

Service Agreement

Retirement Plan Administration

I. PARTIES

This Third Party Administrator Service Agreement ("Agreement") is entered into on the Effective Date set forth below between Compensation Systems, Inc. and **Mount Vernon Community School Corporation** ("Plan Sponsor") and Responsible Plan Fiduciary, **Mount Vernon Community School Corporation** ("RPF"). Except where otherwise noted, Plan Sponsor and RPF will be collectively referred to as "Client." Client acknowledges that the material terms of this Agreement, and any materials referenced in this Agreement, were disclosed to client before this Agreement was signed.

II. RECITALS

This Agreement is entered into effective **January 1, 2023**, with reference to the following:

- A. Plan Sponsor sponsors a **403(b) and 401(a)** plan (the "Plan") that is qualified under section 401(a) of the Internal Revenue Code of 1986 (the "Code").
- B. Compensation Systems, Inc. provides services for **403(b) and 401(a)** plans such as the Plan. The client wishes to engage Compensation Systems, Inc. to provide the Plan the services described in this Agreement.
- C. RPF is the Plan fiduciary responsibility for causing the Plan to enter into, renew or extend agreements on behalf of the Plan, including this Agreement.
- D. The Plan Sponsor recognizes that, as the ERISA plan Administrator, he is ultimately responsible for administering the Plan but may delegate some of his duties to an authorized third party.

**III. SERVICES TO BE PROVIDED AND COMPENSATION TO BE RECEIVED BY
COMPENSATION SYSTEMS, INC. FOR SERVICES PROVIDED**

A. Annual Administration Services

1. Fees to Be Received by Compensation Systems, Inc. In Connection With Annual Administration Services:

Compensation Systems, Inc. provides Administration Services on the basis of an annual fee equal to the sum of: \$40 per participant per account, billed quarterly. Sponsor can elect to have fee paid from plan assets, if available. If recordkeeper cannot deduct from participant accounts, bill will be sent to sponsor.

The minimum fee for partial year plan administration is ½ of these stated fees.

B. Distribution, Hardship Withdrawals And Participant Loans

1. Distribution Services:

Compensation Systems, Inc. will process participant distribution requests, prepare the necessary forms for signature and generate necessary documents for the distribution, and for approval of the distribution by Client.

2. Hardship Withdrawal Services:

Compensation Systems, Inc. will process participant hardship withdrawal requests, and assist Client in applying the terms of the Plan to determine whether and to what extent a

participant is entitled to a hardship withdrawal under the terms of the Plan under the circumstances, provided that the Client shall at all times be solely and exclusively responsible for making the final determination of whether and to what extent a participant may be entitled to a hardship withdrawal under the terms of the Plan.

3. Participant Loan Services:

Compensation Systems, Inc. shall assist in the processing of requests for participant loans as may be allowed under the terms of the Plan, including preparation of amortization and repayment schedules, calculation of maximum loan amounts, and preparation of forms and paperwork necessary in connection with Plan loans, provided that the Client will be responsible for making the final determination of whether and to what extent a participant may be entitled to a loan under the terms of the Plan.

4. Participant Qualified Domestic Relations Order (QDRO) Services

Compensation Systems, Inc. shall facilitate the processing of Qualified Domestic Relations Orders. This service includes a review of a draft of the order to determine its administrative feasibility and compliance with the terms of the plan document, and directing the flow of forms and information among the Client, the Recordkeeper, the participant and the attorneys as needed to process the order. The Client will be at all times solely and exclusively responsible for making the final determination of whether the Order is Qualified and, therefore, should be processed.

Client may wish to and is encouraged to present any and all such Orders to its own counsel for review and approval before making the determination of whether the Order is Qualified.

5. Fees to Be Received by Compensation Systems, Inc. In Connection with Distributions, Hardship Withdrawals and Participant Loans, and Qualified Domestic Relations Order:

Compensation Systems, Inc. processes distributions, hardship withdrawal requests and participant loans on a flat fee basis. Fees charged for those services are allocated to the accounts of the participants that receive, as applicable, the distributions, hardship withdrawals, loans, and QDRO:

- a. Fee for Qualified Domestic Relations Order
\$ 250 per order

C. Terms of Compensation Systems, Inc. Fees

1. Manner in which Compensation Systems, Inc.'s Fees Shall Be Collected

- a. If Plan Sponsor does not pay the fees within 30 days of the date of the applicable invoice, interest will be applied to the balance due at the rate of 1 ½% per month. In addition, the RPF will be obligated to pay the fees from Plan assets. RPF agrees that in the event fees are to be paid to Compensation Systems, Inc. out of the Plan, RPF will instruct the investment company to issue payment of those fees out of Plan assets.
- b. If Plan Sponsor does not pay the fees within 60 days of the date of the applicable invoice, the Plan will be obligated to pay the fees from its assets. RPF agrees that in the event fees are to be paid to Compensation Systems, Inc. out of the Plan, RPF will instruct the Plan to issue payment of those fees out of Plan assets.

2. Manner in Which Compensation Systems, Inc. Fees Shall Be Increased

Fees stated in this agreement are guaranteed for 2 years. After the guaranteed 2 years, a 3% inflation increase shall be applied beginning on the 3rd anniversary of this agreement.

IV. LIMITATION ON COMPENSATION SYSTEMS, INC. SERVICES

A. Compensation Systems, Inc. Does Not Provide Investment or Legal Advice

Compensation Systems, Inc. does not and will not provide investment or legal advice, for a fee or otherwise, to any person including Client, the Plan, or the Plan's participants and beneficiaries.

B. Compensation Systems, Inc. Exercises No Control Over Plan Assets, or Discretionary Authority or Control over Administration of the Plan

Client has sole discretionary authority and control over the administration of the Plan, and exclusive control over the assets of the Plan. Client acknowledges that Compensation Systems, Inc. and its employees are NOT fiduciaries of the Plan and Trust, nor are any of them the Administrator of the Plan as that term is defined in ERISA.

V. CLIENT RESPONSIBILITIES

Client is responsible for the following:

A. Obligation To Provide Timely Information

Client shall provide Compensation Systems, Inc. with requested information on a timely basis, and will be responsible for ensuring that the provided information is accurate and complete. Compensation Systems, Inc. will rely exclusively on information provided by Client or Client's advisors, whether oral or in writing, and will have no responsibility to independently verify the accuracy of that information. Client acknowledges that inaccurate information and/or late information could result in penalties and possibly Plan disqualification. Compensation Systems, Inc. assumes no responsibility for, and shall not have any liability for, any consequences that result from Compensation Systems, Inc.'s inability to complete its work in the ordinary course of its business due the failure of Client to provide timely information to Compensation Systems, Inc.

B. Obligation to Make Timely Contributions to Plan

Client shall be solely responsible for making sure that funds are actually contributed to the Plan trust when required for tax deductibility and to comply with ERISA and DOL Regulations.

C. Obligation to Timely File Required Government Reports

Client shall be responsible for the timely filing of all government reports that Compensation Systems, Inc. prepares with the appropriate agency. Client acknowledges that failure to timely file required government reports may result in penalties which shall be the sole responsibility of the Plan Sponsor (and not Compensation Systems, Inc.) if assessed.

D. Obligation to Distribute Required Information to Plan Participants and Beneficiaries

Client shall be responsible for providing the necessary information to Client's participants, including notices, elections, and reports required by law.

E. Obligation to Report and Pay Tax Withholding in Connection with Plan Distributions

Client acknowledges that Compensation Systems, Inc. will prepare Form 1099R in cases where the Recordkeeper does not customarily prepare the end of year tax forms required by law when a Participant received a distribution from the plan (i.e. Form 1099R). However, Compensation Systems, Inc. does not prepare the forms necessary to report and pay taxes withheld from the distributions (i.e. Form 945 and applicable state forms) or those needed to report unrelated business taxable income to the Plan trust (i.e. Form 990T).

F. Obligation to Notify Compensation Systems, Inc. of Existence of Other Plans and Companies

Client acknowledges that the Plan's operation and tax qualification is affected by other plans sponsored by Client (whether currently active or terminated and whether or not Compensation Systems, Inc. administered the plan) and that other companies owned partially or entirely by, or related to, Plan Sponsor or its principals may also affect the Plan. Client is responsible for informing Compensation Systems, Inc. of the existence of such other plans or companies and of notifying Compensation Systems, Inc. when there is a change in this information or in the tax filing status of Client (e.g., a change from S corporation to C corporation status, a change to an LLC, etc.).

G. Obligation to Make Discretionary Decisions Regarding Plan Administration

Client is responsible for all discretionary decisions relating to the Plan, including the interpretation of plan document provisions, the determination of eligible employees and proper vesting of their accounts, the evaluation of claims made by participants for plan benefits, the investment of plan assets, distribution of plan benefits and the payment of plan service providers. To assist Client, Compensation Systems, Inc. may, when requested, provide advice to Client about such matters (but not about investments).

VI. DISCONTINUATION OF THIS AGREEMENT

A. Discontinuation by Client

Compensation Systems, Inc. provides a discontinuation service to Clients who elect to change third party administrative services. Written notice of discontinuation must be provided 60 days before transition date. These services include providing necessary information to the new service provider to assist with the smooth transition. There is a \$500 fee associated with the discontinuation of Compensation Systems, Inc.'s services. All outstanding fees must be paid in full prior to the release of information and prior to the discontinuance.

B. Discontinuation by Compensation Systems, Inc.

Compensation Systems, Inc. reserves the right to terminate this agreement immediately by written notice to the Plan Sponsor upon learning of any action involving the Plan that may constitute a breach of fiduciary obligations or may result in the disqualification of the Plan. Compensation Systems, Inc. reserves the right to terminate this agreement within 60 days by written notice to the Plan Sponsor for any other reason.

VII. ADDITIONAL DISCLOSURES OF COMPENSATION AND ACTUAL OR POTENTIAL CONFLICTS OF INTEREST AS REQUIRED BY APPLICABLE DEPARTMENT OF LABOR REGULATIONS

Compensation Systems, Inc. hereby agrees that it shall disclose to RPF all of the information set forth in this Section VII.

A. Prior Disclosure of Agreement's Material Terms

Compensation Systems, Inc. hereby represents that, before this Agreement was entered into, Compensation Systems, Inc. disclosed to RPF, in this Agreement, in an Exhibit hereto or in a separate document:

1. all services to be provided pursuant to the Agreement, and the compensation or fees to be received by Compensation Systems, Inc. pursuant to those services;
2. whether the service provider expects to participate in or otherwise acquire a financial interest in any transaction to be entered into by the plan (and if so, a description of the transaction and Compensation Systems, Inc.'s participation or interest therein);
3. whether Compensation Systems, Inc. has any material financial, referral or other relationship or arrangement with a money manager, broker, other client of Compensation Systems, Inc., other service provider to the Plan, or any other entity that creates or may create a conflict of interest for Compensation Systems, Inc. in providing services for the Plan;
4. whether, in providing services to the Plan, Compensation Systems, Inc. will be able to affect its own compensation or fees without the prior approval of an independent Plan fiduciary;
5. whether Compensation Systems, Inc. has any policies or procedures that address actual or potential conflicts of interest or that are designed to prevent compensation or fees, or conflicts of interests, from adversely affecting the provision of services under this Agreement, and an explanation of those policies or procedures.

Compensation Systems, Inc. agrees that it is obligated by this Agreement, and ERISA, to provide all of the foregoing information, to the best of Compensation Systems, Inc.'s knowledge, to the RPF.

B. No Fiduciary Services

Compensation Systems, Inc. will not provide any services to the plan as a fiduciary either within the meaning of section 3(21) of ERISA or under the Investment Advisers Act of 1940.

C. No Intention to Participate In or Acquire Any Interest in Any Transaction to Be Entered Into By The Plan

Except as otherwise disclosed in this Agreement, Compensation Systems, Inc. does not expect to participate in, or otherwise acquire a financial or other interest in, any transaction to be entered into by the plan in connection with the services to be provided under this Agreement.

D. Policies or Procedures Addressing Conflicts of Interest

Under DOL Regulations, service providers, such as Compensation Systems, Inc., are required to disclose policies or procedures that address actual or potential conflicts of interest or that are designed to prevent either any such conflict of interest, or any compensation that it may receive, from adversely affecting the provision of fees under this Agreement. Compensation Systems, Inc.'s policies and procedures in that regard are described in the section of this Agreement entitled "Services to be Provided and Compensation to be received by Compensation Systems, Inc. for services provided."

E. Material Changes to the Terms of the Agreement

Compensation Systems, Inc. agrees to disclose to RPF any material change to the terms of this Agreement relating to its services, compensation or fees to be received by Compensation Systems, Inc., and any actual or potential conflicts of interest that Compensation Systems, Inc. may have in providing services under this Agreement, not later than 30 days from the date on which Compensation Systems, Inc. acquires knowledge of the material change.

F. Information to be Provided Upon Request

Compensation Systems, Inc. agrees to provide all information in its possession that is related to this Agreement and any compensation or fees received thereunder that is requested by the RPF or Plan Administrator in order to comply with the reporting and disclosure requirements of Title I of ERISA and the Regulations, forms and schedules issued thereunder.

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Applicable Department of Labor guidance requires that the disclosures in this Agreement be made to the RPF, and RPF hereby warrants that [he/she/it] is the person authorized by Plan and the Plan Sponsor to enter into, extend or renew this Agreement.

Plan Sponsor:

Mount Vernon Community School Corporation: Compensation Systems, Inc.

By: _____

Print or Type Name: _____

Title: _____

Date: _____

By: _____

Print or Type Name: Kristi K. Baker

Title: President

Responsible Plan Fiduciary:

Mount Vernon Community School Corporation:

By: _____

Print or Type Name: _____

Title: _____

Date: _____