

Executive Compensation 457(b) Plan

CHECKLIST FOR TAX-EXEMPT CO-OPS

I. Designing the Plan	
	A. Discuss your co-op's needs with Homestead Advisers Deferred Compensation team.
	B. Identify eligible participants. (Note: They must be part of a "select group of managers or highly compensated employees.")
	C. Adapt Homestead Advisers sample documents to meet your co-op's specific needs. ¹
II. Adopting the Plan	
	A. Review the plan design and all necessary documentation with your co-op's board, corporate attorney and accountant.
	B. Execute the <i>Resolution to Adopt (or Readopt)</i> document(s). Your co-op's adoption resolution must be executed by the co-op's board of directors. ¹
	C. Adopt the <i>Plan Document for Employees (or Directors)</i> . Your co-op must execute a plan document for each plan (e.g., employees' or directors' plan).
	D. Execute the <i>Consulting Services Agreement</i> with Homestead Advisers. ¹
	E. Use the U.S. Department of Labor's online system to e-file your plan's registration statement within 120 days of the plan's adoption. (Refer to Homestead Advisers <i>DOL Statement Exception Filing Instructions</i> for details.) ²
	F. Provide copies of plan documentation to Homestead Advisers and designate your co-op's primary contact person for the plan. Provide additional contact details if there are other individuals to be included when communicating administrative updates about the plan or to identify a separate annual billing contact.
III. Offering the Plan and Enrolling Participants	
	A. Notify eligible participants and provide/review plan-specific communications/forms.
	B. Provide a copy of the <i>Participant Guide</i> (sample provided). ²
	C. Provide and collect a <i>Deferral Election Form</i> for individual participants in the month prior to initial deferral (sample provided). ²
	D. Provide and collect a <i>Beneficiary Election Form</i> for each participant (sample provided). Remind participants to make future updates as needed (e.g., death of a beneficiary, divorce). ²
	E. Provide and collect a <i>Payment Election Form</i> for each participant — no later than the separation date (sample provided). ²

(continued)

IV. Implementing and Administering the Plan

A.	Review <i>Setting up Future Payments for the Executive Compensation 457(b) Plan for Employees and Directors</i> instructions. ¹
B.	Review <i>IRS Forms W-2 and 1099 Guidance for Employers with Nonqualified Deferred Compensation Plans</i> instructions. ¹
C.	Open 457(b) accounts at the Homestead Funds in your co-op's name for the benefit of individual participants.
D.	Make arrangements with payroll to transmit funds to Homestead Funds account(s) on a routine basis, and confirm that payroll will withhold and remit any applicable payroll taxes at the time of deferral.
E.	Educate participants on investment processes and procedures.
F.	Remind participants about their distribution elections and the plan rules.
G.	Monitor payroll contributions on an ongoing basis to prevent excess contributions.
H.	A minimum of three years prior to the year in which each individual participant reaches normal retirement date/age for the co-op's primary retirement plan, identify "special catch-up contribution" opportunities.
I.	Review "special catch-up contribution" opportunities with individual participants and, if needed, provide and collect a <i>Deferral Election Form</i> to document any desired changes. ²
J.	Provide and collect a <i>Declaration of Normal Retirement Age for Catch-up Contributions Form</i> for each participant seeking to designate a different special catch-up period (sample provided). ²
K.	In the event the point(s) of contact for the plan changes, please provide Homestead Advisers with updated information about the new primary contact for the plan.
L.	Prior to a participant's separation, verify that a <i>Payment Election Form</i> has been completed and submitted to the plan administrator at your co-op. Keep this form for your co-op's records. When the time comes for distributions, contact Homestead Funds at invest@homesteadfunds.com to set up distributions at least two weeks in advance.

¹Indicates Homestead Advisers to provide

²Indicates availability of instructions, participant guide and/or sample document(s) online at homesteadadvisers.com/deferredcomp

IMPORTANT: Homestead Advisers offers nonqualified deferred compensation plans as an additional service to members for their employees and directors and provides certain administrative support services; however, Homestead Advisers does not sponsor or act as the plan administrator of these plans, assume liability for their operation, or provide legal or tax advice in conjunction with the plans. Employers and participants are responsible for any tax or legal consequences associated with their adoption, operation or participation in nonqualified deferred compensation plans.