

## SUMMARY OF MATERIAL MODIFICATIONS UMATILLA-MORROW HEAD START, INC. 403(B) PLAN (“PLAN”)

Due to the recent amendment of the above-referenced Plan, changes have been made that could affect your rights under the Plan. This Summary of Material Modifications (SMM) describes the recent Plan amendment and how that amendment may affect you. This Summary of Material Modifications overrides any inconsistent information included in the Plan’s Summary Plan Description (SPD) or other Plan forms.

The modifications described in this Summary of Material Modifications are effective as of 1-1-2010. All other provisions are effective as described in the Summary Plan Description.

To participate under the Plan, you must be an Eligible Employee. For this purpose, you are considered an Eligible Employee if you are an employee of Umatilla-Morrow Head Start, Inc., provided you are not otherwise excluded from the Plan.

### Eligible Employee

For purposes of determining whether you are an Eligible Employee, the Plan excludes from participation certain designated employees. If you fall under any of the excluded employee categories, you will not be eligible to receive the designated Plan contribution until such time as you no longer fall into an excluded employee category. [See below for a discussion of your rights upon changing to or from an excluded employee classification.]

The following describes the types of employees that are not eligible to participate with respect to the different types of contributions authorized under the Plan.

**Salary Deferrals.** The following employees are not eligible to make Salary Deferrals. If you fall under one of the following classes of employees, you may not make Salary Deferrals under the Plan.

- Non-resident aliens who do not receive any compensation from U.S. sources
- Employee Signatures Requirement: Eligibility to receive the Employer Contribution for 2009 and future years is dependent upon the participant’s action taken to enroll and set up their account. Until such time as the proper documentation is completed and submitted by the participant they will not be entitled to the employer contribution (they have waived their right to receive it). Once they enroll funding of the employer contribution will be on a going forward basis with no retroactive contributions being made back to their entry date. This is contingent on the fact that the participant was timely notified in writing of this requirement prior to becoming eligible to receive the employer contribution.
- Substitutes

**Matching Contributions.** The following employees are not eligible to receive matching contributions under the Plan. If you fall under one of the following classes of employees, you will not share in any matching contributions under the Plan.

- Employees covered under a collective bargaining agreement (i.e., union employees)
- Non-resident aliens who do not receive any compensation from U.S. sources
- Employee Signatures Requirement: Eligibility to receive the Employer Contribution for 2009 and future years is dependent upon the participant’s action taken to enroll and set up their account. Until such time as the proper documentation is completed and submitted by the participant they will not be entitled to the employer contribution (they have waived their right to receive it). Once they enroll funding of the employer contribution will be on a going forward basis with no retroactive contributions being made back to their entry date. This is contingent on the fact that the participant was timely notified in writing of this requirement prior to becoming eligible to receive the employer contribution.
- Substitutes

**Employer Contributions.** The following employees are not eligible to receive employer contributions under the Plan. If you fall under one of the following classes of employees, you will not share in any employer contributions we make to the Plan.

- Employees covered under a collective bargaining agreement (i.e., union employees)
- Non-resident aliens who do not receive any compensation from U.S. sources
- Employee Signatures Requirement: Eligibility to receive the Employer Contribution for 2009 and future years is dependent upon the participant's action taken to enroll and set up their account. Until such time as the proper documentation is completed and submitted by the participant they will not be entitled to the employer contribution (they have waived their right to receive it). Once they enroll funding of the employer contribution will be on a going forward basis with no retroactive contributions being made back to their entry date. This is contingent on the fact that the participant was timely notified in writing of this requirement prior to becoming eligible to receive the employer contribution.
- Substitutes

### Minimum Age and Service Requirements

If you are an Eligible Employee, you are able to make Salary Deferrals into the Plan. There are no minimum age or service requirements to make Salary Deferrals.

In order to be eligible to receive Matching Contributions and Employer Contributions, you must satisfy certain age and service conditions under the Plan.

- **Minimum age requirement.** In order to participate in the Plan you must be at least age 18.
- **Minimum service requirements.** In order to participate in the Plan for 2009 and future years, eligibility for employer and match contributions is based on 12 months of service excluding service during authorized leaves taken during the summer months and at other times during the year. (i.e. for some employees this results in a period of longer than 12 months wait to enter the plan for purposes of receiving the employer and match contribution). This is contingent on the fact that the participant was timely notified in writing..

You will be eligible to receive Matching Contributions and Employer Contributions as of the first Entry Date based on when you satisfy the minimum age and service requirements.

### Matching Contributions

We are authorized under the Plan to make a matching contribution on behalf of eligible Plan participants. A matching contribution is an employer contribution that is made to participants who make Salary Deferrals to the Plan. If you satisfy all of the eligibility requirements described in Article 5 below for matching contributions and you make Salary Deferrals, you will receive an allocation of any matching contributions we make to the Plan, in accordance with the matching formula described below. For this purpose, any matching contribution will also apply with respect to any Roth Deferrals you make to the Plan. If you do not satisfy all of the eligibility requirements for receiving a matching contribution, you will not share in an allocation of such matching contributions for the period for which you do not satisfy the eligibility requirements.

Matching contributions will be contributed to your matching contribution account under the Plan at such time as we deem appropriate. Matching contributions may be contributed during the Plan Year or after the Plan Year ends. Any matching contributions we make will be made in accordance with the following matching contribution formula.

**Special matching contribution formula.** We will make a matching contribution on your behalf if you make Salary Deferrals under the Plan. The matching contribution will be based on the following formula:

Matching Formula: Operationally, for 2009 and future years, the match contribution calculations, based on the formula of 1% on deferral amounts of 1% up to 1.99% of compensation, 2% on deferral amounts up to 2.99% of compensation and 3% of deferral amounts of 3% or more of compensation, are done based on an estimated calculation done upon entry to the plan and at any time when the participant changes their deferral amount. To further explain, deferrals are always flat dollar amount not percentages, upon eligibility to receive the match a calculation is done based on estimated compensation to figure out if the participant will get a 1%, 2% or 3% match and until such time as the participant changes their deferral amount the match

percentage remains the same for each pay period there is a deferral without regard to actual compensation paid each pay period.

#### ADDITIONAL INFORMATION

If you have any questions about the modifications described in this Summary of Material Modifications or about the Plan in general, or if you would like a copy of the Summary Plan Description or other Plan documents, you may contact:

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**Address:**

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Hermiston, OR 97838

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