

# Performance Incentive 457(f) 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.
	C. Determine performance incentive benchmarks to be included in the plan for each participant.
	D. Adapt Homestead Advisers sample documents to meet your co-op's specific needs. <sup>1</sup>
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). (Note: Your co-op's adoption resolution must be executed by the co-op's board of directors.) <sup>1</sup>
	C. Adopt the <i>Performance Incentive 457(f) Plan for Employees</i> document. <sup>1</sup>
	D. For each plan participant, adapt the <i>Sample Cover Letter, Individual Plan Terms and Participant Agreement</i> documents.
	E. Execute the <i>Consulting Services Agreement</i> with Homestead Advisers. <sup>1</sup>
	F. 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). <sup>2</sup>
	G. 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 all plan-specific communications/forms.
	B. Provide the <i>Cover Letter, Individual Plan Terms and Participation Agreement, and Plan Highlights</i> documents. Collect an executed <i>Individual Plan Terms and Participation Agreement</i> . <sup>1</sup>
	C. 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 or divorce). <sup>2</sup>

(continued)

## IV. Implementing and Administering the Plan

	A. Review <i>IRS Forms W-2 and 1099 Guidance for Employers with Nonqualified Deferred Compensation Plans</i> instructions. <sup>1</sup>
	B. If elected by your co-op, open account(s) at Homestead Funds in your co-op's name for the benefit of individual participants.
	C. If your co-op elects to establish investment accounts, select investment procedures for the plan and, if necessary, educate participants on these procedures.
	D. Educate participants about their distribution elections and the plan rules.
	E. Create an internal reminder of the vesting date(s) of the participant(s).
	F. In the event the point(s) of contact for the plan changes, provide Homestead Advisers with updated information about the new primary contact(s) for the plan.
	G. When the time comes for distributions, contact Homestead Funds at <a href="mailto:invest@homesteadfunds.com">invest@homesteadfunds.com</a> to set up distributions at least two weeks in advance.

<sup>1</sup>Indicates Homestead Advisers to provide

<sup>2</sup>Indicates availability of instructions, participant guide and/or sample document(s) online at [homesteadadvisers.com/deferredcomp](http://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.*