EXECUTIVE SUMMARY

PROPOSED FIRST AMENDMENT TO THE

LANSING COMMUNITY COLLEGE

RESTATED TAX SHELTERED ANNUITY PROGRAM CONTROLLING DOCUMENT

Lansing Community College sponsors the Lansing Community College Restated Tax Sheltered Annuity Program Controlling Document (the "Plan"). Relevant law requires that the Plan be amended to reflect (1) clarifications in legal requirements resulting from guidance issued under the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART Act"), and (2) changes in legal requirements resulting from the enactment of the Worker, Retiree and Employer Recovery Relief Tax Act of 2008 ("WRERA"). The attached First Amendment contains the necessary compliance language, and generally does not affect the administration of the Plan. The First Amendment does, however, provide that (i) a participant who is on qualified active military duty of a period of more than 30 days may be eligible to receive a distribution from the Plan during active military duty, and (ii) the Plan may accept participant rollovers of dollars from other Code Section 403(b) Plans, from qualified retirement plans, from governmental Code Section 457 plans and from certain IRAs.

The Human Resources Department proposes also amending the Plan to allow a participant to have any portion of his or her account balance transferred from the Plan directly to a tax qualified governmental defined benefit plan (a "Permissive Service Credit Transfer"). A Permissive Service Credit Transfer would allow a participant to purchase with pre-tax dollars additional service credit under the governmental defined benefit plan to which the Transfer is made. The attached First Amendment to the Plan contains the language necessary to permit a Permissive Service Credit Transfer.

Management recommends approval of the First Amendment to the Plan.

# FIRST AMENDMENT

# TO THE LANSING COMMUNITY COLLEGE

# RESTATED TAX SHELTERED ANNUITY PROGRAM CONTROLLING DOCUMENT

The Lansing Community College Restated Tax Sheltered Annuity Program Controlling Document is hereby amended effective January 1, 2011 as set forth below.

1. Section 2.1 is amended by the addition of the following subsection (jj) at the end thereof.

(jj) "Rollover Contribution Account" means the account maintained for a Participant to record amounts transferred to the Plan pursuant to Section 4.6 and adjustments relating thereto. The Plan Administrator will maintain separate sub-accounts under this Account for the purpose of recording contributions made pursuant to Code Section 403(b)(1) and contributions made pursuant to Code Section 403(b)(7).

1. Section IV is amended by the addition of the following numbered Section 4.6 at the end thereof.

4.6 ROLLOVERS FROM OTHER PLANS. To the extent permitted in the Annuity Contracts or Custodial Account, the Plan will accept all or a portion of an eligible rollover distribution from another eligible retirement plan made on behalf of an Employee who is eligible to participate in the Plan. Such rollover contributions shall be made in the form of cash only.

The Plan Administrator shall develop such procedures, and may require such information from an Employee on whose behalf such a rollover is to be made, as it deems necessary or desirable to determine that the proposed rollover will meet the requirements of Code Section 402 and this Section. Upon approval of the Plan Administrator, the amount rolled over shall be deposited in the Annuity Contract or Custodial Account and shall be credited to the Employee's Rollover Contribution Account.

The Plan will accept a direct rollover or a Participant contribution of an eligible rollover distribution from the following eligible retirement plans:

* + 1. A qualified plan described in Code Section 401(a) or 403(a), excluding after-tax employee contributions;
		2. An annuity contract or custodial account described in Code Section 403(b), excluding after-tax employee contributions;
		3. An individual retirement account described in Code Section 408(a) and an individual retirement annuity described in Code Section 408(b) that is eligible to be rolled over and would otherwise be includable in gross income; or
		4. An eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state that is eligible to be rolled over and would otherwise be includable in gross income.

For purposes of this Section, an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code Section 401(a)(9), or (4) any other distribution that does not meet the requirements of Code Section 402(c)(4) and any superseding guidance and regulation.

1. Section VIII is amended by the addition of the following numbered Section 8.4 at the end thereof.

8.4 PERMISSIVE SERVICE CREDIT TRANSFERS.

* + 1. This Section 8.4 applies to the purchase of permissive service credit that is contemplated by Section 821 of the Pension Protection Act of 2006 and Code Section 415(n) (the "Permissive Service Credit"). A Participant may elect to have any portion of the Participant's Account transferred from this Plan directly to a tax qualified defined benefit pension plan that is a governmental plan as that term is defined in Code Section 414(d). Such a transfer is permitted pursuant to this Section 8.4 only if said governmental plan provides for acceptance of such transfers for the purpose of purchasing such penmss1ve service credit. A Participant is permitted to make such a transfer election prior to Termination of Employment.
		2. The amount of a transfer that is made under this Section 8.4 shall not be includible in the Participant's gross income provided that said transfer is for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan.
		3. If a transfer hereunder does not constitute a complete transfer of the Participant's or Beneficiary's interest in this Plan, then this Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in this Plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).
		4. Upon the transfer of assets from this Plan to a defined benefit governmental plan, this Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Plan Administrator of this Plan may require documentation from the receiving defined benefit governmental plan and from the Participant as it deems appropriate to comply with this Section 8.4.
1. The following Articles XIV and XV are added in their entirety immediately following Article XIII.

## ARTICLE XIV - HEART ACT PROVISIONS

14.1 DEATH BENEFITS. In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

14.2 DIFFERENTIAL WAGE PAYMENTS. For years beginning after December 31, 2008: (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), is treated as an employee of the employer making the payment; (ii) the differential wage payment is treated as compensation for purposes of Code Section 415(c)(3) and Treasury Reg. Section 1.415(c)-2 (e.g., for purposes of Code Section 415, top-heavy provisions of Code Section 4I6, determination of highly compensated employees under Code Section 414(q), and applying the 5% gateway requirement under the Code Section 401(a)(4) regulations); and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) (or corresponding plan provisions, including, but not limited to, Plan provisions related to the ACP test) by reason of any contribution or benefit which is based on the differential wage payment. The Plan Administrator operationally may detem1ine, for purposes of the provisions described in Code Section 414(u)(1)(C), whether to take into account any deferrals, and if applicable, any matching contributions, attributable to differential wages. Differential wage payments (as described in this Section 14.2) will also be considered compensation for all Plan purposes.

Section 14.2(iii) above applies only if all employees of the Employer performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code Section 3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code Sections 410(b)(3), (4), and (5)).

14.3 DEEMED SEVERANCE. Notwithstanding Section 14.2(i), if a Participant performs service in the uniformed services (as defined in Code Section 414(u)(12)(B)) on active duty for a period of more than 30 days, effective January 1, 2007, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code Section 412. However, the Plan will not distribute such a Participant's account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision (such as a qualified reservist distribution), then the other Plan provision will control and the 6-month suspension will not apply.

## ARTICLE XV - 2009 REQUIRED

## MINIMUM DISTRIBUTIONS

15.1 CONTINUATION OF RMDs. A Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (I) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will continue to receive those distributions for 2009 unless otherwise elected by a Participant or Beneficiary.

15.2 DIRECT ROLLOVERS. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code Section 401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code Section 401 (a)(9).

LANSING COMMUNITY COLLEGE

Dated: November 29, 2011 By: 

 Its: President