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Nationwide® Business Solutions Group

Nonqualified deferred compensation plan design questionnaire

Section 1 Broker Information

Producer name(s): _____

Producer firm or broker/dealer: _____

Is a Brokerage General Agent (BGA) involved? ☐ Yes ☐ No

BGA Name: _____

BGA Firm: _____

Section 2 Company Information

Sponsor's name: _____ State of incorporation: _____

Total number of employees: _____

Business form: ☐ Regular C corporation ☐ Limited liability company
☐ Tax-exempt (for IRC Section 457(f) "ineligible" plans only) ☐ Subchapter S corporation ☐ Partnership
☐ Other:

If C corp selected: marginal tax bracket _____ %

Section 3 **Plan Details**

Number of eligible individuals: _____ Anticipated Plan effective date: _____

Eligibility

NOTE: THE PLAN CAN BE MAINTAINED ONLY FOR THE BENEFIT OF (1) A SELECT GROUP OF THE EMPLOYER'S MANAGEMENT AND HIGHLY COMPENSATED EMPLOYEES, (2) INDEPENDENT CONTRACTORS AND (3) NONEMPLOYEE DIRECTORS. EMPLOYERS ARE ENCOURAGED TO CONSULT WITH COUNSEL REGARDING WHETHER THE NAMED INDIVIDUALS OR POSITIONS QUALIFY UNDER THE "SELECT GROUP" STANDARD.

☐ (1) A select group of management and highly compensated employees; (2) independent contractors; (3) nonemployee directors; as designated by the employer in separate resolutions or agreements. (Employees/independent contractors/ nonemployee directors who become eligible to participate in the Plan after the effective date shall be those specified by the Board of the employer in accordance with the terms of the Plan.)

☐ Persons holding the following positions within the employer's management, each of whom are considered to be a member of a select group of management and highly compensated employees:

Contributions and allocations

1. If employer contribution credits are intended to be provided by the employer under the Plan, so indicate (check one):

☐ a. The employer shall not make employer contribution credits.

☐ b. The employer may contribute each Plan Year an amount of employer contribution credits on behalf of one or more participants, at times and in amounts determined solely at the discretion of the employer.

If box (b.) above is checked, please describe the type and frequency of the employer contribution that may be made.

Type of employer contribution:

Frequency of employer contribution:

☐ Annual (date of contribution): _____

☐ Semiannual

☐ Quarterly

☐ Other: _____

2. Will the Plan allow participants to defer compensation as compensation deferral credits (check one)?

☐ Yes ☐ No

3. If yes, please indicate the types of eligible compensation that may be deferred (check all that apply):

☐ Base salary

☐ Bonus compensation

☐ Director's fees/retainer

☐ Other (please indicate type of compensation): _____

4. If the employer intends to allow the participant to make a 401(k) refund contribution, so indicate:

☐ The participant shall NOT be allowed to make a 401(k) refund contribution.

☐ The participant may make a 401(k) refund contribution. The participant may elect to defer an amount of compensation equal in amount to the 401(k) refund paid to the participant due to the failure of the actual deferral percentage test in the employer's 401(k) plan. The participant must make the election in the year prior to the year of deferral.

5. Will the Plan allow the employer to limit a participant's deferral of compensation, as compensation deferral credits, into the participant's compensation deferral credit account?

☐ Yes ☐ No

☐ Maximum deferral of base salary: $ _____ or _____% of salary

☐ Maximum deferral of bonus: $ _____ or _____% of bonus

☐ Maximum deferral of director's fees income: $ _____ or _____% of director's fees

☐ Maximum deferral of other compensation (not described above): $ _____ or _____% of other compensation

Distributions

Events that will trigger payment under the plan: Please select all that apply and form of payment.

☐ a. Separation from service
- ☐ Lump sum ☐ Annual installments over a period of 2 to _____ (maximum 15) years

☐ b. Death
- ☐ Lump sum ☐ Annual installments over a period of 2 to _____ (maximum 15) years

☐ c. Disability
- ☐ Lump sum ☐ Annual installments over a period of 2 to _____ (maximum 15) years

☐ d. Change in control
- ☐ Lump sum ☐ Annual installments over a period of 2 to _____ (maximum 15) years

Unforeseeable emergency distributions: (choose only one)

☐ Not permitted

☐ Permitted

Special distribution rules

a. Will the Plan allow specified period deferrals (i.e., scheduled in-service withdrawals) (check one)?

☐ Yes ☐ No

Specified period deferral distributions under the Plan may be made in (if Yes is checked above, check all that apply):

☐ Lump-sum form

☐ Annual installments over a period of 2 to _____ (maximum 15) years, as selected by the participant

What is the desired number of deferral years required for specified period deferrals before they are eligible to be distributed (minimum of 3 years)? _____

b. Will the Plan allow for redeferrals of specified period deferrals, subject to 409A requirements?

☐ Yes ☐ No

Plan valuation

Participant account(s) will be credited or debited with returns based on the following (choose only one):

☐ DEEMED investment results — Gains/losses are based on selected carrier VUL subaccount unit values or publicly traded mutual fund share prices to be used only as a measurement index and not associated with an actual investment. Under this method, the plan Sponsor assumes risk for charges, expenses, fees, etc., associated with funding vehicle. Select the deemed investment option that will be used (choose only one):

☐ Subaccounts mirror 401(k) funds

☐ Mutual funds other: _____

☐ Participant directs the deemed investment options for his/her account(s)

☐ Plan sponsor directs the deemed investment options for participant's account(s)

☐ Declared interest rate/index (choose only one)

☐ Fixed interest. Interest at the rate of _____% per annum compounded daily on all participant account(s).

☐ Discretionary interest. Describe timing and anticipated formula:

_____

_____

Other (specify): _____

Vesting

1. Participants shall be fully vested in their employer contribution credit account under the Plan in accordance with the following schedule (choose only one):

☐ Participants shall be fully vested in their employer contribution credit accounts at all times.

☐ Less than 3 years: 0%
3 or more years: 100%

☐ Less than 5 years: 0%
5 or more years: 100%

☐ Less than 1 year: 0%
1 but not 2 years: 33.33%
2 but not 3 years: 66.66%
3 or more years: 100%

☐ Less than 1 year: 0%
1 but not 2 years: 20%
2 but not 3 years: 40%
3 but not 4 years: 60%
4 but not 5 years: 80%
5 or more years: 100%

☐ 1 to 10 years: 10% per year

☐ 1 to 20 years: 5% per year

☐ Custom vested percentage (additional fees/restrictions may apply)

Employer-defined vesting schedule: _____

Comments/additional information:

Complete and email this form to your Nationwide Business Solutions Group wholesaler.

Completed by: _____

Date: _____

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