investment providers. Should an investment provider be unable to or refuse to pay amounts invoiced by NBS, the Employer shall be obligated to pay uncollected fees to NBS.
11. Comply with all pertinent written directives from the Employer regarding the solicitation of Employees and the purchase of accounts and annuities. NBS shall not contact in person any of the Employees on the premises of the Employer except as approved, in writing, by the Employer. In no event shall Employees be contacted on premises of the Employer except before school, during lunch hours or after school hours, unless returning a call at a time instructed by an Employee.
12. Promptly provide necessary information as requested by the Employer in the event of an audit by the Internal Revenue Service, an internal audit by the Employer, or a third party firm designated by the Employer or in any other instance in which the Employer requires it.
13. Take out prior to commencing the work, and maintain in force and effect, from the commencement of services until the expiration of the Service Agreement, a policy or policies of insurance covering NBS's services and furnish to the Employer a certificate of insurance evidencing all coverage and endorsement required hereunder. Such insurance shall be with an insurance company admitted by the Insurance Commissioner of the State of Utah. Minimum coverage shall be as follows:
 - a. General Liability Insurance for injuries including accidental death, to any person in any amount not less than \$1,000,000 per occurrence.
 - b. Professional Liability Insurance in an amount not less than \$1,000,000 per occurrence.
 - c. A 30 day written notice to the Employer of cancellation or reduction in coverage.

NBS shall be subject to and shall comply with all Federal, State and local laws and regulations applicable with respect to its performance under this Service Agreement, including but not limited to: licensing; employment and purchasing practices; and wages, hours and conditions of employment, including nondiscrimination.

III. The Employer shall:

- A. Determine the eligibility of participants to receive benefits and make contributions to the Plan.
- B. Provide information to participants regarding their rights, benefits or elections available under the Plan and assist the Employees in completing any necessary forms for participation.
- C. Provide NBS with timely information of any additions or changes that may be required for payroll processing as a result of an addition, change, or termination of a Salary Reduction Agreement.
- D. Provide, in a format reasonably acceptable to NBS, information to NBS as required to perform remittance of contributions and monitoring of contribution limitations.
- E. Provide names and contact information (including, but not limited to, mailing address, telephone number, email address, date of birth, date of hire, and separation from service date) of all individuals who are currently participating in the Plan, who maintain an account under the applicable Plan (regardless of whether contributions are currently being made on the individual's behalf to the Plan), and all individuals who are eligible to participate in the applicable Plan prior to the commencement of each tax year or as requested by NBS.

SCHEDULE 'A'

- F. Assist in compliance activities relating to the approval of transactions with investment providers that have entered into a provider agreement with NBS by providing relevant information, including but not limited to, Employee date of hire, Employee date of termination, Employee disability status, and Employee date of death.
- G. Provide instructions to NBS, as applicable, regarding any required action relating to contributions that have been rejected or otherwise returned by an investment provider.

SCHEDULE 'B'

**JUDSON INDEPENDENT SCHOOL DISTRICT
NBS 457 FICA ALTERNATIVE PLAN ADMINISTRATION AND COMPLIANCE**

FEE SCHEDULE

COMPLIANCE & ADMINISTRATION SERVICES

Plan Document.....\$ ~~450.00~~ Waived
Plan Amendments (*required or as requested*).....\$ 200.00
Administration Fee.....60 BP's

MISCELLANEOUS SERVICES (*Only apply as needed*)

Takeover of Prior Plan Data.....\$ 650
Extra Hourly Work (*plan termination, transfer, etc.*).....\$ 200/hour
Audit Support.\$ 200/hour

Employer Signature _____ Date _____



Notice to Investment Providers of TPA Appointment

By signing below, **Judson Independent School District** ("Employer") authorizes National Benefit Services, LLC as Third Party Administrator to act on behalf of the Employer in fulfilling duties associated with the National Benefit Services Provider/Information Sharing Agreement in order to provide Non-ERISA Retirement plan administration and compliance services.

Plan Type	Plan Aggregate ID#
457 FICA	741556846F11

☒

I AUTHORIZE NBS to bill participant fees to plan vendors.

☐

I DO NOT authorize NBS to bill per participant fees to plan vendors.

Judson Independent School District
EMPLOYER

SIGNATURE OF AUTHORIZED REPRESENTATIVE

PRINT NAME

TITLE

DATE