

**AMENDMENT ONE TO THE STATE OF SOUTH CAROLINA
457 DEFERRED COMPENSATION PLAN AND TRUST**

WHEREAS, the Board of Directors of the South Carolina Public Employee Benefit Authority (“Board”) has the responsibility and authority to modify or amend in whole or in part any or all of the provisions of the State of South Carolina 457 Deferred Compensation Plan and Trust (“Plan”); and,

WHEREAS, the Plan was last amended and restated effective January 1, 2013; and,

WHEREAS, the Board adopted amendments to the Plan at its meeting on December 17, 2014, to be effective January 1, 2015, and directed that the Plan document be amended and authorized the Chairman of the Board to execute the amendment to the Plan on its behalf.

NOW, THEREFORE, BE IT RESOLVED that the Plan, effective January 1, 2015, shall be amended as follows:

Part I. In-Plan Roth Rollovers

A. Subsection (c) of Section 3.12, regarding Roth Deferrals, is amended to be and read as follows:

(c) Direct Rollovers. Notwithstanding Sections 4.1 and 4.7, a Direct Rollover of a distribution from a Roth Deferral Contribution Account under the Plan will only be made to another Roth deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c). Pursuant to Section 4.3, the Plan will accept a Rollover Contribution to a Roth Elective Deferral Rollover Account if it is a Direct Rollover from another Roth deferral contribution account under another eligible retirement plan maintained by an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c). A separate Roth account or subaccount may also be maintained to reflect any Direct Roth rollover as herein provided.

B. Section 4.7, In-Plan Roth Rollover, shall be added to be and read as follows:

4.7 IN-PLAN ROTH ROLLOVER.

(a) Any vested amount held in an Account for a Participant (other than an amount held in a Roth Deferral Contribution Account under Section 2.46) is eligible for direct rollover to the Participant’s Roth Elective Deferral Rollover Account under the Plan, even if the vested amount is not otherwise distributable (pursuant to Code Section 402A(c)(4)(E) under Article IV of the Plan, and the transfer shall be treated as a qualified rollover contribution (within the meaning of Code Section 408A(e)) to such Account.

(b) A Participant's election under this Section 4.7 shall be subject to the reasonable administrative procedures established by the Plan Administrator, Code Section 402A(c)(4) and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.

(c) The taxable portion of the Participant's Account transferred to a Roth Elective Deferral Rollover Account under this Section 4.7 shall be included in the Participant's gross income in the tax year in which the transfer occurs.

(d) The Plan shall provide written information regarding In-plan Roth rollovers under this Section 4.7, for amounts that are otherwise distributable under Article IV to the extent required by Code Section 402(f).

Part II. Loans

A. Section 9.1, regarding Loans to Participants, is amended to be and read as follows:

9.1 LOANS TO PARTICIPANTS.

(a) A Participant may apply for and receive a loan from his Account balance as provided in this Section 9.1. Any such loan may not be for an amount less than the minimum amount specified by the Commission. If not specified by the Commission, the minimum loan amount shall be \$2,500. Each loan shall be made to the Participant upon application by the Participant, in a manner approved by the Commission, and shall be subject to the approval of the Plan Administrator. A Participant is not eligible for a loan unless repayments will be made by payroll deduction as provided in Section 9.6. A Participant shall be permitted no more than one outstanding loan at any time from this Plan and the State of South Carolina Salary Deferral [401(k)] and Savings Profit Sharing Plan and Trust. The Administrator may require a waiting period of up to thirty (30) days after repayment of a loan before issuance of another loan.

(b) Any outstanding loan made to a Participant prior to January 1, 2015, shall be subject to the terms and conditions for such loans as of the date the loan was issued, including, but not limited to, all terms and conditions regarding the issuance and repayment of the loan. In addition, notwithstanding Section 9.1(a), if a Participant has two outstanding loans from this Plan and/or the State of South Carolina Salary Deferral [401(k)] and Savings Profit Sharing Plan and Trust as of December 31, 2014, the Participant may continue to repay both loans under the terms and conditions for the loans as of the dates the loans were issued, provided, however, that the provisions of Section 9.1(a) shall apply to any new loans issued on or after January 1, 2015.

B. Section 9.6, regarding Withholding and Application of Loan Payments, is amended to be and read as follows:

9.6 WITHHOLDING AND APPLICATION OF LOAN PAYMENTS. Principal and interest payments for a loan issued on or after January 1, 2015, shall be made by payroll

deduction from the Participant's Compensation from his or her Employer while the Participant is a Public Employee. If, after the issuance of a loan, a Participant becomes no longer eligible to make payments by payroll deduction, the Participant may make principal and interest payments in a method approved by the Plan Administrator. A Participant may continue to repay a loan during the period he is receiving installment payments under Subsection 7.1(g) of the Plan. Principal and interest payments shall be credited to the Participant's Account to be invested as otherwise provided in the Plan.

Part III. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this 17th day of December, 2014.

By: Arthur M. Bjontegard, Jr.
Arthur M. Bjontegard, Jr., Chairman
South Carolina Public Employee Benefit Authority Board of Directors