

CITY OF DALLAS - DEFERRED COMPENSATION

401(K) DEFERRED COMPENSATION PROGRAM

457 DEFERRED COMPENSATION PROGRAM

I. ELIGIBILITY:
 2 YEARS SERVICE WITH CITY OF DALLAS
 BE A PERMANENT FULL-TIME EMPLOYEE

II. CONTRIBUTION LIMITS:
 MINIMUM: 1% OF GROSS SALARY
 MAXIMUM: 20% OF GROSS SALARY OR \$7,000 PER YEAR*
 * IF YOU ARE ENROLLED IN BOTH PLANS, THEN THE
 COMBINED MAXIMUM LIMIT IS \$14,500/YR. TO 1/1/89

III. INVESTMENT OPTIONS:
 FIXED ACCOUNT
 MONEY MARKET
 STOCK OPTIONS

IV. WITHDRAWALS

1. FINANCIAL HARDSHIPS: UNFORSEEABLE EMERGENCY
 IMPENDING PERSONAL BANKRUPTCY
 ILLNESS(DEDUCTIBLE MEDICAL EXPENSES)
 DISABILITY OF PARTICIPANT OR DEPENDENT
 MAJOR PROPERTY LOSS
 UNEXPECTED/UNREIMBURSED NON-BUDGETABLE EXPENSE
 PURCHASE OF PROPERTY/HOUSE AS PRIMARY RESIDENCE
 EDUCATION BEYOND SECONDARY SCHOOL/SELF/DEPENDENTS
 PURCHASE OF HOUSE AS PRIMARY RESIDENCE
 *ALL HARDSHIPS EXCEPT DEDUCTIBLE MEDICAL HAVE 10%
 PENALTY TAX ASSESSED

2. RETIREMENT:
 AGE 59.5 YEARS OF AGE
 IF PARTICIPANT IS 55, MET EARLY RETIREMENT, CAN
 PULL LUMP SUM WITHOUT PENALTY
 IF PARTICIPANT LEAVES PRIOR TO 55, CAN TAKE:
 A. PERIODIC OR ANNUITY PAYMENTS- NO PENALTY
 B. PAY 10% PENALTY AND PULL MONEY LUMP SUM
 ** C. ROLL MONEY OVER TO ANOTHER QUALIFIED PLAN
 ** D. ROLL MONEY OVER TO AN IRA ACCOUNT
 **C. AND D. DO NOT CARRY 10% PENALTY
 IF AGE 59.5/BEEN IN PLAN FOR 5 YEARS, PARTICIPANT
 ALLOWED TO 5-YR FORWARD AVERAGE THE LUMP SUM

3. TERMINATION:
 A. PERIODIC OR ANNUITY PAYMENTS- NO PENALTY
 B. PAY 10% PENALTY AND PULL MONEY LUMP SUM
 ** C. ROLL MONEY OVER TO ANOTHER QUALIFIED PLAN
 ** D. ROLL MONEY OVER TO AN IRA ACCOUNT
 **C. AND D. DO NOT CARRY 10% PENALTY

I. ELIGIBILITY:
 DATE OF EMPLOYMENT WITH CITY
 BE A PERMANENT EMPLOYEE

II. CONTRIBUTION LIMITS:
 MINIMUM: \$10. PER PAY PERIOD
 MAXIMUM:\$7,500 PER YEAR*
 * IF YOU ARE ENROLLED IN BOTH PLANS, THEN THE
 COMBINED MAXIMUM LIMIT IS \$14,500/YR. TO 1/1/89

III. INVESTMENT OPTIONS:
 FIXED ACCOUNT
 MONEY MARKET
 STOCK OPTIONS

IV. WITHDRAWALS

1. FINANCIAL HARDSHIPS: UNFORSEEABLE EMERGENCY
 IMPENDING PERSONAL BANKRUPTCY
 ILLNESS(DEDUCTIBLE MEDICAL EXPENSES)
 DISABILITY OF PARTICIPANT OR DEPENDENT
 MAJOR PROPERTY LOSS
 UNEXPECTED/UNREIMBURSED NON-BUDGETABLE EXPENSE
 IF LUMP SUM TAKEN, 4% DEFERRED SALES CHARGE
 TAXABLE AS ORDINARY INCOME

2. RETIREMENT:
 NO RETIREMENT AGE
 IF LUMP SUM TAKEN, 4% DEFERRED SALES CHARGE
 UNLESS TAKEN IN A MINIMUM 3 YEAR ANNUITY
 TAXABLE AS ORDINARY INCOME

3. TERMINATION:
 NO RESTRICTIONS, EXCEPT:
 IF PULLED LUMP SUM, 4% DEFERRED SALES CHARGE
 UNLESS TAKEN IN A MINIMUM 3 YEAR ANNUITY
 TAXABLE AS ORDINARY INCOME