

Comparison of Nonqualified Deferred Compensation Plans Offered Through Homestead Funds

Plan Features	Nonqualified Deferred Compensation Plan Types					
	Executive Benefit Restoration Plan	Executive Compensation 457(b) Plan	Global Executive Compensation Plan	Governmental Deferred Compensation 457(b) Plan	Performance Incentive 457(f) Plan	Top Hat Plan for Taxable Employers
Which Co-ops Can Establish a Plan	Tax-exempt or taxable co-ops	Tax-exempt co-ops	Co-ops that may change tax status from year to year	Public power districts and public utility districts	Tax-exempt co-ops and public power and public utility districts	Taxable co-ops
	Eligible employees may earn supplemental benefits due to restrictions on their qualified retirement benefits	Eligible employees may defer additional compensation to supplement benefits from qualified deferred compensation plans; employers may also contribute	Eligible employees may defer additional compensation to supplement benefits from qualified deferred compensation plans; employers may also contribute	Trust-funded plan allows employees to defer compensation for retirement and may be used in addition to other qualified deferred compensation plans	Eligible employees may earn supplemental compensation if specific performance goals are met within a specific time frame	Eligible employees may defer compensation to supplement benefits from qualified deferred compensation plans; no limits on deferral amounts but may reduce "high five" average benefit calculation for Retirement Security Plan
Eligibility	Select group of management or highly compensated employees	Select group of management or highly compensated employees	Select group of management or highly compensated employees	All employees designated by the employer	Select group of management or highly compensated employees and key employees	Select group of management or highly compensated employees
Director Plans Available	No	Yes	Yes	No	No	Yes
Benefit Vesting Period	<i>Tax-exempt</i> – Selected by co-op and must be at least 24 months from plan entry; <i>Taxable</i> – None	Always vested	Always vested	Always vested	Selected by co-op and must be at least 24 months from plan entry	Always vested
Participant Salary Deferrals	No	Yes	Yes	Yes	No	Yes
Employer Contributions Allowed	Yes	Yes	Yes	Yes	Yes	Yes
Annual Contribution Limits	No contribution limits	Subject to the annual IRS limits (e.g., \$23,000 in 2024, including employee and employer contributions)	Subject to the annual IRS limits (e.g., \$23,000 in 2024, including employee and employer contributions)	Subject to the annual IRS limits (e.g., \$23,000 in 2024, including employee and employer contributions)	No contribution limits	100% of compensation (i.e., salary, bonus, per diem) plus employer contributions
Catch-Up Contribution Provisions	No	Special catch-up contributions during the three years prior to (but not including) the year they reach normal retirement age, if eligible	Special catch-up contributions during the three years prior to (but not including) the year they reach normal retirement age, if eligible	(a) Age 50 and over catch up contribution (e.g., \$7,500 in 2024); or (b) special catch-up contributions during the three years prior to (but not including) the year they reach normal retirement age, if eligible	No	No
Employment Tax (FICA, Medicare) Withholding	At the time of distribution	At the time of deferral	At the time of deferral	At the time of deferral	At the time of distribution	At the time of deferral

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Income Tax Withholding	At the time of distribution	At the time of distribution	At the time of distribution	At the time of distribution	At the time of distribution	At the time of distribution
Who Directs Investments	Generally, co-op board-directed	Co-op board- or participant-directed	Co-op board- or participant-directed	Generally, participant-directed	Co-op board- or participant-directed	Co-op board- or participant-directed
Risks to Participant	Subject to co-op creditors and may be subject to substantial risk of forfeiture	Subject to co-op creditors	Subject to co-op creditors	Not subject to co-op creditors due to trust fund requirement	Subject to co-op creditors and substantial risk of forfeiture	Subject to co-op creditors
Distribution Options	Tax-exempt – Single-sum cash payment only Taxable – Single-sum cash payment or installment payments	(a) Single-sum cash payment; (b) Series of installment payments; (c) Single-sum cash payment plus a series of installments; or (d) In-kind transfer	(a) Single-sum cash payment; (b) Series of installment payments; (c) Single-sum cash payment plus a series of installments; or (d) In-kind transfer	(a) Single-sum cash payment; (b) Series of installment payments; (c) Single-sum cash payment plus a series of installments; (d) In-kind transfer; or (e) Rollover(s)	Single-sum cash payment only	(a) Single-sum cash payment; (b) Series of installment payments; (c) Single-sum cash payment plus a series of installments; or (d) In-kind transfer
Participant's Ability to Change Timing of Distributions	Tax-exempt – Not permitted Taxable – Permitted if: (a) Payment date is delayed at least five years from the date of the originally scheduled payment; and (b) The change is made at least 12 months prior to the scheduled payment	Permitted if: (a) An election form is on file prior to termination; and (b) The change is made within 30 days following separation from service or at least 30 days prior to the scheduled payment	Permitted if: (a) Payment is delayed at least five years from the date of the originally scheduled payment; and (b) The change is made at least 12 months prior to the scheduled payment	Permitted, provided an initial payment is on file prior to separation. If account balance is rolled over to an individual retirement account (IRA) or qualified retirement plan (e.g., 401[k] plan) then distributions are governed by account/plan rules	Not permitted	Permitted if: (a) Payment is delayed at least five years from the date of the originally scheduled payment; and (b) The change is made at least 12 months prior to the scheduled payment
Participant's Ability to Change Form of Distributions	Same as above	Permitted if the change is made within 30 days following separation from service (e.g., single-sum cash payment to a series of installment payments or vice versa)	Same as above	Same as above	Not permitted	Same as above
Required Minimum Distributions	No	Yes, at age 70½* or later if still working at employer	Yes, at age 70½* or later if still working at employer	Yes, at age 70½* or later if still working at employer	No	No

*Or age 72 if plan amended or adopted after 2019

IMPORTANT: Homestead Funds offers nonqualified deferred compensation (NQDC) plans as an additional service to members for their employees and directors and provides certain consulting support services. However, Homestead Funds does not sponsor or act as the plan administrator of NQDC plans, assume liability for their operation, or provide legal or tax advice in conjunction with NQDC plans. Employers and participants are responsible for any tax or legal consequences associated with their adoption, operation or participation in NQDC plans. Employers and eligible participants should consult their attorney and/or personal tax advisor before taking any action with respect to the plan.

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