SAN DIEGO COUNTY
DEFERRED COMPENSATION PLAN
SUMMARY PLAN DESCRIPTION

Describing the San Diego County Deferred Compensation Plan
As in effect on January 1, 2014

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The County of San Diego (referred to in this summary as the "County") sponsors the San Diego County Deferred Compensation Plan (referred to in this summary as the "Plan"). This summary has been updated to reflect all provisions of the Plan in effect as of January 1, 2014.

This summary sets forth the important features of the Plan. The purpose of this summary is to acquaint you with important terms and workings of the Plan and how it may benefit you and your beneficiary or beneficiaries. You are urged to read this summary carefully.

- If you have questions about the Plan, you may obtain information regarding the Plan from the Deferred Compensation Administrator by calling (619) 531-5840. The Deferred Compensation Administrator also has copies of the official Plan text and the trust agreement, which govern the operation of the Plan and state all of its provisions in detail.

- You can obtain a copy of the official Plan text or the trust agreement for the Plan by contacting the Plan's third party record keeper, Nationwide Retirement Solutions, Inc. ("Nationwide"), by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com, or by contacting the County Treasurer-Tax Collector, Deferred Compensation Administrator, San Diego County Deferred Compensation Plan, 1600 Pacific Highway, Room 102, San Diego, CA 92101.

- Please note that this is only a summary of the more significant provisions of the Plan. To make the summary as clear and concise as possible, some rules are only described in abbreviated form, and others are not mentioned at all. For this reason, you should read the official Plan text if you need a complete statement of all provisions.

IF THERE IS ANY AMBIGUITY IN THIS SUMMARY, OR IF THERE IS ANY CONFLICT BETWEEN THIS SUMMARY AND THE OFFICIAL PLAN DOCUMENT, THEN THE OFFICIAL PLAN DOCUMENT WILL CONTROL.

General Description of the Plan's Retirement Benefits

The Plan is a written plan under which you, as a Plan participant, may elect to make contributions on a before-tax basis (see "*How do I elect to make Tax Deferred Contributions"* below) and an after-tax basis (see "*How do I elect to make Roth Contributions?*" below). The retirement benefits under the Plan are governed by section 457(b) of the Internal Revenue Code (and this type of plan is often referred to as a "457(b) plan").

You are encouraged to consult with a tax advisor who is knowledgeable about the taxation of distributions from eligible deferred compensation plans prior to receiving a distribution from the Plan.

Participation in the Plan

Who is eligible to participate in the Plan?

All regular full-time and part-time employees of the County who are on the payroll of the County are eligible to participate in the Plan except for employees who are nonresident aliens with respect to the United States and receive no earned income with a U.S. source from the County, leased employees, those who are subject to a written agreement that provides that they will not be eligible to participate in the Plan, or individuals who are part of a group, division, or other classification designated by the County or the Deferred Compensation Administrator as ineligible to participate in the Plan.

An individual's status as an eligible employee will be determined by the Deferred Compensation Administrator in his or her sole discretion and such determination shall be conclusive and binding on all persons. Persons who are not initially treated as employees of the County but are subsequently determined to have been misclassified will not be deemed to be eligible employees retroactively for the period they were misclassified.

When can I enroll in the Plan?

As an eligible employee, you can enroll at any time by completing the enrollment forms necessary to join the Plan and returning the completed and signed enrollment forms to the Deferred Compensation Administrator. Enrollment forms are available from the Plan's third party record keeper, Nationwide Retirement Solutions, Inc. ("Nationwide") by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com. You can also obtain enrollment forms from the Deferred Compensation Administrator.

As part of your enrollment in the Plan, you will also be requested to:

- Authorize the County to deduct your designated Tax Deferred Contributions and/or Roth Contributions from your pay via a salary reduction agreement,
- Designate a beneficiary or beneficiaries to receive your Plan Account in the event of your death, and
- Direct the investment of your Plan Account among the investment choices available under the Plan. If you do not direct the investment of any amounts contributed on your behalf, your Plan Account (or any portion of your Plan Account for which you have not provided investment direction) will automatically be invested in the Plan Default Investment Fund (see "*How is my Plan Account invested if I do not select investment funds?*" below) unless and until you direct otherwise.

Once you enroll, you can access your Plan Account by contacting Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com.

If you do not enroll in the Plan when you are first eligible, you may enroll at any time by obtaining an enrollment package from the Deferred Compensation Administrator and returning the completed and signed forms to the Deferred Compensation Administrator.

When do I become a participant?

You become a participant as soon as reasonably practicable after you return your completed and signed enrollment forms to the Deferred Compensation Administrator at the Deferred Compensation Administrator's office or Nationwide, but in no event earlier than the first day of the next following calendar month after you return your completed and signed enrollment forms to the Deferred Compensation Administrator.

Making contributions to the Plan

If you are a participant in the Plan, you may contribute to the Plan through convenient automatic payroll deductions via a salary reduction agreement.

How do I elect to make Tax Deferred Contributions?

You can elect to defer a portion of your compensation for each Plan Year and have the amount of that deferral (called your "Tax Deferred Contributions" in this summary) contributed on a before-tax basis to the Plan on your behalf by the County. Your Tax Deferred Contributions will be credited to a "Tax Deferred Contributions Account" established for your benefit.

Tax Deferred Contributions are not subject to income taxes when made (although the contributions to the Plan may be subject to FICA taxes such as Social Security and Medicare taxes, if those taxes apply to you). Instead, the contributions are subject to state and federal income tax when they are paid to you or your beneficiary or beneficiaries. Earnings on your Plan Account prior to distribution will accumulate for you on a tax-deferred basis. Amounts distributed to you from the Plan are treated as taxable ordinary income for federal and state income tax purposes when received.

Even though you elected to make Tax Deferred Contributions to the Plan, you may later elect to "convert" your Tax Deferred Contributions into Roth contributions via an "In-Plan Roth Rollover". See "*How do I elect to make an In-Plan Roth Rollover?*" below for more information on In-Plan Roth Rollovers.

You may invest your Tax Deferred Contributions as described in the section of this summary entitled "*How do I select the investment funds in which my Plan Account is invested?*" below. If you do not direct the investment of your Tax Deferred Contributions, such contributions (or any portion of your Plan Account for which you have not provided investment direction) will automatically be invested in the Plan Default Investment Fund (see "*How is my Plan Account invested if I do not select investment funds?*" below) unless and until you direct otherwise.

How do I elect to make Roth Contributions?

You may designate all or a portion of your contributions to the Plan as Roth Contributions. Once you designate a contribution as a Roth Contribution, then the election for that contribution will be irrevocable (that is, Roth Contributions already made cannot later be re-characterized as Tax Deferred Contributions). Your Roth Contributions are subject to applicable federal, state and local income taxes.

Unlike Tax Deferred Contributions, Roth Contributions do not lower the amount of your taxable compensation or your current income taxes. However, withdrawals and distributions of Roth Contributions may receive favorable tax treatment. Withdrawals and distributions of your Roth Contributions and associated earnings are not taxable for federal income tax purposes if the withdrawal or distribution is made (i) after a period of at least **five (5) consecutive calendar years** beginning with the first calendar year in which you made Roth Contributions to the Plan (or to another plan if you rolled over Roth amounts from that other plan to this Plan); and (ii) on or after you reach age 59 ½ or die or become disabled. If your withdrawal or distribution does not meet these timing requirements, the portion of your distribution representing earnings on your Roth Contributions will be taxed in the same manner as Tax Deferred Contributions described above.

You may invest your Roth Contributions in the same investment funds that are available for investment of Tax Deferred Contributions. If you do not direct the investment of your Roth Contributions, such contributions (or any portion of your Plan Account for which you have not provided investment direction) will automatically be invested in the Plan Default Investment Fund (see "*How is my Plan Account invested if I do not select investment funds?*" below) unless and until you direct otherwise.

How do I elect to make an In-Plan Roth Rollover?

You may transfer most amounts that could otherwise be withdrawn or distributed from the Plan to a Roth Contributions Account under this Plan. This is called an "In-Plan Roth Rollover". However, you may not make an In-Plan Roth Rollover with amounts withdrawn due to severe financial hardship or certain required distributions. Amounts converted to Roth contributions via an In-Plan Roth Rollover are subject to applicable federal, state and local income taxes.

Distributions of amounts transferred to your Roth Contributions Account in an In-Plan Roth Rollover are not taxable for federal income tax purposes if the distribution is made (i) after a period of at least **five (5) consecutive calendar years** beginning with the first calendar year in which you made your In-Plan Roth Rollover (or, if earlier, the first calendar year in which you made Roth Contributions to the Plan or to another plan if you rolled over Roth amounts from that plan to this Plan); and (ii) on or after you reach age 59 ½ or die or become disabled. If your withdrawal or distribution does not meet these timing requirements, the portion of your distribution representing earnings on your In-Plan Roth Rollover Contributions will generally be taxed in the same manner as Tax Deferred Contributions described above.

The rules regarding taxation of withdrawals and distributions from eligible 457(b) plans maintained by state and local state governmental agencies (like the Plan), including In-Plan Roth Rollovers, are complex, and you should carefully review the Plan's Internal Revenue Code Section 402(f) Notice ("Section 402(f) Notice") before making any election regarding a withdrawal or distribution from the Plan. You can obtain a copy of the Plan's Section 402(f) Notice by contacting Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com. You may also wish to seek advice from an experienced tax advisor before making any election regarding a withdrawal or distribution from the Plan or making an In-Plan Roth Rollover. The County does not provide tax advice.

May I elect to make no contributions to the Plan?

Yes, Plan participation is voluntary. You may also revoke your salary reduction agreement at any time effective no earlier than the first day of the next following month by contacting Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com. Additional time may be required to process your election change. You will have an opportunity to enroll again as described under "*When can I enroll in the Plan?*" above.

Will I be permitted to change my contribution elections?

Yes. You may modify or revoke your election effective no earlier than the first day of the next following month by contacting Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com. Additional time may be required to process your election change. As noted above, however, once you designate a contribution as a Roth Contribution, then the election for that contribution will be irrevocable.

When will I cease participation in the Plan?

You may continue to participate in the Plan until your employment with the County is terminated for any reason (including due to retirement, death or disability), whether voluntarily or involuntarily or you are otherwise ineligible to participate in the Plan. Notwithstanding the foregoing, you may elect to contribute to the Plan from compensation payable after you terminate employment as described below under "*How is the amount of Tax Deferred Contributions and/or Roth Contributions determined*?"

If I leave the County, may I rejoin the Plan if I am rehired?

Yes. You elect to participate in this Plan for each period of employment and are treated as a new employee upon reemployment. Therefore, you may become a participant in the Plan in accordance with the rules under "*When do I become a participant?*" above. In addition, if you had begun receiving benefit payments after your severance from employment, you may, upon reemployment, make a one time irrevocable election to cease those payments. Future benefit payments will be made in accordance with the distribution rules under "*Distribution of Plan Benefits*" below.

Making Tax Deferred Contributions and/or Roth Contributions to the Plan

How is the amount of Tax Deferred Contributions and/or Roth Contributions determined?

Commencing with the payroll period which begins in the first calendar month after you become a participant, for each paycheck, the flat dollar amount of compensation which you elect to contribute will automatically be deducted from each of your paychecks. Compensation for this purpose generally means your base salary or wages, overtime and bonuses and other amounts included in gross income for services performed for the County.

Under certain circumstances, compensation may include (i) accumulated sick pay, accumulated vacation pay or back pay if the salary reduction agreement is timely made, (ii) amounts paid by the later of 2 ½ months after your termination of employment or the end of the calendar year which includes your termination, if such amount would otherwise have been included in compensation had it been paid prior to your termination of employment, and (iii) amounts paid by the County on your behalf, if any, when you are not performing services as an employee due to qualified military service. Please contact the Deferred Compensation Administrator for more information regarding what amounts are considered compensation for purposes of making contributions to the Plan.

Your Tax Deferred Contributions and/or Roth Contributions will be invested in accordance with your investment directions. If you do not direct the investment of your Tax Deferred Contributions and Roth Contributions, your Plan Account (or any portion of your Plan Account for which you have not provided investment direction) will automatically be invested in the Plan Default Investment Fund (see "*How is my Plan Account invested if I do not select investment funds?*" below) unless and until you direct otherwise.

<u>What are the limits on the amount of Tax Deferred Contributions and/or Roth Contributions I may make?</u>

The maximum amount of compensation you may have deferred or contributed under the Plan in any Plan Year is determined by three different limits:

- The General Maximum Contribution Limit,
- The Age 50 Additional Contribution Limit (which applies to participants who will be at least age 50 by the end of the applicable Plan Year), and
- The Normal Retirement Age Additional Contribution Limit (which applies to the last three years immediately preceding your "normal retirement age" under the Plan (see definition below))

<u>General Maximum Contribution Limit</u>

The total amount of Tax Deferred Contributions and/or Roth Contributions (and similar contributions made under any other 457(b) plan maintained by the County) you make in a calendar year may not exceed the lesser of 100% of your "includable compensation" or the applicable General Maximum Contribution Limit allowed by law. The General Maximum Contribution Limit for 2014 is $17,500, increased for cost-of-living thereafter.

"Includable compensation" means, generally, your base salary or wages, overtime and bonuses and other amounts included in gross income for services performed for the County (see "*How is the amount of Tax Deferred Contributions and/or Roth Contributions determined?*" above). It also includes certain amounts not includable in gross income, such as your Tax Deferred Contributions to this Plan, contributions made to another County-sponsored 457(b) plan, before-tax contributions you may make under a County-sponsored flexible benefits plan, and qualified transportation fringe benefits provided by the County. "Includable compensation" does not, however, include any contributions you elect to be made to the County of San Diego Incentive Retirement Deferred Compensation Plan for your benefit. Please contact the Deferred Compensation Administrator for more information regarding what constitutes "includable compensation" for purposes of making contributions to the Plan.

Age 50 Additional Contributions

Except as explained below, if you are, or will be, at least age 50 by the end of the calendar year, and if you have contributed the maximum percentage or dollar amount allowed under the Plan or by the Internal Revenue Service (as set forth above), you may elect to make Age 50 Additional Contributions to the Plan up to the maximum amount allowed by law. You may make Tax Deferred Contributions and/or Roth Contributions as Age 50 Additional Contributions. The maximum amount of Age 50 Additional Contributions for 2014 $5,500, increased for cost-of-living thereafter.

You may not make these Age 50 Additional Contributions if you are eligible to make the Normal Retirement Age Additional Contributions (as described below), and such Normal Retirement Age Additional Contributions would be more than the Age 50 Additional Contributions limit.

Normal Retirement Age Additional Contributions

In each of the last three taxable years ending before you attain your "normal retirement age" (see below), you may elect to contribute an amount which is more than the general amount described above. Instead of the limit described above, in any or all of these three years, your higher contribution limit is the lesser of:

- two times the General Maximum Contribution Limit in effect for that year

  OR

- the General Maximum Contribution Limit in effect for that year, plus any part of the General Maximum Contribution Limit for each earlier year in which you were eligible to participate in the Plan, but that you did not use.

The "normal retirement age" under the plan is age 70½ unless you elect an alternate normal retirement age prior to termination of employment. Your alternate normal retirement age may not be any age earlier than the age you are eligible to retire under the San Diego County Employees Retirement Association ("SDCERA") without actuarial or similar reduction in benefits due to retirement, unless you are a qualified police or firefighter participant in the Plan (as determined by Section 457 of the Internal Revenue Code) in which case you may elect an age at least 40 and not later than 70½. Thus, if you are in "Tier A", your alternate normal retirement age may not be earlier than age 60. If you are in "Tier 1", your alternate normal retirement age may not be earlier than age 62. If you are in a different Tier or believe you are entitled to elect a different alternate normal retirement age, please contact the Deferred Compensation Administrator. Once you have made Normal Retirement Age Additional Contributions, you may not change your normal retirement age. Your normal retirement age must be the same for all Section 457(b) plans maintained by the County.

Contributions Following Reemployment After Qualified Military Leave

If you become absent from your job for qualified military leave in the U.S. uniformed military service and then return to employment with the County, your period of qualified military service will not be considered a termination of employment for purposes of the Plan, and you will be able to resume participation in the Plan upon your return from qualified military service consistent with the Uniformed Services Employment And Reemployment Rights Act of 1994 ("USERRA") . You will be permitted to make additional Tax Deferred Contributions and/or Roth Contributions based on your period of qualified military service. The amount of these additional contributions cannot exceed the maximum amount you would have been permitted to contribute to the Plan during the period of qualified military service had you actually been employed by the County during that period, and must also be made within a certain period of time following your reemployment.

For more information regarding your rights under USERRA and military leaves, a VETs directory and additional information is available at www.dol.gov/vets. You can also contact the Deferred Compensation Administrator for additional information.

When will a participant's contributions vest?

All Tax Deferred Contributions and/or Roth Contributions you make, plus earnings and gains on those contributions, if any, are immediately 100% vested.

Are there any events which could cause a participant's contributions to be paid to the participant as cash compensation?

Yes. The Internal Revenue Code sets a limit on the maximum contribution that may be made on your behalf for any year under this Plan and any similar Section 457(b) plan maintained by the County. The limits are described in more detail above. If the amounts contributed by you exceed these limits, then the excess amount of your Tax Deferred Contributions and/or Roth Contributions will be paid to you as taxable cash compensation as soon as practicable after the County determines that excess contributions under the Plan have been made on your behalf.

Rollover Contributions to the Plan

If you are a participant in the Plan and if the Deferred Compensation Administrator approves, you may make Rollover Contributions to the Plan by contacting Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com. Rollover Contributions are certain distributions of pre-tax amounts from eligible retirement plans that are rolled over to the Plan within sixty (60) days of their receipt by the participant or which are directly or indirectly transferred to this Plan from another eligible retirement plan. An "eligible retirement plan" for this purpose means a qualified 401(a) plan, 403(a) qualified annuity plan, 403(b) tax-sheltered annuity plan, an eligible 457(b) plan maintained by a state or local governmental agency or an individual retirement account. This Plan will not accept a rollover of after-tax contributions; provided, however, that rollovers from qualified Roth contribution programs are permitted. Your Rollover Contributions will be credited to a Rollover Contributions Account and separately accounted for to the extent required by applicable law.

You may invest Rollover Contributions in the same investment funds that are available for investment of Tax Deferred Contributions and Roth Contributions. If you do not direct the investment of your Rollover Contributions, such contributions (or any portion of your Plan Account for which you have not provided investment direction) will automatically be invested in the Plan Default Investment Fund (see "*How is my Plan Account invested if I do not select investment funds?*" below) unless and until you direct otherwise.

When will Rollover Contributions vest on a participant's behalf?

All Rollover Contributions, plus earnings and gains on those contributions, if any, are immediately 100% vested.

Your Plan Account

When you enroll in the Plan, the following Plan accounts will be maintained in your name:

- Tax Deferred Contributions Account
- Roth Contributions Account
- Rollover Account (Note, all amounts rolled over to this Plan, including rollovers from qualified Roth contribution programs, will be separately accounted for to the extent required by applicable law.)

When the term "Plan Account" is used in this summary, it refers to all of your accounts listed above. Any amounts contributed via an In-Plan Roth Rollover will be accounted for separately to the extent required by applicable law.

Investment Options and Risks

Your Tax Deferred Contributions, Roth Contributions and Rollover Contributions are placed in a trust fund maintained for the Plan by the Trustee. The Plan permits you to direct and diversify investments among several investment funds. You should select an investment fund — or a combination of investment funds — that meets your requirements and that involves a level of risk that you find acceptable. Please contact Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com for the latest information regarding investments available under the Plan (including prospectuses).

If for some reason you do not have a valid investment direction in place for all or a portion of your Plan Account, that portion of your Plan Account will automatically be invested in the "Plan Default Investment Fund" as described in the section below entitled "*How is my Plan Account invested if I do not select investment funds?*". Amounts invested in the Plan Default Investment Fund will remain so invested unless and until you direct the investment of such amounts.

The Plan is intended to satisfy the provisions of California Government Code Section 53213.5, which provides that the County shall be relieved of liability for losses that arise from a Participant's investment decisions.

What are the investment risks?

You should appreciate that each of the investment funds is subject to a degree of investment risk and that the different funds are exposed to different kinds and levels of risk. In general, fixed-income (debt securities) investments are subject to interest rate fluctuations and possible defaults in the payment of interest or the repayment of principal, whereas equity investments in business enterprises depend on market perceptions of the expected profitability of the enterprises. Both are also affected by general economic and market conditions. The primary negative risk in a “guaranteed income contract” investment is that its guaranteed rate of return, which is fixed for the six month term, will be surpassed during the term by prevailing market return rates on other types of investments. In addition, there may be penalties for early liquidation of amounts invested in a “guaranteed income contract.” Contact the Deferred Compensation Administrator for more information. None of the investment funds offered under the Plan is insured by any government agency, nor does the County make any guarantee with respect to the funds. You should recognize that any investment fund could incur losses.

Deciding on an investment strategy

You should work out your retirement savings strategy so you will have a good idea of how long you have to save for retirement and how much you will need for your retirement. (Remember, you want your savings to keep growing during your retirement as well.) Putting that together with an understanding of the different risk and return characteristics of the types of investments available under the Plan is the first step toward deciding what percentages you should invest in the Plan’s investment funds.

One way investment advisors attempt to reduce overall risk is by investment diversification. In other words, if you invest not just in one type of investment, but in investments with different risk and return characteristics, you can come up with a mix that minimizes the risk of attempting to receive a certain rate of return. You diversify by investing various percentages in different types of investments. But how much should you invest in each type? That depends on how long your investment period will be and how *risk tolerant* an investor you are.

You can obtain investment information and investment educational modules through the Morningstar Retirement Manager on the Plan’s website at www.mydcplan.com. This information is available to you without charge.

Individualized investment advisory services are also available through the Morningstar Retirement Manager at your election and currently available to you free of charge. Additional information regarding the Morningstar investment advisory services is available on the Plan’s website at www.mydcplan.com. While the Morningstar investment advisory service is currently made available to you free of charge, availability and fees are subject to change as determined by the Deferred Compensation Administrator.

Fees and Expenses

There are many types of fees and expenses associated with the Plan, including investment-related fees and expenses, general Plan administrative expenses, and individual service fees.

Investment-related fees and expenses include investment management fees and operating expenses of the Plan’s investment options. Each investment fund generally pays these fees and expenses out of investment fund assets, which affects the rate of return for the particular fund. For information about the fees and expenses of the a particular investment fund, you should refer to the fund’s prospectus (or other investment materials) available through Nationwide by telephone at 888-DC4-LIFE or via the Plan’s website at www.mydcplan.com.

Most fees and expenses of the Plan, including Trustee and other administrative expenses of the Plan, will be paid from the trust fund, to the extent not paid by the County. The Deferred Compensation Administrator has complete discretion to determine (i) whether a Plan expense shall be paid from the trust fund, and (ii) whether a service provider shares revenue with the Plan and, if so, the manner in which such revenue is shared.

Plan Valuations

Your Plan Account is typically valued each day that the New York Stock Exchange is open for business and adjusted to reflect the current market value of the investment fund(s) in which your Plan Account is invested. Investment earnings, gains and losses of an investment fund are allocated to your Plan Account balance in that fund.

Plan Account Statements

At least once each quarter, you will receive a statement from the Plan. This statement tells you how much your Plan Account was worth at the last statement date, how much was contributed to your Plan Account, and the amount of investment earnings or losses that were allocated to your Plan Account.

Investment of your Plan Account

Investment Elections

You direct how your Plan Account is invested. You may choose to have contributions invested all in one fund, or allocated among several funds. Any earnings that accrue in an investment fund are automatically reinvested in the same fund.

How do I select the investment funds in which my Plan Account is invested?

When you first enroll in the Plan, you also specify the investment fund(s) in which you want to invest contributions. You can choose to have your Plan Account invested in any one or more of the investment funds in a whole percentage.

You have several investment options available under the Plan. The details of the funds currently available are provided in separate brochures or prospectuses, which contain a description of the fund's objectives, investment performance history and costs associated with the investment.

For purposes of directing the investment of your Plan Account, you may obtain, upon request, the following information from Nationwide:

- a description of the annual operating expenses of each designated investment alternative (e. g., investment management fees, administrative fees, transaction costs), and the aggregate amount of such expenses expressed as a percentage of average net assets of the designated investment fund;

- copies of any prospectuses, financial statements and reports, and of any other materials relating to the investment funds available under the Plan, to the extent such information is provided to the Plan;

- a list of the assets comprising the portfolio of each designated investment fund, the value of each such asset (or the proportion of the investment fund which it comprises), and, with respect to each such asset which is a fixed rate investment contract issued by a bank, savings and loan association or insurance company, the name of the issuer of the contract, the term of the contract and the rate of return on the contract;

- information concerning the value of shares or units in designated investment funds available to you under the Plan, as well as the past and current investment performance of such funds, determined, net of expenses, on a reasonable and consistent basis; and

- information concerning the value of shares or units in designated investment funds held in your Plan Account.

Please contact Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com for the latest information regarding investments available under the Plan.

How is my Plan Account invested if I do not select investment funds?

If you do not make an affirmative investment election, your Plan Account (or any portion of your Plan Account for which you have not provided investment direction) will automatically be invested in the Plan Default Investment Fund and will remain there unless and until such time as you make an affirmative election to direct your investments. This could happen if you fail to make an investment selection for any reason including the elimination of an investment fund available under the Plan. The Plan Default Investment Fund is intended to qualify as a "qualified default investment alternative" under Section 404(c)(5) of ERISA.

The current Plan Default Investment Fund is the target date life cycle fund selected by the Deferred Compensation Administrator with the target date closest to the year in which you would turn age 65.

Target date life cycle funds are intended to provide diversified exposure to stocks, bonds and cash with an optimal level of return and risk based solely on the fund's specific target retirement date. The funds generally become more conservative as the target retirement date approaches. You can obtain detailed investment information about the Plan Default Investment Fund (including a prospectus) by contacting Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com**.**

May I change my investment instructions?

Yes, you can change your investment directions except as provided below. Investment changes can apply for future contributions only or for amounts contributed in the past as well as future contributions. Investment changes can also apply to amounts that have been invested in a Plan Default Investment Fund because you did not previously make an election.

Importantly, and notwithstanding anything in this summary to the contrary, transfers from one investment to another investment that exceed certain quarterly or calendar year limits must be made in writing. As a general rule, you may make 6 "trades" per calendar quarter, 11 trades per consecutive calendar quarters and 20 trades per calendar year before restrictions apply.

For this purpose, a "trade" means all transfers from one investment to another investment prior to the close of business on a given day. You can obtain more information regarding trading restrictions by contacting Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com.

What fees, charges or expenses apply to a particular investment fund?

You should refer to the prospectus, brochure or other investment materials for a particular investment fund for details regarding the fees, charges and expenses associated with a particular investment fund including management fees and charges related to the purchase or sale of investment funds. You may obtain copies of these investment materials by contacting Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com.

Special Notes: Trading restrictions on investment election changes

Recently there has been much scrutiny surrounding mutual fund investments, including the issues of market timing, sometimes referred to as short-term trading or disruptive trading, and late trading. Market timing is a type of excessive trading which occurs when the same individual repeatedly buys and sells fund shares quickly to take advantage of price changes over short periods of time. Late trading occurs when shares are traded based on news released after the market closes or on the direction the futures markets indicate the next day's opening will take.

To help protect the interests of all investors, a mutual fund may establish certain rules around transfer privileges that are allowed for that fund. Expenses of each mutual fund, including costs associated with transfers, are borne by all investors in that mutual fund regardless of their individual trading activity. Excessive or disruptive trading increases the expenses of the mutual fund and reduces the mutual fund earnings for all mutual fund shareholders. Late trading reduces the mutual fund earnings for all mutual fund shareholders.

It is your responsibility as an investor in a mutual fund to understand and abide by the rules of that mutual fund, as described in its prospectus. As an investor, you have the privilege of transferring the existing balances in your Plan Account among the mutual funds within a carrier and between carriers. However, certain mutual funds may include policies and procedures that restrict the ability of fund investors to engage in frequent transfers of funds, late trading and other investment activities that may increase the expenses of the fund or reduce the fund earnings for all fund shareholders. Those mutual funds may temporarily or permanently terminate the transfer privilege or impose other sanctions if your trading activity violates the restrictions imposed by a mutual fund.

The particular rules associated with a mutual fund are set forth in its prospectus. Most mutual funds prohibit disruptive trading.

Additionally, the Deferred Compensation Administrator may, in its sole discretion, impose restrictions on the ability of participants to engage in frequent transfers of funds, late trading, and other investment activities that may increase the expenses of the mutual fund or reduce the fund earnings of other participants that are mutual fund shareholders. However, you will be notified in advance if such restrictions are imposed.

Importantly, and notwithstanding anything in this summary to the contrary, transfers from one investment to another investment that exceed certain quarterly or calendar year limits must be made in writing (see *"May I change my investment instructions?"* above).

<u>Withdrawals While Employed</u>

You may request a withdrawal from your Plan Account while you are employed by the County under any one of the following circumstances:

<u>Attainment of Age 70½</u>

You may withdraw all or any portion of your Plan Account after you attain age 70½. If you terminate employment after you reach age 70 ½, you may delay distribution of your Plan Account until the latest time permitted as described in the section called "*May I delay commencement of my Plan benefits?*" below).

<u>Financial Hardship Withdrawals</u>

You (or your beneficiary in the event of your death) may request a withdrawal from your Plan Account if you (or your beneficiary) have a severe financial hardship which is an unforeseeable emergency resulting from one of the following events or circumstances:

- An illness or accident which befalls you or your beneficiary, or an illness or accident of your or your beneficiary's spouse or dependent (as defined in Section 152 of the Internal Revenue Code, without regard to Section 152(b)(1), 152(b)(2) and 152(d)(1)(B) of the Internal Revenue Code);
- The loss of your property or your beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., such as damage that is the result of natural disaster);
- Other similar extraordinary and unforeseeable circumstances arising from events beyond your or your beneficiary's control, such as:
- the imminent foreclosure or eviction from your primary residence or your beneficiary's primary residence;
- the need to pay for funeral expenses of a spouse or dependent (as defined in Section 152(a) of the Internal Revenue Code, without regard to Section 152(b)(1), 152(b)(2) and 152(d)(1)(B) of the Internal Revenue Code); or
- the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication.

Also, in determining whether you have incurred an unforeseeable emergency, your beneficiary may be treated the same as your spouse or dependent. This is the individual you have designated as your beneficiary to receive all or some portion of your Plan Account in the event of your death (see "*May I designate beneficiaries to receive a distribution of my Plan Account in the event of my death?*" below). For purposes of the Plan, "spouse" means your legal spouse as determined in accordance with applicable federal law.

The following events, among others, are not considered unforeseeable emergencies under the Plan:

- Enrollment of a child in college (or tuition generally);
- Purchase of a house;
- Purchase or repair of an automobile;
- Marital separation or divorce; or
- Bankruptcy (except when resulting directly and solely from illness or casualty loss).

The amount of the hardship withdrawal cannot exceed the amount reasonably necessary to satisfy the emergency (including applicable taxes and penalties reasonably anticipated to result from the withdrawal). The hardship withdrawal will not be available to the extent the amount needed is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of your assets (to the extent that liquidation of your assets would not itself cause severe financial hardship), or by stopping contributions under the Plan. It is important to note, that eligibility to make Tax Deferred Contributions and/or Roth Contributions will be suspended for six (6) months following a hardship withdrawal.

Small Account Withdrawals

You may also request a withdrawal of all or any portion of the value of your Plan Account while you are employed by the County if the following three conditions are satisfied:

- The total value of your Plan Account is less than the amount specified by the Internal Revenue Service ($5,000 in 2014);
- You have not contributed any amounts to the Plan during the two-year period ending on the date of the distribution; and
- You have not received a prior small account withdrawal.

Distributions While Performing Qualified Military Service

If you are on active duty in the uniformed military service for more than thirty (30) days, you may elect to receive a distribution of all or part of your Tax Deferred Contributions and/or Roth Contributions Account. It is important to note that eligibility to make Tax Deferred Contributions and/or Roth Contributions will be suspended for six (6) months following the distribution.

Rollover Contributions

You may also request a withdrawal of the value of your Rollover Contributions Account(s) while you are employed by the County in accordance with procedures determined by the Deferred Compensation Administrator.

Please contact Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com for more information if you believe you qualify to make a withdrawal from your Plan Account while you are employed by the County and wish to withdraw funds from your Plan Account.

Distribution of Plan Benefits

When will my Plan benefits be distributed?

If your employment terminates for any reason, your Plan Account becomes payable. You can elect to receive payment as soon as administratively practicable. The value of your Plan Account will be determined and distributed as soon as administratively practicable after Nationwide receives your properly completed distribution election form (subject to the Deferred Compensation Administrator's approval). You may also elect to defer payment of your Plan Account (see "*May I delay commencement of my Plan benefits?*" below).

You may also request a withdrawal from your Plan Account under certain circumstances (See "*Withdrawals While Employed*" above).

May I delay commencement of my Plan benefits?

Yes, you may elect to delay the commencement of benefits until the latest time described in this paragraph (or, your "Required Beginning Date"). If you terminate employment before you reach age 70½, you may delay distribution of your Plan Account until April 1 of the calendar year following the calendar year in which you attain age 70½. If you terminate employment after you reach age 70½, you may delay distribution of your Plan Account until April 1 following the later of (1) the calendar year in which you attain age 70½; or (2) the calendar year in which you retire. This election must be made before your payment of benefits would otherwise begin. Your beneficiary may be able to elect a similar delay in benefit commencement, but payments to beneficiaries are required to begin within certain timeframes. (See *"How are payments made to my beneficiary?"* below.)

Also, if you are entitled to be paid from the Plan after 2001 (even if you have previously terminated employment and still have a Plan Account), you may change any previously irrevocable election and, instead, elect payment as described in the preceding paragraph.

In all cases, your Plan Account will be distributed as soon as administratively practicable after the valuation date which follows the date Nationwide receives your properly completed distribution form (subject to the Deferred Compensation Administrator's approval).

Until such time as you receive a distribution of your Plan Account, you may continue to direct the investment of your Plan Account into the same investment funds available under the Plan to active participants. In the absence of such direction for all or a portion of your Plan Account, your Plan Account will be invested in the Plan Default Investment Fund as described above under "*How is my Plan Account invested if I do not select investment funds?*" unless and until you direct otherwise.

What forms of payment may I elect for my distribution?

Payment of your Plan Account may be made in one of the following forms:

- A lump sum payment, which provides for a single payment of the entire value of your Plan Account.
- A partial lump sum payment.
- A fixed dollar payment (a specified amount paid to you until your Account balance is zero. The final payment may be less and the number of payments you receive will vary depending on any earnings and gains or losses and expenses.
- A fixed period payment (your Plan Account will be paid to you for the number of years you select). The actual dollar amount will vary depending on any earnings and gains or losses and expenses and the duration requested.
- Such other form of payment as may be permitted by the Deferred Compensation Administrator.

Special Note: For systematic withdrawals, benefit payments may be accelerated if the entire Plan Account would be liquidated in no more than one year. Also, the Plan must follow certain Internal Revenue Service rules regarding minimum payment amounts to participants under certain payment forms described above.

If you do not elect a form of payment by the time that payment of your Plan Account is to be made, you will receive payment in accordance with the Internal Revenue Code requirements regarding minimum required distributions.

May I roll over my Plan Account in this Plan to an IRA or other eligible retirement plan?

Yes. A distribution of your Tax Deferred Contributions (and any associated earnings) made in either a lump sum payment or in the form of systematic withdrawals over a period of less than ten years may be paid directly to any other eligible retirement plan. For this purpose, an "eligible retirement plan" means a traditional IRA, a qualified 401(a) plan, a 403(b) tax-sheltered annuity plan maintained by certain educational or tax-exempt entities, or an eligible 457(b) plan maintained by a state or local governmental agency. However, an employer is not required to accept a rollover and you should check with your new employer to see if your distribution can be rolled over.

A distribution of your Roth Contributions (and any associated earnings) may only be rolled over to a Roth IRA or a designated Roth account in another eligible retirement plan that accepts and separately accounts for Roth Contributions. The rules governing Roth IRAs are complicated, and you should speak with your personal tax advisor prior to rolling over funds to a Roth IRA.

Please contact Nationwide or the Deferred Compensation Administrator for more details.

May I transfer my Plan Account in this Plan to another 457(b) Plan?

Yes. Instead of receiving the distribution directly or having the distribution rolled over as described above, you may instead elect a direct transfer of the value of your Plan Account in this Plan to another governmental Section 457(b) plan provided the other plan will accept those amounts and other requirements are met. Please contact the Deferred Compensation Administrator for details.

May I transfer my Plan Account in this Plan to purchase service credit under the San Diego County Employees Retirement Association?

Yes. You may be able to transfer your Plan Account to purchase additional service credit under the San Diego County Employees Retirement Association (or other qualified defined benefit plan maintained by a governmental agency). For more information, you should contact the administrator of the retirement system to which you are considering making the transfer.

May I use my Plan Account in this Plan to pay health insurance premiums?

Yes. If you terminated employment from the County as a public safety officer due to disability or retirement, you may be eligible to use amounts in your Plan Account to pay for certain health insurance premiums. Payments must be made by the Plan directly to your provider and the maximum annual amount of all such payments is $3,000 (or such other amount permitted under the Internal Revenue Code). Any such payments will be made in accordance with procedures established by the Deferred Compensation Administrator. Please contact the Deferred Compensation Administrator for eligibility and other details.

Death Benefits Payable Under the Plan

May I designate beneficiaries to receive a distribution of my Plan Account in the event of my death?

Yes. You can designate one or more persons to be your beneficiary under the Plan - for instance, your spouse, your "registered domestic partner" (see below), your children or other person. The designation is made by completing and filing the proper form with Nationwide. You can change your beneficiary (or beneficiaries) at any time by filing a new form with Nationwide, but no designation is valid unless it is received by Nationwide on a properly completed form before your death. You can request a beneficiary designation form from Nationwide at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com**.**

If you do not have on file with Nationwide an effective beneficiary designation form at the time of your death, then your Plan Account will be paid to the following beneficiaries in the order listed:

- your surviving spouse or registered domestic partner, if any;
- if you are not survived by a spouse or registered domestic partner, then to your surviving children, if any, in equal shares; and
- if you are not survived by a spouse, registered domestic partner or any children, then to your estate.

For purposes of the Plan, "registered domestic partner" shall have the same meaning as in Section 297.5 of the California Family Code. This generally means a person with whom you have filed a Declaration of Domestic Partnership with the Secretary of the State of California and the person continues to be your registered domestic partner in accordance with Section 297.5 of the California Family Code. For purposes of the Plan, "spouse" means your legal spouse as determined in accordance with applicable federal law.

What will my beneficiary receive?

If you die before everything in your Plan Account has been paid to you, your beneficiary will receive the balance after filing a claim on the appropriate form. Your beneficiary may elect any optional form of payment available to Plan participants except as otherwise provided under the Plan. If your beneficiary does not elect a form of payment, your Plan Account will be distributed in accordance with Internal Revenue Code requirements regarding minimum required distributions.

Benefit Security

Is it possible for me to lose my benefits under the Plan?

Yes. Your Plan Account may be lost or substantially reduced in certain situations, including the following:

- The value of any Plan Account may decline due to your investment selections and general market conditions (see *"Investment Options And Risks"* above).
- If you (or your beneficiary) do not provide the County with your (or your beneficiary's) most recent address and you (or your beneficiary) cannot be located. Therefore, you should always keep the County and the Deferred Compensation Administrator advised of your current address.
- If the Plan is required to pay all or a portion of your Plan Account to your spouse, former spouse or a dependent under the terms of a domestic relations order (made in accordance with applicable federal law) that has been approved by the Deferred Compensation Administrator.
- If certain requirements of federal tax law are not satisfied in any year, the level of contributions may be reduced or returned to certain employees.
- If the Deferred Compensation Administrator finds it necessary to recalculate the balance of your Plan Account because of corrected data that it receives.
- Your claim (your beneficiary's claim) for benefits under the Plan is denied and you (or your beneficiary) fail to timely follow the Plan's claims and appeal procedures (see "*What If My Application Is Denied?*" below).

May I assign or transfer my interest in the Plan?

No. Except in the case of a domestic relations order that is determined to be qualified under the terms of the Plan and applicable federal law, you may not assign or otherwise transfer your interest in the Plan to anyone else. A domestic relations order permits the division of property (including Plan benefits) pursuant to divorce and certain other domestic relations proceedings. Participants and beneficiaries can obtain, without charge, a copy of the Plan's procedures governing the approval of domestic relations order determinations from the Deferred Compensation Administrator.

Are the benefits under the Plan insured?

No. The benefits provided under the Plan are not insured.

Tax Treatment of Plan Distributions

The Plan is intended to meet the requirements of Section 457(b) and other related provisions of the Internal Revenue Code as applicable to plans of state and local governmental agencies. The tax discussion below is a summary included only for your general information, based on federal tax laws in effect as of the date of this summary and the information does not include a discussion of state or local taxes.

The County does not assume any responsibility for the information provided below and does not provide tax advice. Also, this does not include a discussion of state taxes. It is important, therefore, that participants and beneficiaries consult a qualified tax advisor to obtain current information as well as advice which is tailored to their particular circumstances.

Tax treatment on distribution of your Tax Deferred Contributions

As long as your Tax Deferred Contributions (and any earnings on such contributions) remain in the plan, they are not taxable under current tax laws. However, previously untaxed funds are taxable when they are distributed from the Plan.

IRS regulations allow you to delay paying taxes on your Tax Deferred Contributions and associated earnings, if any, by rolling over your distribution into an "eligible retirement plan" that accepts rollovers. For this purpose, an "eligible retirement plan" means an IRA (a traditional IRA or a Roth IRA) or another employer plan qualified under Section 401(a) of the Code, a 403(a) qualified annuity plan, a 403(b) tax-sheltered annuity plan, or an eligible 457(b) plan of a state or local state governmental agency.

The rules regarding taxation of distributions from eligible 457(b) plans maintained by state or local state governmental agencies (like the Plan) are complex, and you should carefully review the Plan's Section 402(f) Notice before making any election regarding distribution or rollover from the Plan. You can obtain a copy of the Plan's Section 402(f) Notice by contacting Nationwide at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com**.** You may also wish to seek advice from an experienced tax advisor before making any election regarding distribution from the Plan.

Tax treatment on distribution of your Roth Contributions

Distributions of your Roth Contributions and associated earnings, if any, are not taxable for federal income tax purposes if the distribution is made (i) after a period of at least **five (5) consecutive calendar years** beginning with the first calendar year in which you made Roth

Contributions to the Plan (or to another plan if you rolled over Roth amounts from that other plan to this Plan); and (ii) on or after you reach age 59 ½ or die or become disabled. If your distribution does not meet these timing requirements, the portion of your distribution representing earnings on your Roth Contributions will be taxed in the same manner as Tax Deferred Contributions described above.

An In-Plan Roth Rollover will be treated as a Roth Contribution for purposes of triggering the 5-year holding period and determining whether the earnings, if any, on In-Plan Roth Rollover amounts may be withdrawn or distributed tax free (see "*How do I elect to make an In-Plan Roth Rollover?*" above for more information regarding In-Plan Roth Rollovers). .

A distribution of Roth Contributions, including associated earnings, may only be rolled over to a Roth IRA or a designated Roth account in an eligible retirement plan that will accept the rollover.

The rules regarding taxation of distributions from eligible 457(b) plans maintained by state or local state governmental agencies (like the Plan) are complex, and you should carefully review the Plan's Section 402(f) Notice before making any election regarding distribution or rollover from the Plan. You can obtain a copy of the Plan's Section 402(f) Notice by contacting Nationwide at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com**.** You may also wish to seek advice from an experienced tax advisor before making any election regarding distribution from the Plan.

Automatic Tax Withholding

When your Plan Account Balance is distributed to you, you may elect to receive your benefits in cash or, as discussed above, have your benefits transferred directly to an "eligible retirement plan" that accepts rollovers (known as a "direct rollover"). If you elect to receive all or some portion of your otherwise eligible rollover distribution in cash, 20% of the taxable portion of your distribution amount will automatically be withheld as federal income tax. You may avoid this withholding by electing to have your distribution transferred directly into an eligible retirement plan.

The following types of distributions are not eligible for rollover to an eligible retirement plan and, therefore, are not subject to the mandatory 20% federal tax withholding:

- Minimum required distributions at or after age 70½;
- Installments paid out over your life or life expectancy or a period of 10 years or more;
- Distributions on account of a severe financial hardship;
- Corrective distributions of contributions that exceed tax law limitations; and
- Distributions to someone other than your spouse or former spouse under a qualified domestic relations order (as that term is used in Section 414(p) of the Internal Revenue Code).

If you receive all or some portion of your otherwise eligible rollover distribution in cash, you may still be able roll over all or part of such distribution (including an amount equal to the 20% of the taxable portion that was withheld) to an eligible retirement plan that accepts rollovers, provided the rollover contribution is made within sixty (60) days of the date you receive payment. Please see the Plan's Section 402(f) Notice for more information.

The rules summarized above are complex and contain many conditions and exceptions that are not included here. You should carefully review the Plan's Section 402(f) Notice before making any election regarding distribution or rollover from the Plan. You can obtain a copy of the Plan's Section 402(f) Notice by contacting Nationwide at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com**.** You may also find more information on the tax treatment of payments from retirement plans in Internal Revenue Service Publication 575, Pension and Annuity Income, and Internal Revenue Service Publication 590, Individual Retirement Arrangements. These publications are available at your local Internal Revenue Service office or may be obtained from the Internal Revenue Service website located at www.irs.gov, or by callying 1-800-TAX-FORMS. Applicable state taxes may also be withheld.

Payments to Surviving Spouses, Alternate Payees and Beneficiaries

Your surviving spouse, or a spouse or former spouse who is an "alternate payee" under a domestic relations order determined to be qualified under the terms of the Plan and applicable federal law, generally has the same choices as an employee. Thus, if a distribution is a type that can be rolled over, the person may elect to receive the distribution or roll it over to a traditional IRA, Roth IRA or other eligible retirement plan that accepts rollovers.

If your beneficiary under the Plan is someone other than your surviving spouse (as determined under federal law) or an alternate payee, he or she may be able to elect either a direct rollover to an IRA or to receive the Plan benefit (but may not elect to rollover the Plan benefit to another eligible retirement plan). For this purpose, your beneficiary may be your domestic partner (regardless of whether he or she is your registered domestic partner), your parent, your sibling or your child, among others. The IRA will be treated as an inherited IRA. If the beneficiary is not eligible to elect a direct rollover, he or she must receive the Plan benefit and must recognize the amount in income in the year received.

Changes in Tax Laws

The rules summarized above are complex and contain many conditions and exceptions that are not included here. Also, changes to the Internal Revenue Code or applicable regulations and rulings may be made at any time. Such developments could render all or any part of the tax discussion in this summary obsolete, and the County assumes no responsibility for the information provided above. Also, the discussion generally does not include a discussion of state taxes. It is essential, therefore, that you consult a qualified tax advisor to obtain current information as well as advice which is tailored to your particular circumstances. You may also find more specific information on the tax treatment of payments from retirement plans in Internal Revenue Service Publication 575, Pension and Annuity Income, and Internal Revenue Service Publication 590, Individual Retirement Arrangements. These publications are available at your local Internal Revenue Service office or may be obtained from the Internal Revenue Service website located at www.irs.gov, or by calling 1-800-TAX-FORMS.

Amendment and Termination of the Plan

May the Plan be amended?

Yes. The Plan may be amended by the County at any time.

May the Plan be terminated?

Yes. The Plan may terminated by the County at any time.

No Employment Rights

The Plan is not an employment contract. Nothing in the Plan or in this summary is to be interpreted as giving any person a right to remain an employee of the County, and nothing in the Plan or this summary affects the right of the County to terminate anyone's employment at any time, with or without cause.

Claim Procedures

Where and When Should I Apply?

Your Plan Account will be distributed to you as soon as administratively practicable after Nationwide receives your properly completed distribution election form subject to the approval of the Deferred Compensation Administrator. You can contact Nationwide by telephone at 888-DC4-LIFE or via the Plan's website at www.mydcplan.com.

The Deferred Compensation Administrator for the Plan is the Treasurer-Tax Collector of the County of San Diego. The Treasurer-Tax Collector's office is available to assist you in applying for your benefit and exercising your other rights under the Plan.

The Deferred Compensation Administrator may rule on the benefits application solely on the basis of your application or the application of your beneficiary (if you die before the complete distribution of your benefits under this Plan). In the event the Deferred Compensation Administrator determines it is necessary to hold a hearing regarding any benefit determination, the Deferred Compensation Administrator may appoint either one of its agents or a member of the State Bar of California to serve as a referee. The referee shall hold such a hearing and shall transmit, in writing, to the Deferred Compensation Administrator his or her proposed findings of fact and recommended decision.

(a) The proposed findings of fact and recommendations of the referee shall be served on the parties who shall have ten (10) days to submit written objections thereto which shall be incorporated in the record considered by the Deferred Compensation Administrator.

(b) Upon receiving the proposed findings of fact and the recommendations of the referee, the Deferred Compensation Administrator may:

    (1) Approve and adopt the proposed findings and the recommendations of the referee; or

(2) Require a transcript or summary of all the testimony, plus all other evidence received by the referee.

(c) Upon the receipt of the information described in paragraph (b)(2) above, the Deferred Compensation Administrator shall:

(1) Take such action as in its opinion is indicated by such evidence; or

(2) Refer the matter back with or without instructions to the referee for further proceedings; or

(3) Set the matter for hearing before itself. At such hearing the Deferred Compensation Administrator shall hear and decide the matter as if it had not been referred to the referee.

An application shall be granted or written notice of a denial shall be given to you or your beneficiary within ninety (90) days after the Deferred Compensation Administrator receives a proper application, unless special circumstances require an extension of time for processing the application. In no event shall such an extension exceed a period of ninety (90) days from the end of the initial 90-day period. If such an extension is required, written notice thereof shall be furnished to the applicant before the end of the initial 90-day period. Such notice shall indicate the special circumstances requiring an extension of time and the date by which the Deferred Compensation Administrator expects to render a decision. If an application is neither granted nor denied within the time period prescribed by this section, such application shall be deemed denied and the participant or beneficiary may appeal the deemed denial as provided below. The above notices may be delivered electronically or on paper.

What if My Application Is Denied?

Any person whose application for benefits is denied in whole or in part (or such person's duly authorized representative) may appeal from the denial by submitting to the Deferred Compensation Administrator a request for an independent review of such application within six (6) months after receiving written notice of the denial. The Deferred Compensation Administrator shall give the applicant or his or her representative an opportunity to review pertinent documents (except legally privileged materials) in preparing such request for review and to submit issues and comments in writing. The request for review shall be in writing and shall be addressed as follows:

Office of the Treasurer – Tax Collector
Deferred Compensation Administrator
County of San Diego Deferred Compensation Plan
1600 Pacific Highway, Room 102
San Diego, California 92101

The request for review shall set forth all of the grounds on which it is based, all facts in support of the request and any other matters which the applicant deems pertinent. The Deferred Compensation Administrator may require the applicant to submit such additional facts, documents or other material as he or she may deem necessary or appropriate in making a review.

Any review of a denied application shall be conducted by a panel of three or more individuals who did not take part in the initial denial of such application. Such individuals shall be designated by the Deferred Compensation Administrator.

Decision on Review. The Deferred Compensation Administrator shall act upon each request for review within sixty (60) days after receipt thereof, unless special circumstances require an extension of time for processing, but in no event shall the decision on review be rendered more than one hundred and twenty (120) days after the Deferred Compensation Administrator receives a proper request for review. If such an extension is required, written notice thereof shall be furnished to the applicant before the end of the initial sixty (60) day period. The Deferred Compensation Administrator shall give prompt, written notice of the decision to you or your beneficiary. In the event that the denial of the application for benefits is affirmed in whole or in part, such notice shall set forth, in a manner calculated to be understood by you or your beneficiary, the specific reasons for such denial and specific references to this Plan's provisions on which the decision is based. The above notices may be delivered electronically or on paper.

Exhaustion of Administrative Remedies; Limitations. No legal or equitable action for benefits under the Plan shall be brought unless and until the participant or beneficiary ("claimant"):

(a) has submitted a written application for benefits as specified in the Plan documents,

(b) has been notified that the application is denied as provided in the Plan documents,

(c) has filed a written request for an independent review of the application in accordance with the Plan documents, and

(d) has been notified in writing that the denial of the application was affirmed as provided in the Plan documents;

provided, however, that such an action may be brought if the claim has not been acted upon within the time period prescribed by above.

Other Plan Information

Plan Sponsor

County of San Diego
1600 Pacific Highway
San Diego, CA 92101

Employer Identification Number

Employer Identification Number: 95-6000934

Plan Administrator

The Deferred Compensation Administrator is the administrator of the Plan. The Deferred Compensation Administrator is the San Diego County Treasurer-Tax Collector or its delegate.

The Deferred Compensation Administrator interprets the Plan, and may adopt rules and procedures to implement any Plan provisions. The Deferred Compensation Administrator also has the authority to take such other actions as it deems appropriate in administering the Plan. The decisions of the Deferred Compensation Administrator with regard to the Plan are conclusive and binding on all persons. The Deferred Compensation Administrator may delegate any of its functions under the Plan to other persons.

You may contact the Deferred Compensation Administrator as follows:

County Treasurer-Tax Collector
Deferred Compensation Administrator
County of San Diego Incentive Retirement Deferred Compensation Plan
1600 Pacific Highway, Room 102
San Diego, CA 92101

Type of Plan

The San Diego County Deferred Compensation Plan is intended to be an eligible deferred compensation plan established pursuant to Section 457(b) of the Internal Revenue Code.

Service of Process

The Plan's agents for service of legal process is the Deferred Compensation Administrator. Legal process may also be served on the Trustee.

Trustee

The Trustees for the Plan are:

Nationwide Trust Company, FSB
5100 Rings Road RR1-05-C8
Dublin, OH 43017

Wells Fargo Bank, N.A.
4365 Executive Drive, Suite 1700
San Diego, CA 92121

Plan Year

The fiscal year (or Plan Year) of the Plan is the calendar year.

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