

**2019-1 Amendment  
to the  
State of Connecticut Section 403(b) Plan**

Pursuant to Section 9.01 of the State of Connecticut Section 403(b) Plan (the “Plan”), the State hereby amends the Plan as follows:

(1) Section 3.08, Suspension of Deferral Election, is amended and restated in its entirety as follows:

[Removed.]

(2) Section 3.09, Deemed Termination of Deferral Election, is amended by removing the reference to Section 3.08 in the first sentence thereof.

(3) Section 5.02, Hardship Withdrawal, is amended and restated in its entirety as follows:

(a) Participant may request a distribution due to severe financial hardship by submitting a written request, on a form approved by the Plan Administrator, accompanied by evidence to demonstrate that the circumstances being experienced qualify as a hardship. No hardship distributions can be taken from a Discontinued Investment Fund, or from investment earnings on amounts in a Deferral Account. The Plan Administrator shall have the authority to require such evidence as it deems necessary to determine if such a distribution is warranted. If an application for a hardship withdrawal is approved, the distribution shall be limited to an amount sufficient to meet the immediate and heavy financial need as set forth in subsection (b) below and section 1.401(k)-1(d)(3)(ii)(B) of the Treasury Regulations.

(b) A distribution is deemed to be on account of an immediate and heavy financial need of the Employee if the distribution is for:

(i) Expenses for (or necessary to obtain) medical care that would be deductible under section 213(d), determined without regard to the limitations in section 213(a) (relating to the applicable percentage of adjusted gross income and the recipients of the medical care) provided that, if the recipient of the medical care is not listed in section 213(a), the recipient is a Beneficiary;

(ii) Costs directly related to the purchase of a principal residence for the Employee (excluding mortgage payments);

(iii) Payment of tuition, related educational fees and room and board expenses, for up the next 12 months of post-secondary education for the Employee, or the Employee’s spouse, children, dependents (as defined in section 152 without regard to section 152(b)(1), (b)(2) and (d)(1)(B)), or for the Beneficiary;

(iv) Payments necessary to prevent the eviction of the Employee from the Employee's principal residence or foreclosure on the mortgage on that residence;

(v) Payments for burial or funeral expenses for the Employee's deceased parent, spouse, child or dependents, (as defined in section 152 without regard to section 152(d)(1)(B)), or for the deceased Beneficiary;

(vi) Expenses for the repair of damage to the Employee's principal residence that would qualify for the casualty deduction under section 165 (determined without regard to section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income); or

(vii) Expenses and losses (including loss of income) incurred by the Employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that the Employee's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

(4) A new Section 5.09, Distributions of Small Account Balances, is added at the end of Article Five as follows:

If, upon a Participant's Severance From Employment, or on a periodic basis thereafter, or at the time of any distribution from the Plan, the Participant's vested Account balance, disregarding the balance in the Rollover Account (if any), is not in excess of five thousand dollars (\$5,000), the Plan, to the extent permitted by law and applicable regulations, shall make a single lump sum payment to the Participant or Beneficiary entitled to such benefit. Notwithstanding the foregoing, in the event the Participant's vested Account balance exceeds one thousand dollars (\$1,000) at the time of such distribution, and the Participant does not elect to receive the distribution directly or to have the distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover in accordance with the provisions of section 6.03 of the Plan, as applicable, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement account designated by the Plan Administrator.

(5) Section 6.04, Failure to Make Election, is amended and restated as follows:

If a Participant or Beneficiary fails to elect a form of distribution after becoming eligible to receive a distribution pursuant to Section 5.01, then the Account shall remain in the Plan until an election is made at a later date, subject to the requirements of Sections 5.04 and 5.05 and subject to distribution as provided by Section 5.09.

(6) Subsection (e) of Section 7.02, Special Rules, is amended and restated in its entirety as follows:

(e) If a Beneficiary has not been designated, or a designation is ineffective due to the death of all Beneficiaries prior to the death of the Participant, or the designation is ineffective for any other reason, then the Participant's Account shall be paid to (i) the Participant's Spouse, or (ii) if no Spouse survives the Participant, the Participant's children *per stirpes*, or (iii) if neither a Spouse nor any children survives the Participant, the Participant's estate.

**OFFICE OF THE STATE  
COMPTROLLER OF THE STATE OF  
CONNECTICUT, ON BEHALF OF  
THE STATE OF CONNECTICUT**

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By:   
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Kevin Lembo

Title: STATE COMPTROLLER

7/10/2020

Date: \_\_\_\_\_