

SECOND AMENDMENT TO
AUTHORITY VOLUNTARY INVESTMENT PLAN

This Amendment made this _____ day of _____, 2015, by the South Central Connecticut Regional Water Authority, for the purpose of amending the Authority Voluntary Investment Plan,

W I T N E S S E T H :

WHEREAS, by written Plan instrument dated November 21, 2013, the South Central Connecticut Regional Water Authority (the "Authority"), a public corporation constituting a public instrumentality and political subdivision of the State of Connecticut, has amended and restated the Authority Voluntary Investment Plan (the "Plan"), effective except where otherwise indicated as of January 1, 2013; and

WHEREAS, by written Plan instrument dated June 19, 2014, the Authority has amended the Plan pursuant to the First Amendment thereto, effective except where otherwise indicated as of January 1, 2013; and

WHEREAS, the Authority wishes to amend the Plan in the particulars set forth below;
and

WHEREAS, the Authority reserved the right to amend the Plan in Section 14.1 thereof;

NOW, THEREFORE, the Authority hereby amends the Plan as follows, effective as of July 1, 2015:

1. Section 1.32 of the Plan is hereby amended in its entirety to read as follows:

“1.32 PARTICIPANT'S ACCOUNT. The term Participant's Account means each Participant's individual account maintained in accordance with the terms of this Plan. Each Participant's Account shall be maintained so as to reflect the amount attributable to Employer contributions under Section 4.2(b) and earnings thereon; the amount attributable to the 401(k) Account and earnings thereon; the amount, if any, attributable to Post-Tax Contributions and earnings thereon; and the amount, if any, attributable to Rollover Contributions and earnings thereon. Effective July 1, 2015, and in accordance with Section 4.13, separate sub-accounts will be maintained within the 401(k) Account, entitled the Roth Elective Deferral Account and the Pre-Tax Deferral Account.”

2. The following new Section 1.49 is hereby added to the Plan:

“PRE-TAX DEFERRAL CONTRIBUTIONS. The term Pre-Tax Deferral Contributions means pre-tax employer contributions made to the Plan pursuant to the Salary Deferral Agreement election of a Participant under a cash or deferred arrangement.

3. The following new Section 1.50 is hereby added to the Plan:

“PRE-TAX DEFERRAL ACCOUNT. Pre-Tax Deferral Account has the meaning set forth in Section 4.13(b)(1) of the Plan.”

4. The following new Section 1.51 is hereby added to the Plan:

“ROTH ELECTIVE DEFERRAL. Roth Elective Deferral has the meaning set forth in Section 4.13(f) of the Plan.”

5. The following new Section 1.52 is hereby added to the Plan:

“ROTH ELECTIVE DEFERRAL ACCOUNT. Roth Elective Deferral Account has the meaning set forth in Section 4.13(b)(1) of the Plan.”

6. The following new Section 1.53 is hereby added to the Plan:

“401(K) ACCOUNT. The term 401(k) Account means a separate sub-account within Participant’s Account comprised of a Participant’s Pre-Tax Deferral Account and Roth Elective Deferral Account.”

7. Subparagraph (A) of Paragraph (b)(2) of Section 3.1 is hereby amended to read as follows:

“(2) (A) Notwithstanding the provisions of paragraph (b)(1) of this Section 3.1, each Union Employee who first commences employment with the Authority on or after April 15, 2010 but before April 16, 2014 shall be eligible to become a Participant immediately without being required to complete ½ Year of Service. However, any Union Employee who first commences employment with the Authority after April 15, 2014 will be subject to the ½ Year of Service eligibility requirement and shall be eligible (upon satisfaction of such requirement) as of the applicable Entry Date. Furthermore, any such Union Employee who first commences employment with the Authority on or after April 15, 2010 (whether before, on or after April 15, 2014) shall be enrolled automatically in the Plan when first eligible and shall have a Pre-Tax Deferral Contribution made on his behalf at a contribution percentage rate of six percent (6%) of his Compensation. The Participant may elect to not participate, or may elect a different level or type of Salary Deferral Contribution within the limits specified in Section 4.1 of the Plan. The contribution shall continue as a Pre-Tax Deferral Contribution and at the six percent (6%) rate unless and until the Participant elects otherwise. The Administrator shall notify any such Participant of the automatic contribution arrangement and of his right to elect a different contribution percentage or type of Salary Deferral Contribution, or to make no Salary Deferral Contributions.”

8. Section 4.1(i) is hereby amended in its entirety to read as follows:

“(i) Determination of income or loss: Excess Elective Deferrals shall be adjusted for any income or loss up to the date of distribution. The income or loss allocable to Excess

Elective Deferrals under this Plan is the income or loss allocable to the Participant's 401(k) Account for the taxable year multiplied by a fraction, the numerator of which is such Participant's Excess Elective Deferrals for the year and the denominator is the Participant's 401(k) Account without regard to any income or loss occurring during such taxable year. Effective for taxable years beginning on or after January 1, 2008, no income or loss for the period between the end of the Participant's taxable year and the date of distribution is taken into account."

9. The following new Section 4.13 is hereby added to the Plan:

"4.13 ROTH ELECTIVE DEFERRALS.

(a) General Application.

(1) This Section 4.13 will apply to contributions beginning effective July 1, 2015.

(2) As of the effective date under subparagraph (1), the Plan will accept Roth Elective Deferrals made on behalf of Participants. A Participant's Roth Elective Deferrals will be allocated to a separate subaccount within the Participant's 401(k) Account maintained for such Deferrals as described in paragraph (b) and Section 1.32.

(3) Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Elective Deferrals for all purposes under the Plan.

(b) Separate Accounting.

(1) Contributions and withdrawals of Roth Elective Deferrals will be credited and debited to the Roth Elective Deferral Account maintained for each Participant (the "Roth Elective Deferral Account"). Such Roth Elective Deferral Account will be a separate sub-account within the Participant's 401(k) Account. The sub-account for Pre-Tax Deferral Contributions within the Participant's 401(k) Account will be referred to as the Participant's Pre-Tax Deferral Account.

(2) The Plan will maintain a record of the amount of Roth Elective Deferrals in each Participant's Account.

(3) Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis to each Participant's Roth Elective Deferral Account and the Participant's other sub-accounts in the Participant's Account under the Plan.

(4) No contributions other than Roth Elective Deferrals (including rollovers described in subparagraph (c)(4)) and properly attributable earnings will be credited to each Participant's Roth Elective Deferral Account.

(c) Direct Rollovers out of the Plan; Direct Rollovers into the Plan.

(1) Notwithstanding Section 7.7 of the Plan, a direct rollover of a distribution from a Roth Elective Deferral Account under the Plan will only be made to another Roth elective deferral account under an applicable retirement plan described in Section 402A(e)(1) of the Code or to a Roth IRA described in Section 408A of the Code, and only to the extent the rollover is permitted under the rules of Section 402(c) of the Code.

(2) The Plan will not be required to provide for a direct rollover (including an automatic rollover) for distributions from a Participant's Roth Elective Deferral Account if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year. In addition, any distribution from a Participant's Roth Elective Deferral Account is not taken into account in determining whether distributions from a Participant's other Accounts are reasonably expected to total less than \$200 during a year, to the extent such a determination is relevant under the Plan (i.e., if the Plan does not provide for a direct rollover for such distributions). However, eligible rollover distributions from a Participant's Roth Elective Deferral Account are taken into account in determining whether the total amount of the Participant's Account balances under the Plan exceeds \$1,000 for purposes of mandatory distributions from the Plan.

(3) Any provisions of the Plan (if any) that allow a Participant to elect a direct rollover of only a portion of an eligible rollover distribution but only if the amount rolled over is at least \$500 is applied by treating any amount distributed from the Participant's Roth Elective Deferral Account as a separate distribution from any amount distributed from the Participant's other Accounts in the Plan, even if the amounts are distributed at the same time.

(4) Notwithstanding Section 4.6 of the Plan, the Plan will accept a rollover contribution to a Roth Elective Deferral Account only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of Section 402(c) of the Code. Such amounts shall be added to the Participant's Roth Elective Deferral Account. The Plan from which the direct rollover is being made shall provide the Plan Administrator with such information as the Plan Administrator determines to be necessary or advisable. This Plan shall separately account for the amount of the direct rollover that is not includible in income.

(d) Correction of Excess Deferrals.

(1) If a distribution of Excess Elective Deferrals is to be made pursuant to Section 4.1, a highly compensated employee may designate the extent to which the excess amount is comprised of Pre-Tax Deferral Contributions and Roth Elective Deferrals, but only to the extent such types of deferrals were made for the year.

(2) If the highly compensated employee does not designate which type of Elective Deferrals are to be distributed, the Plan will distribute Pre-Tax Deferral Contributions first.

(e) Other Distributions. In the case of a distribution due to hardship under Section 9.4, or in case of any other distribution of less than the Participant's entire 401(k) Account, such distribution will be made first from the Participant's Pre-Tax Deferral Account, unless the Participant specifies otherwise.

(f) Roth Elective Deferrals. A Roth Elective Deferral is an Elective Deferral that is:

(1) Designated irrevocably by the Participant at the time of the cash or deferred election as a Roth Elective Deferral that is being made in lieu of all or a portion of the pre-tax Elective Deferrals the Participant is otherwise eligible to make under the Plan; and

(2) Treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election.

(3) If a Participant does not affirmatively specify that such contributions (or a part thereof) is to be a Roth Elective Deferral, then such contributions shall be treated by the Employer as pre-tax contributions. Amounts contributed to the Plan as one type, either Roth Elective Deferrals or pre-tax, may not later be reclassified as the other type.

(4) The term "Elective Deferrals" includes pre-tax Elective Deferrals and Roth Elective Deferrals.

10. Section 6.2(b) of the Plan is hereby amended in its entirety to read as follows:

"(b) The 401(k) Account containing (i) the Pre-Tax Deferral Account containing all Pre-Tax Deferral Contributions made on behalf of the Participant and earnings thereon, and (ii) the Roth Elective Deferral Account containing all Roth Elective Deferrals made on behalf of the Participant and earnings thereon;"

11. Section 7.6(a) of the Plan is hereby amended to replace the term "Pre-Tax Contribution Account" with the term "401(k) Account" in the first sentence thereof.

12. Section 9.4(a) of the Plan is hereby amended to replace the term "Pre-Tax Contribution Account" with the term "401(k) Account" in the first sentence thereof.

13. Except as hereinabove modified and amended, the Plan shall remain in full force and effect.

14. This Amendment is effective as of the dates specified herein.

In Witness Whereof, the Authority hereby executes this Second Amendment on the day and year first above written.

SOUTH CENTRAL CONNECTICUT
REGIONAL WATER AUTHORITY

By _____

Its Chairperson