EXECUTIVE SUMMARY

PROPOSED FIRST AMENDMENT TO THE

LANSING COMMUNITY COLLEGE DEFERRED COMPENSATION PLAN

Lansing Community College sponsors the Lansing Community College Deferred Compensation Plan (the "Plan"). Relevant law requires that the Plan be amended to reflect clarifications in certain legal requirements resulting from the issuance of:

1. guidance under the Pension Protection Act of 2006;
2. guidance issued under the Heroes Earnings Assistance and Relief Tax Act of 2008 (the "HEART Act"); and
3. changes in legal requirements resulting from the enactment of the Worker, Retiree and Employer Recovery Act of 2008 ("WRERA").

The attached First Amendment to the Plan contains the required compliance language. It generally does not affect the administration of the Plan. The Amendment does, however, provide that (i) a Plan participant may elect to roll over any portion of his or her Plan account balance to a Roth IRA, (ii) a non-spouse beneficiary may roll over any portion of his or her distribution to an IRA, and (iii) a Plan participant who is on qualified active military duty for a period of more than 30 days may be eligible to receive a distribution from the Plan during such active military duty.

Management recommends approval of the First Amendment to the Plan.

# FIRST AMENDMENT TO THE

# LANSING COMMUNITY COLLEGE

# DEFERRED COMPENSATION PLAN

The Lansing Community College Deferred Compensation Plan is hereby amended effective January 1, 2011 at set forth below.

1. Section I is amended by the addition of the following numbered paragraph 13. at the end thereof.

13. "Plan Year" shall mean the 12-month period commencing on January 1 and ending on December 31.

1. Section III is amended by the addition of the following numbered paragraph 4. at the end thereof:

4. Deferrals from Post-Severance Compensation.

* + - 1. Post-Severance Deferrals Limited to Post-Severance Compensation. For taxable years beginning after December 31, 2001, deferrals are permitted from an amount received following Severance from Employment only if the amount is Post-Severance Compensation as defined in Section III.4.A.
			2. Post-Severance Compensation Defined. Post-Severance Compensation for purposes of this Article III includes the amounts described in (i) and (ii) below, paid after a Participant's Severance from Employment with the Employer, but only to the extent such amounts are paid by the later of 2½ months after Severance from Employment or the end of the calendar year that includes the date of such Severance from Employment. Post-Severance Compensation shall also include the amounts described in (iii) and (iv) below.
	1. Regular Pay. Post-Severance Compensation includes regular pay after Severance of Employment if: (i) the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and (ii) the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with the Employer.
	2. Leave Cashouts and Deferred Compensation. Post- Severance Compensation includes leave cashouts if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's Severance from Employment, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued. In addition, Post­ Severance Compensation includes payments of deferred compensation if the compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's Severance from Employment, and the compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.
	3. Salary Continuation Payments for Military Service Participants. Post-Severance Compensation includes payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service (as described in Code §414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service.
	4. Salary Continuation Payments for Disabled Participants. Post-Severance Compensation includes Compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)), provided that the Employer's disability plan provides disability payments to all permanently and totally disabled Participants. This provision applies to all employees who are permanently and totally disabled for a period to be determined pursuant to administrative procedures adopted by the Employer pursuant to this Section III.4.B.(iv).
		+ 1. Limitation on Post-Severance Compensation. Any payment of Compensation paid after Severance of Employment that is not described in Section III.4.B.(i),(ii),(iii) and (iv) above is not Post-Severance Compensation, even if payment is made by the later of 2½ months after Severance from Employment or by the end of the calendar year that includes the date of such Severance of Employment.
1. Section VI.1.B is amended by the addition of the following subsection (iv) at the end thereof.

(iv) Required Minimum Distributions Not Eligible for Rollover. A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

1. The third sentence of Section VI.H.7. is replaced in its entirety with the following:

"An unforeseeable emergency is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Participant's Beneficiary, or the Participant's or Beneficiary's spouse or dependent (as defined in Code §152, and, for taxable years beginning on or after January 1, 2005, without regard to Code §152(b)(1), (b)(2), and (d)(1)(B)); (2) loss of the Participant's or Beneficiary's property due to casualty; (3) the need to pay for the funeral expenses of the Participant's or Beneficiary's spouse or dependent (as defined in Code §152, and, for taxable years beginning on or after January 1, 2005, without regard to Code §152(b)(1), (b)(2), and (d)(1)(B)); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's or Beneficiary's control."

1. Section VII.6., is amended by the addition of the following subsections A. and B. at the end thereof:
2. Direct Rollover of Non-Spouse Beneficiary Distribution.
3. Non-Spouse Beneficiary Rollover Right. A non-spouse beneficiary who is a "designated beneficiary" under Code §401(a)(9)(E) and the regulations thereunder, by a direct trustee­ to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account ("IRA") the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.
4. Certain Requirements Not Applicable. Although a non- spouse beneficiary may roll over directly a distribution as provided in Section VII.6.A., any distribution made prior to the first day of the first plan year beginning after December 31, 2009, is not subject to the direct rollover requirements of Code §401(a)(31) (including Code §401(a)(31)(B), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c)). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.
5. Trust Beneficiary. If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).
6. Direct Rollover to Roth. For distributions made after December 31, 2007, a Participant may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b).
7. Section VII.10. is amended by the addition of the following subsections D. and E. at the end thereof.
8. Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order ("QDRO") will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.
9. A domestic relations order described in Section VII.10.D. is subject to the same requirements and protections that apply to QDROs.
10. Section VIII is replaced in its entirety with the following:
	1. Claims Procedure. The Plan Administrator shall have discretionary authority to make all determinations as to the right of any person to a benefit. Any denial by the Plan Administrator of the claim for benefits under the Plan by a Participant or Beneficiary shall be stated in writing by the Plan Administrator and delivered or mailed to the Participant or Beneficiary. Such notice shall set forth the specific reasons for the denial, written to the best of the Plan Administrator's ability in a manner that may be understood without legal or actuarial counsel. Approval or denial of a claim shall be delivered or mailed to the claimant within 90 days of the time such claim is made, unless special circumstances require an extension of time in accordance with relevant law. In addition, the Plan Administrator shall afford a reasonable opportunity to any Participant or Beneficiary whose claim for benefits has been denied in whole or in part for a review of the decision denying the claim. Review must be applied for by written request to the Plan Administrator within 60 days after denial of the claim. The Plan Administrator will advise the claimant of its decision within 60 days after such request is made. The times set forth above for submission of claims and appeals and for response by the Plan Administrator may be modified to comply with applicable law.
	2. 180-Day Participant Distribution Notification Period. For any distribution notice issued in plan years beginning after December 31, 2006, any reference to the 90-day maximum notice period prior to distribution in applying the notice requirements of Code §402(f) (the rollover notice relating to an eligible rollover distribution), means 180 days.
11. The following Article IX and Article X are added in their entirety immediately following Section XIII.

## ARTICLE IX

## HEART ACT PROVISIONS

* 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 §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.
	2. Differential Wage Payments. For years beginning after December 31, 2008: (i) an individual receiving a differential wage payment, as defined by Code §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 §415(c)(3) and Treas. Reg. §1.415(c)-2 (e.g., for purposes of Code §415, including the definition of post­ severance compensation for deferral purposes under Treas. Reg. §1.457- 4(d)(1)); and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) (or corresponding plan provisions) by reason of any contribution or benefit which is based on the differential wage payment. Differential wage payments (as described herein) will also be considered compensation for all Plan purposes.

Section IX.2.(iii) above applies only if all employees of the Employer performing service in the uniformed services described in Code §3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code §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 §§410(b)(3), (4), and (5)).

* 1. Deemed Severance. Notwithstanding Section IX.2.(i), if a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §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 X

## 2009 REQUIRED MINIMUM DISTRIBUTIONS

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 (ii) 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.
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)(I-1).

## LANSING COMMUNITY COLLEGE

Dated: November 29, 2011 