

Pawnee Community Unit School District # 11 403(b) Plan

Summary Plan Description

Effective as of July 18, 2011

TABLE OF CONTENTS

INTRODUCTION TO YOUR PLAN	1
ARTICLE I - ELIGIBILITY FOR PARTICIPATION	1
Am I eligible to participate in the Plan?	1
When am I eligible to participate in the Plan?	1
ARTICLE II - CONTRIBUTIONS TO THE PLAN	2
What kind of contributions can I make to the Plan?	2
What are Roth 403(b) Contributions?	2
What are after-tax contributions?	3
Am I vested in my Elective Deferrals and Roth 403(b) Contributions?	3
Does my Employer make any contributions to the Plan?	3
What compensation is used to determine my Plan benefits?	3
Is there a limit on how much I can contribute to the Plan each calendar year?	3
May I make “rollover” contributions to the Plan?	4
How is the money in the Plan invested?	4
ARTICLE III - DISTRIBUTIONS	4
Will I receive a distribution of my account if I terminate employment with the Employer?	4
What happens if I become disabled?	4
What happens if I die while working for the Employer?	4
What is the Normal Retirement Age under the plan?	5
Will I be required to take a distribution?	5
How are my benefits paid to me?	5
Can I withdraw money from my account while working for the Employer?	5
Can I withdrawal money from my account in the event of financial hardship?	5
ARTICLE IV - LOANS	6
Can I take a loan from the Plan?	6
What are the loan rules and requirements?	6
ARTICLE V - PROTECTED BENEFITS AND CLAIMS PROCEDURES	7
What do I do if I disagree with the amount or manner of benefits distributed to me under the plan?	7
May the plan be changed or terminated?	8
Does the plan have procedures for Qualified Domestic Relations Orders?	8
Are benefits under the plan insured under Title IV of ERISA?	8
ARTICLE VI - GENERAL INFORMATION ABOUT THE PLAN	8
General Plan Information	8
Employer Information	9
Plan Administrator Information	9
Service of Legal Process	9
Where can I obtain additional information about the plan?	9

PAWNEE COMMUNITY UNIT SCHOOL DISTRICT # 11 403(B) PLAN

SUMMARY PLAN DESCRIPTION

INTRODUCTION TO YOUR PLAN

Pawnee Community Unit School District #11 (the "Employer") adopted the Pawnee Community Unit School District # 11 403(b) Plan (the "Plan") effective January 01, 2009.

This revised Summary Plan Description supersedes all previous Summary Plan Descriptions. This Summary Plan Description is meant to summarize the Plan in easy-to-understand language. However, in the event of any ambiguity or inconsistency between this Summary Plan Description and the Plan document, the Plan document will control.

This Plan is a 403(b) plan, which is a tax-deferred retirement plan for employees of public educational institutions and certain other non-profit organizations. A 403(b) plan allows you to contribute a portion of your compensation on a pre-tax basis or as a designated Roth 403(b) Contribution in order to save for your retirement. Contributions are made to the plan by payroll deduction.

We urge you to read this summary carefully. It explains the benefits available to you through the Plan. The Plan is only meaningful if you clearly understand its provisions and can take advantage of the benefits it provides. If anything in this Summary Plan Description is not clear to you, please contact the Plan Administrator at the end of this Description.

ARTICLE I - ELIGIBILITY FOR PARTICIPATION

Am I eligible to participate in the Plan?

Provided you are an eligible employee, you are eligible to participate in the Plan once you satisfy the Plan's eligibility conditions described in the next question. If you are a member of a class of employees identified below, you are not an eligible employee for all Plan purposes. The employees who are excluded are:

All Employees are eligible – there are no exclusions.

When am I eligible to participate in the Plan?

Provided you are an eligible employee, you will be able to make Elective Deferrals and/or Roth 403(b) Contributions beginning on your date of hire.

ARTICLE II - CONTRIBUTIONS TO THE PLAN

What kind of contributions can I make to the Plan?

As a participant under the Plan, you may elect to reduce your Compensation (defined below) and make a contribution to the Plan on a pre-tax basis or on an after-tax basis. The pre-tax contributions are known as Elective Deferrals and the after-tax contributions are known as Roth 403(b) Contributions. In addition, there is another type of after-tax contribution that you may elect to make to the Plan. Please see the question "What are after-tax contributions?" for more information about this type of contribution. You may elect to have your Employer deduct up to 100% of your Compensation which will then be paid into the plan. To make Elective Deferrals or Roth 403(b) Contributions, you must complete a salary reduction agreement form.

You may elect to start, increase, reduce or totally suspend your elections to contribute to the Plan based on procedures established by the Plan Administrator. Notwithstanding the foregoing, you may totally suspend your elections at any time.

The Plan Administrator may establish rules regarding the manner in which your elections are made. The rules may also require that certain advance notices be given of any election. Your election regarding Elective Deferrals and/or Roth 403(b) Contributions is only effective for Compensation you will receive in the future. The Plan Administrator may also reduce or totally suspend your election if the Plan Administrator determines that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

What are Roth 403(b) Contributions?

Roth 403(b) Contributions are very much like a contribution to a Roth IRA. Like a Roth IRA, the Roth (after-tax) Contribution to the Plan is made by you on an after-tax basis, but if certain requirements are met, a "qualified distribution" from your Roth Contribution Account in the Plan will not be taxed. However, unlike a Roth IRA, there are no income limitations on who may make a Roth 403(b) Contribution.

Roth 403(b) Contributions are made in the same manner as your pre-tax Elective Deferrals. You must designate how much you would like to contribute as an Elective Deferral and how much you would like to contribute as an after-tax Roth 403(b) Contribution. You are not required to make any Roth 403(b) Contributions. You may designate all of your deferrals as an Elective Deferral. You may also designate all of your deferrals as Roth 403(b) Contributions.

The sum of your Roth 403(b) Contributions and Elective Deferrals may not exceed the annual limit. Please see the question "Is there a limit on how much I can contribute to the Plan each calendar year?" for the deferral limit.

As was mentioned above, a "qualified distribution" of your Roth 403(b) Contributions (and earnings) is not taxable. A "qualified distribution" must be made more than five years after the first Roth 403(b) Contribution is made and must meet at least one of the following requirements:

- (i) the distribution must be made after you attain age 59-1/2;
- (ii) the distribution must be made to your beneficiary after your death; or

(iii) the distribution must be made on account of your disability.

Roth 403(b) Contributions are not suitable for everyone. You may want to consult with your tax advisor before making any Roth 403(b) Contributions to the Plan.

What are after-tax contributions?

For purposes of this Summary Plan Description, after-tax contributions are not considered to be Roth 403(b) Contributions and the earnings on the contributions will be subject to taxation upon distribution. Any after-tax contributions made to the Plan will be accounted for separately. After-tax contributions are made in the same manner as your pre-tax Elective Deferrals. You will always be 100% vested in your after-tax contribution account. After-tax contributions will only be accepted through payroll deduction.

Am I vested in my Elective Deferrals and Roth 403(b) Contributions?

You will always be 100% vested in your Elective Deferral Account and Roth 403(b) Contribution Account.

Does my Employer make any contributions to the Plan?

Your Employer does not make any contributions to the Plan.

What compensation is used to determine my Plan benefits?

“Compensation” means cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in your gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible your gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election made to reduce compensation in order to have Elective Deferrals or Roth 403(b) Contributions under the Plan).

No more than \$245,000 (in 2010) of Compensation may be taken into account in determining your benefits under the Plan. This amount is adjusted by the IRS from time to time to reflect changes in the cost of living.

Effective for Limitation Years beginning on or after January 1, 2005, Compensation shall include certain amounts that are paid to you after you terminate employment.

Is there a limit on how much I can contribute to the Plan each calendar year?

Federal law limits the amount you may defer under this Plan and any other retirement plan that permits Elective Deferrals or Roth 403(b) Contributions during any calendar year (\$16,500 in 2010). However, if you are age 50 or over, you may defer an additional amount up to \$5,500 (in 2010). These amounts are adjusted by the IRS from time to time to reflect changes in the cost of living.

In addition to the salary deduction contribution described above, you may be eligible to make a special IRC §403(b) catch-up contribution if you have completed at least 15 years of service with the Employer. Contact your Employer for more information about this special

catch-up contribution.

May I make “rollover” contributions to the Plan?

You may be permitted to deposit into the Plan distributions you have received from other retirement plans and certain IRAs, provided such distributions are legally qualified to be rolled over into this Plan. Such a deposit is called a “rollover” and may result in tax savings to you. You may ask your prior plan administrator or trustee to directly transfer (a “direct rollover”) to this Plan all or a portion of any amount that you are entitled to receive as a distribution from a prior plan. Alternatively, if you received a distribution from a prior plan, you may elect to deposit any amount eligible for rollover within 60 days of your receipt of the distribution. You should consult a qualified tax advisor to determine if a rollover to this Plan is permitted and in your best interest.

Your rollover will be placed in a separate account called a “rollover account.” You will always be 100% vested in your rollover account. This means that you will always be entitled to all of your rollover contributions. Rollover contributions will be affected by any investment gains or losses. In addition, any Roth 403(b) Contributions that are accepted as rollovers in this Plan shall be accounted for separately.

How is the money in the Plan invested?

All contributions under this Plan are held in annuities or custodial accounts that are invested in mutual funds. Please check with your Employer for a list of the vendors approved to receive contributions and the procedures for making investment elections. For the actual investments that are available with each vendor, please contact the financial representative with each vendor. You are permitted to choose between the vendors and the available investments. You may change your investment selection and move money between approved vendors in accordance with the rules established by the Employer. A reasonable administrative fee may be charged against such account. Additionally, some vendors may apply surrender fees/charges under certain circumstances.

ARTICLE III - DISTRIBUTIONS

Will I receive a distribution of my account if I terminate employment with the Employer?

Subject to the terms of the individual agreement with your vendors, you are entitled to receive a distribution from your Account after you terminate employment.

What happens if I become disabled?

Your individual agreements with your vendors will define what constitutes a disability. If you become disabled, subject to the terms of the individual agreements, you will be become entitled to receive the entire value of your Account balance.

What happens if I die while working for the Employer?

If you die, your Beneficiary will become entitled to receive the entire value of your Account balance upon your death, subject to the terms of the individual agreement with your vendors. You should name a primary and contingent beneficiary to receive your death benefits

on the forms which you can get from your Employer or appropriate vendor. The individual agreements with your vendors will specify any rules or restrictions on who can be named your Beneficiary and to who your death benefits will be paid in the event you do not specify a Beneficiary.

What is the Normal Retirement Age under the plan?

The Normal Retirement Age is 65.

Will I be required to take a distribution?

Retirement benefits must normally begin no later than April 1 of the calendar year following the year in which you attain age 70 ½, or, if later, April 1 following the calendar year in which you retire. Failure to begin taking distributions by the required beginning date may subject you to a substantial federal tax penalty. When your employment is about to terminate, if you have attained age 70 ½, you should contact your financial representative or vendor in order to discuss your distribution.

How are my benefits paid to me?

Once you are eligible for a distribution, the terms of the individual agreements may permit distributions to be paid in a lump sum. Your investment contracts or custodial agreements may also provide you with additional distribution options.

Can I withdraw money from my account while working for the Employer?

You may receive a distribution from the Plan prior to your termination of employment if you satisfy certain conditions. However, this distribution will reduce the value of the benefits you will receive when you retire. Any in-service distribution is made at your election and will be made in accordance with the forms of distributions available under the individual contracts with your vendors.

Subject to the terms of the individual agreements with your vendors, you may eligible for a distribution as follows:

- (i) Attainment of age 59 ½;
- (ii) Distribution of rollover contribution account, if your rollover contributions are in a separate account; or
- (iii) Hardship Withdrawal. Refer to the next question for additional information.

Can I withdrawal money from my account in the event of financial hardship?

You may be eligible to receive a distribution on account of hardship. Hardship distributions are only permitted from 100% vested accounts.

Your Roth 403(b) Contributions may be withdrawn on account of financial hardship in the same manner as your Elective Deferrals. Please note however, that the income on the Roth 403(b) Contributions may be taxable (and subject to penalties for early withdrawal) of the withdrawal is not a “qualified distribution.”

Immediate and Heavy Financial Need: You may receive a hardship distribution only if the Plan Administrator finds that you have an immediate and heavy financial need where you lack other available resources. The following are the only financial needs considered immediate and heavy:

- (1) Expenses incurred or necessary for medical care, described in Code §213(d), for you or your spouse, Beneficiary, children, or dependents;
- (2) The purchase (excluding mortgage payments) of your principal residence;
- (3) Payment of tuition and related educational fees for the next 12 months of post-secondary education for you or your spouse, Beneficiary, children or dependents;
- (4) The need to prevent the eviction of you from your principal residence (or a foreclosure on the mortgage on your principal residence);
- (5) Payments for burial or funeral expenses for your deceased parent, spouse, Beneficiary, children or dependents; or
- (6) Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction.

Amount Necessary to Satisfy Need: A distribution will be considered as necessary to satisfy your immediate and heavy financial need only if:

- (1) You have obtained all distributions, other than hardship distributions, and all nontaxable loans under all retirement plans sponsored by your Employer;
- (2) Your Elective Deferrals and Roth 403(b) Contributions will be suspended for six months after the receipt of the hardship distribution; and
- (3) The distribution is not in excess of the amount of an immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution).

ARTICLE IV - LOANS

Can I take a loan from the Plan?

Yes. You may request a participant loan. Your ability to obtain a participant loan depends on several factors. The Plan Administrator will determine whether you satisfy these factors.

What are the loan rules and requirements?

There are various rules and requirements that apply for any loan. You may not receive a loan if the sum of your new loan and the outstanding balance of all of your other loans would exceed the lesser of:

- (1) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the plan on the date the loan is made, or
- (2) one-half the present value of your non-forfeitable accrued benefit.

Loans must be repaid over a period not extending beyond five years from the date of the loan, unless such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as your principal residence.

Your Vendor may apply additional requirements or restrictions such as a minimum loan amount or a restriction on the number of outstanding loans you may have with them at one time.

ARTICLE V - PROTECTED BENEFITS AND CLAIMS PROCEDURES

What do I do if I disagree with the amount or manner of benefits distributed to me under the plan?

Discuss your concerns with your Employer. If you are still not satisfied, you may file a written claim for benefits with your Employer. Your Employer will process your claim within 90 days after the claim is filed, unless it determines that special circumstances require an extension of time for processing the claim. If such an extension is necessary, you will receive written notice of the extension prior to the end of the initial 90-day period. If no event will the extension exceed a period of 180 days from the day you file your claim.

If your claim for benefits is wholly or partially denied, it will provide you with a written or electronic notification setting forth:

- (a) the specific reason or reasons for the denial;
- (b) the plan provisions on which the denial is based;
- (c) a description of any additional material or information needed by the administrator to perfect your claim and the reason why; and
- (d) an explanation the plan's review procedure

If you do not receive a response to your claim within the applicable 90-day or 180-day period, the claim is considered denied and you are permitted to proceed to the review stage.

If your claim is denied, you have 60 days after receiving the denial to file a written request for review of the denial to the plan's 403(b) Committee and to receive a full and fair review of the claim. As part of the review, you are allowed to review all plan documents, records, and other information relevant to your claim, and you are allowed to submit written comments, documents, records and other information relating to your claim.

A decision will be made within 60 days after your written request for review is received, unless special circumstances (such as the need to hold a hearing if the plan procedure provides for such a hearing) require an extension of time for processing the claim. If such an extension is

necessary, you will receive written notice of the extension prior to the end of the initial 60-day period. In no event will the extension exceed 120 days from the date your request for review is received. The decision of the Committee will set forth the specific reasons for the decision, as well as specific references to the pertinent plan provisions on which the decision is based.

May the plan be changed or terminated?

While it is expected that the plan will continue indefinitely, the Company reserves the right to modify or discontinue the plan at any time.

Does the plan have procedures for Qualified Domestic Relations Orders?

Yes. The plan does have procedures concerning Qualified Domestic Relations Orders. You and your beneficiaries may obtain, without charge, a copy of such procedures from your school's personnel office. Expenses for QDRO review and processing will be charged to the participant's account that the QDRO applies to. Such expenses include any legal expenses and costs regarding the qualified status of the order.

Are benefits under the plan insured under Title IV of ERISA?

No. That portion of ERISA does not apply to this type of plan. Benefits provided by the Plan are NOT insured by the Pension Benefit Guarantee Corporation (PBGC).

ARTICLE VI - GENERAL INFORMATION ABOUT THE PLAN

There is certain general information that you may need to know about the Plan. This information has been summarized for you as follows.

General Plan Information

The full name of the Plan is Pawnee Community Unit School District # 11 403(b) Plan. It has plan number 100293.

The Plan was originally effective on January 01, 2009.

This plan is intended to be a 403(b) Plan.

The Plan's records are maintained on a twelve-month period of time. This is known as the "Plan year". The Plan year begins on 09/01 and ends on 08/31.

The Plan will be governed by the laws of Illinois.

Employer Information

The Plan sponsor's name, address, and identification number are:

Pawnee Community Unit School District #11
810 Fourth St.
Pawnee, IL 62558
37-6005782

The Plan allows other employers to adopt its provisions. You or your beneficiaries may examine or obtain a complete list of employers, if any, who have adopted the Plan by making a written request to the Plan Administrator.

Plan Administrator Information

The Plan's Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator maintains the Plans records, including your account information, provides you with the forms you need to complete for Plan participation and directs the payment of your account at the appropriate time. The Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan and your participation, you should contact the Administrator. The Administrator may designate other parties to perform some duties of the Administrator, and some duties are the responsibility of the vendors to the Plan.

The Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

The Employer, or the person or persons the Employer designates is the Plan Administrator.

Service of Legal Process

The name and address of the Plan's agent for services of legal process are:

Pawnee Community Unit School District #11
810 Fourth St.
Pawnee, IL 62558

Service of legal process may also be made upon the Administrator.

Where can I obtain additional information about the plan?

Please contact your Employer for any additional information or other questions that you may have about the plan.

THIS DOCUMENT IS JUST A BRIEF SUMMARY OF THE PLAN'S PROVISIONS AND YOU SHOULD CONSULT THE PLAN ITSELF FOR ALL DETAILS. THE EMPLOYER RETAINS FULL DISCRETIONARY AUTHORITY AND CONTROL TO TERMINATE OR AMEND THE PLAN AT ANY TIME AND FOR ANY REASON, TO ALTER OR FREEZE THE FURTHER ACCRUALS OF BENEFITS, TO INTERPRET ANY AND ALL PROVISIONS OF THE PLAN AND TO DETERMINE ELIGIBILITY FOR PLAN BENEFITS.