

Executive Benefit Restoration Plan

CHECKLIST FOR TAX-EXEMPT CO-OPS

I. Designing the Plan	
	A. Discuss the co-op's needs with Homestead Funds' Deferred Compensation Program team.
	B. Identify eligible participants. (Note: They must be part of a "select group of managers or highly compensated employees.")
	C. Review with Homestead Funds the annual financial accounting and reporting requirements, including a sample pension expense report and how this affects your co-op's audited financial statements.
	D. Verify your co-op's fiscal year-end with Homestead Funds.
	E. Adapt Homestead Funds' sample plan documents to meet your co-op's specific needs. ¹
II. Adopting the Plan	
	A. Review the plan design and all necessary documentation with the co-op's board, corporate attorney and accountant.
	B. Execute a <i>Resolution to Adopt (or Readopt)</i> document(s). Your co-op's adoption resolution must be executed by the co-op's board of directors. ¹
	C. Adopt the <i>Plan Document for Employees</i> . ¹
	D. Execute the <i>Consulting Services Agreement</i> with Homestead Funds. ¹
	E. Use the U.S. Department of Labor's online system to e-file your plan's registration statement within 120 days of the plan's adoption. (Refer to Homestead Funds' <i>DOL Statement Exception Filing Instructions</i> for details.) ²
	F. Provide copies of plan documentation to Homestead Funds and designate your co-op's primary contact person for the plan. Provide additional contact details if there are other individuals to be included when communicating administrative updates about the plan or to identify a separate annual billing contact.
III. Offering the Plan and Enrolling Participants	
	A. Notify eligible participants and provide/review plan-specific communications/forms.
	B. Provide and collect a <i>Beneficiary Election Form</i> for each participant (sample provided); remind participants to make future updates as needed (e.g., death of a beneficiary, divorce). ²

(continued)

IV. Implementing and Administering the Plan

	A. Review <i>IRS Forms W-2 and 1099 Guidance for Employers with Nonqualified Deferred Compensation Plans</i> instructions. ¹
	B. If elected by your co-op, open account(s) at Homestead Funds in the co-op's name for the benefit of participants.
	C. Educate participants about distribution procedures and the plan rules.
	D. Create an internal reminder of the vesting date(s) of participant(s).
	E. In the event the point(s) of contact for the plan change, provide Homestead Funds with updated information about the new primary contact(s) for the plan.
	F. If your co-op elects to establish accounts, when the time comes for distributions, contact Homestead Funds at invest@homesteadfunds.com to set up distributions at least two weeks in advance.

¹Indicates Homestead Funds to provide

²Indicates availability of instructions, participant guide and/or sample document(s) online at homesteadfunds.com/deferredcomp

IMPORTANT: Homestead Funds offers nonqualified deferred compensation plans as an additional service to members for their employees and directors and provides certain administrative support services; however, Homestead Funds does not sponsor or act as the plan administrator of these plans, assume liability for their operation, or provide legal or tax advice in conjunction with the plans. Employers and participants are responsible for any tax or legal consequences associated with their adoption, operation or participation in nonqualified deferred compensation plans.