

Collin County Community College District

**Conditions to Be Met by Organizations Seeking to be Authorized
to Write Optional Retirement Program and/or Tax Sheltered Annuity
Contracts, Custodial Accounts or Investment Contracts
for Eligible Employees of Collin County Community College District**

The President or General Counsel of an insurance company, custodial account or investment company seeking authorization to provide annuity contracts, custodial accounts, investment contracts or policies under the Optional Retirement Program (ORP) and/or Tax Deferred Account (TDA) Program of Collin County Community College District (CCCCD) must certify that the company meets the conditions listed below. **This certification should be returned to Collin County Community College, Human Resources Office, Collin Higher Education Center, 3452 Spur 399, McKinney, TX 75069.** Each page of this certification must be signed and dated by the President or General Counsel of the company. Also, on the last page, the signature of the President or General Counsel of the company must be notarized. The word "company" refers to each insurance company, bank, investment company, or other corporate entity seeking to offer benefits or annuities, contracts, or policies under the Optional Retirement Program and/or the Tax Deferred Account Program.

1. An insurance company must certify that it is qualified and admitted to do business in the State of Texas in accordance with the rules and regulations of the State Board of Insurance.
2. A bank must certify that it is chartered to do business in the State of Texas by the State Banking Board.
3. An investment company must certify that it has been approved to do business in the State of Texas in accordance with the requirements of the State Securities Board.
4. All companies must certify that the contract, account, or policy shall provide an annuity under the Collin College Tax Deferred Account Program which does not contain a life insurance feature.
5. An insurance company must specify whether fixed or variable annuities or any other investment vehicle will be offered.
6. An insurance company must specify whether individual or group contracts are to be offered.
7. An insurance company must certify that the contract or policy to be offered has the approval of the Texas State Board of Insurance.
8. A bank must certify that the account to be offered has the approval of the State Banking Board.
9. An investment company must certify that the contract or policy to be offered has the approval of the Texas State Securities Board, pursuant to the Securities Act (Vernon's Texas Civil Statutes, Article 581-1 et. seq.).
10. All companies must certify compliance with "Rules for Administration of Retirement Annuity Programs" adopted by the Administrative Council, Coordinating Board, Texas College and University System, under the authority of Article 3.50-3 et.seq. of the TEXAS GOVERNMENT CODE.
11. All companies must certify that all agreements required by the company must be submitted to Collin College for approval.

President/General Counsel of the Company

Date

12. All companies must certify that contracts or specimen contracts for each product to be offered have been furnished to CCCCDC for approval.
13. All companies must certify that each product, contract or amended contract to be offered will be submitted and approved in advance of the offering for sale of the product, contract, or amended contract, pursuant to these Conditions and any subsequent amendments or new Conditions.
14. All companies must certify that no new product, contract, or amended contract will be presented to or discussed with employees of CCCCDC until such product or contract is approved.
15. All companies must certify that any amendments to contracts, accounts, or policies mandated by federal or state laws, regulations, revenue rulings or opinions of the Attorney General of the State of Texas will be made as required.
16. All companies must certify that contributions and new contracts entered into after September 25, 1981, (the date of Revenue Ruling 81-225), will not have adverse tax consequences to participants and will provide tax-sheltered status to contributions made within the provisions of Section 403(b) of the Internal Revenue Code, as amended. *All companies must provide documentation in support of this certification.*
17. All companies offering contracts, accounts, or policies as described in Section 403(b)(7), Internal Revenue Code, as amended, must specifically certify that the product will not result in adverse tax consequences to participants and will provide tax-sheltered status to contributions made, within the provisions of Section 403(b)(7). *All companies must provide documentation in support of this certification.*
18. All companies must guarantee that the maximum exclusion allowance calculated by its representative will not exceed the maximum exclusion allowed by law. All companies must agree to use CCCCDC forms and procedures for calculation of the participant's maximum exclusion allowance (MEA) and to present a copy of the calculation of the participant's maximum exclusion allowance (at no additional cost or fee to the participant or CCCCDC) with the participant's application to the Benefits Office of Collin County Community College District. And, the company must certify that they will indemnify a participant and the College to the extent of any penalty and/or interest assessed with respect to past due taxes which are related to the company's failure to correctly compute that participant's maximum exclusion allowance. In making this indemnification agreement, the company will not be liable for indemnification as to any errors in the computation of the exclusion allowance which result from incorrect information supplied to the company from a participant. The District will not approve reduction agreements for any amount which exceeds the maximum amount computed using CCCCDC forms and instructions. *All companies must provide the MEA documentation in support of this certification, annually by January 10th.*
19. An investment company or custodial account bank must certify that all contracts, policies, or accounts shall be offered in compliance with the Securities and Exchange Commission Releases 33-6352 and IC-11960.
20. All companies must certify that each officer, agent, broker, employee or other representative involved in the sale of contracts, accounts or policies under these conditions will be provided with a copy of the Conditions and will comply with these conditions and all applicable laws.
21. All companies must agree to provide the names, addresses, and qualifications of one or two licensed agents who they proposed to be approved by CCCCDC to solicit and service their Optional Retirement Plan and the Tax Deferred Account Programs. Such agents must have appropriate licensing by the State Board of Insurance and/or N.A.S.D. (or appropriate Securities License) as required for the type of product sold.

President/General Counsel of the Company

Date

22. All companies must certify that they will complete and provide to CCCCD a questionnaire that covers specific information concerning the company's contract(s) or policy(ies).
23. All companies must certify that they have received and will comply with CCCCD's rules and regulations concerning the administration of the Optional Retirement and Tax Deferred Account Programs, including eligibility to participate, types of applications, time for submission of applications, and other administrative requirements; and the rules limiting solicitation on campus designed to prevent interference with an employee's assigned duties and responsibilities.
24. All companies must certify that the contracts, accounts, policies, and procedures to be used in an Optional Retirement Program are qualified under Section 403(b) of the Internal Revenue Code, as amended.
25. All companies must certify that contracts, accounts, and policies to be issued in an Optional Retirement Program to employees of CCCCD are in accordance with the following Texas Attorney General's Opinions:

<u>Opinion Number</u>	<u>Date Issued</u>	<u>Opinion Number</u>	<u>Date Issued</u>
M-196	02-01-68	M-420	06-19-
M-596	03-13-70	M-647	06-08-70
M-1027	12-29-71	H-99	09-12-73
H-371	08-15-74	H-532	02-18-75

26. All companies must include a copy of the Securities and Exchange Commission exemption required for contracts to be used in an Optional Retirement Program pursuant to 15 U.S.C. 80a-6 and the Texas Attorney General's Opinion No. H-532 (1975).
27. All companies must certify that contracts, accounts, and policies to be offered in an ORP are in accordance with all requirements of the Optional Retirement Program as set forth in Section 36.001 et. seq., Title 110B, Vernon's Texas Civil Statutes (to be included in the TEXAS GOVERNMENT CODE).
28. All companies must certify that contributions by the employee and by the State to an Optional Retirement Program will be in amounts equal to those authorized or required by Texas law and regulations pursuant thereto.
29. All companies must certify that withdrawal of benefits from an Optional Retirement Program is limited by Section 36.105, Title 110B, Vernon's Texas Civil Statutes (to be included in the TEXAS GOVERNMENT CODE) as follows:
 - (a) A person terminates participation in the optional retirement program without losing any accrued benefits by:
 1. death;
 2. terminates employment due to total disability;
 3. retirement; or
 4. termination of employment in all institutions of higher education.
 - (b) A change of company providing optional retirement program benefits or a participant's transfer between institutions of higher education is not a termination of employment.
 - (c) The benefits of an annuity purchased under the optional retirement program are available only if the participant terminates participation in the program as provided by subsection (a) of this section.

 President/General Counsel of the Company

 Date

30. All companies must certify that no redeemable stock certificate or other thing of value redeemable for cash shall be issued to the participant in an Optional Retirement Program except as specified in Item 29 above.
31. All companies must certify that transferring funds from one company to another company must be authorized through the CCCCDC Benefits Office. Checks are to be made payable on non-vested participants to the participant and CCCCDC.
32. All companies must obtain a written statement from CCCCDC certifying vesting status and the termination date of employment before employee withdrawal from the Optional Retirement Program is permitted, and agree to indemnify the participant and CCCCDC for any tax penalty or interest assessed because of an uncertified withdrawal of ORP funds.
33. All companies must certify that the total amount of the State's first year matching contribution will be refunded to CCCCDC promptly in the event the employee does not begin a second year of ORP participation.
34. All companies must certify that the contracts, accounts, policies, and procedures to be used in a Tax Deferred Account Program are qualified under Section 401(g), 403(b), and 415 of the Internal Revenue Code, as amended.
35. All companies must certify that annuity and investment contracts, accounts, and policies are in accordance with all requirements of the TSA Program as set forth in Article 6228 a-5, Vernon's Texas Civil Statutes.
36. All companies must certify that they will not discriminate among employees in soliciting plans for ORP or TDA on the basis of race, creed, color, sex, or national origin.
37. Companies who have CCCCDC employees enrolled in ORP or TDA contracts at the effective date of these Conditions, and who fail to provide certification to these Conditions shall not be permitted to write additional contracts for new participants. Such companies may continue to serve contracts already in existence, but participants will be notified of the company's failure to comply.
38. All companies must certify that they understand that any false or misleading statement, or any subsequent violation of these Conditions will result in immediate suspension of authorization to write contracts for the employees of Collin County Community College District.
39. The President or General Counsel of the insurance company, custodial account, or investment company must acknowledge below in writing, and at the bottom of each preceding page, that the company agrees to and meets the Conditions herein.
40. Upon receipt of transferred funds, the company will ensure that the new account is subject to the same or more stringent distribution restrictions as the original account.
41. The company will provide rollover tax reporting in accordance with the applicable laws.
42. The company is responsible for tracking and reporting early distribution triggering events. Liability for adverse tax consequences lies with the company.
43. The company must comply with the minimum distribution requirements as noted in IRC section 403 (b)(10).
44. Loans to participants of Tax Deferred Account funds meet IRC 72(p) requirements. Documentation related to such loans will be provided to the District on a timely basis upon request.

 President/General Counsel of the Company
 Effective 06/01/98

 Date

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Name of Company: _____

Address: _____ Phone: (____) _____

City: _____ State: _____ Zip: _____

Authorized Officer: _____ / _____
Signature / Typed or Printed Name

Title of Company Officer: _____

Products or Contracts Covered by this Agreement: _____

State of _____

County of _____

SWORN TO and subscribed before me by _____

on this _____ day of _____, 20____.

Notary Public Signature

(SEAL)