

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 2015 This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2015 or fiscal plan year beginning <u>06/01/2015</u> and ending <u>06/30/2015</u>			
A This return/report is for:	☒ a single-employer plan	☐ a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions)	
	☐ a one-participant plan	☐ a foreign plan	
B This return/report is	☐ the first return/report	☒ the final return/report	
	☐ an amended return/report	☒ a short plan year return/report (less than 12 months)	
C Check box if filing under:	☐ Form 5558	☐ automatic extension	☐ DFVC program
	☐ special extension (enter description)		

Part II Basic Plan Information—enter all requested information			
1a Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MUENSTER STATE BANK</u>	1b Three-digit plan number (PN) ►	<u>001</u>	
	1c Effective date of plan	<u>06/01/1960</u>	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>MUENSTER STATE BANK</u> <u>P. O. BOX 100</u> <u>201 N. MAIN</u> <u>MUENSTER, TX 76252</u>	2b Employer Identification Number (EIN) <u>75-0453080</u>		
	2c Sponsor's telephone number <u>940-759-2257</u>		
	2d Business code (see instructions)	<u>522110</u>	
3a Plan administrator's name and address ☐ Same as Plan Sponsor. <u>MUENSTER STATE BANK</u> <u>P.O. BOX 100</u> <u>201 N. MAIN</u> <u>MUENSTER, TX 76252</u>	3b Administrator's EIN <u>75-0453080</u>		
	3c Administrator's telephone number <u>940-759-2257</u>		
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. a Sponsor's name	4b EIN		
	4c PN		
5a Total number of participants at the beginning of the plan year	5a	<u>20</u>	
b Total number of participants at the end of the plan year	5b	<u>0</u>	
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c		
d(1) Total number of active participants at the beginning of the plan year	5d(1)	<u>16</u>	
d(2) Total number of active participants at the end of the plan year	5d(2)	<u>0</u>	
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	<u>0</u>	
Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.			
Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.			
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>01/20/2016</u>	<u>ROBERT WEINZAPFEL</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☒ No ☐ Not determined

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets.....	7a	1631289	0
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	1631289	0
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)		
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	-22248	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		-22248
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e Certain deemed and/or corrective distributions (see instructions)....	8e		
f Administrative service providers (salaries, fees, commissions).....	8f	2477	
g Other expenses	8g	2434	
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		4911
i Net income (loss) (subtract line 8h from line 8c)	8i		-27159
j Transfers to (from) the plan (see instructions)	8j	-1604130	

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A

B If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X		
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X		
c Was the plan covered by a fidelity bond?.....	10c	X			2000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X		
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.).....	10e		X		
f Has the plan failed to provide any benefit when due under the plan?	10f		X		
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X		
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X		
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	10i				
j Did the plan trust incur unrelated business taxable income?	10j				

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)..... ☒ Yes ☐ No

11a Enter the unpaid minimum required contribution for all years from Schedule SB (Form 5500) line 40..... **11a** 0

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA?... ☐ Yes ☒ No

(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)

- a** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month Day Year

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

- b** Enter the minimum required contribution for this plan year **12b**
- c** Enter the amount contributed by the employer to the plan for this plan year **12c**
- d** Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**
- e** Will the minimum funding amount reported on line 12d be met by the funding deadline? ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

- 13a** Has a resolution to terminate the plan been adopted in any plan year? ☒ Yes ☐ No
- If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a** 0
- b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☒ Yes ☐ No
- c** If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)
PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS	13-5645888	333

Part VIII Trust Information

- 14a** Name of trust
- 14b** Trust's EIN
- 14c** Name of trustee or custodian
- 14d** Trustee's or custodian's telephone number

Part IX IRS Compliance Questions

- 15a** Is the plan a 401(k) plan? ☐ Yes ☒ No
- 15b** If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)? ☐ Design-based safe harbor method ☐ ADP/ACP test
- 15c** If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))? ☐ Yes ☐ No
- 16a** Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b): ☐ Ratio percentage test ☐ Average benefit test
- 16b** Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☐ No
- 17a** Has the plan been timely amended for all required tax law changes? ☐ Yes ☐ No ☐ N/A
- 17b** Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code ____ (See instructions for tax law changes and codes).
- 17c** If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number ____.
- 17d** If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.
- 18** Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)? ☐ Yes ☐ No
- 19** Were in-service distributions made during the plan year? ☐ Yes ☐ No
- If "Yes," enter amount
- 19**
- 20** Were required minimum distributions made to 5% owners who have attained age 70 ½ (regardless of whether or not retired), as required under section 401(a)(9)? ☐ Yes ☐ No ☐ N/A

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2015 or fiscal plan year beginning 06/01/2015 and ending 06/30/2015

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<div>A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MUENSTER STATE BANK</div>	<div>B Three-digit plan number (PN) 001</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MUENSTER STATE BANK</div>	<div>D Employer Identification Number (EIN) 75-0453080</div>

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I Basic Information

1	Enter the valuation date: Month 06 Day 01 Year 2015		
2	Assets:		
	a Market value	2a	1631289
	b Actuarial value	2b	1631289
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target (3) Total Funding Target
	a For retired participants and beneficiaries receiving payment	1	10381 10381
	b For terminated vested participants	3	146496 146496
	c For active participants	16	1165296 1165296
	d Total	20	1322173 1322173
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	6.15%
6	Target normal cost	6	11202

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<div>SIGN HERE</div>	<div>Signature of actuary JOHN CORPORON Type or print name of actuary PENTEGRA SERVICES INC. Firm name 108 CORPORATE PARK DRIVE WHITE PLAINS, NY 10604 Address of the firm</div>	<div>01/11/2016 Date 14-07665 Most recent enrollment number 914-821-9465 Telephone number (including area code)</div>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	181174	102750
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	181174	102750
10 Interest on line 9 using prior year's actual return of <u>8.19</u> %	14838	8415
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		33385
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.40</u> %		2137
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance.....		35522
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	196012	111165

Part III Funding Percentages		
14 Funding target attainment percentage.....	14	100.14 %
15 Adjusted funding target attainment percentage	15	123.37 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	123.15 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?..... ☐ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 1
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	11202	
b Excess assets, if applicable, but not greater than line 31a	31b	1939	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	9263	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	9263	0	9263
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, line 26 - Schedule of Active Participant Data (EIN: 75-0453080/PN: 001)

Age	Years of Credited Service													
	< 1		1-4		5-9		10-14		15-19		20-24		25-29	
	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.
< 25	0		2		0		0		0		0		0	
25-29	0		0		0		0		0		0		0	
30-34	0		0		1		0		0		0		0	
35-39	0		1		1		1		0		0		0	
40-44	0		0		0		0		1		0		0	
45-49	0		0		1		0		0		0		0	
50-54	0		0		0		1		1		2		0	
55-59	0		1		0		0		1		0		0	
60-64	0		0		0		0		0		1		0	
65-69	0		0		0		0		0		0		0	
> 69	0		0		0		0		0		0		0	
Total	0		4		3		2		3		3		1	

Grand Total: 16



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (EIN: 75-0453080/PN: 001)

Mortality	2015 Combined male and female static mortality tables for non-annuitants and annuitants as published in IRS final regulation 1.430(h)(3)-1(e).
Termination Rates	None assumed.
Retirement Rates	100% assumed to retire at Normal Retirement Age.
Disability Rates	None assumed.
Form of Payment	Assumed form of payment is lump sum equivalent of normal form. Funding Target for lump sum is the greater of the present value of accrued benefit computed using funding segment rates and 417 (e) Applicable Mortality Table or lump sum at the assumed retirement date of accrued benefit using plan actuarial equivalence discounted using appropriate segment rate.
Plan Lump Sum Actuarial Equivalence	1994 GAR Proj. 2002, Scale AA (unisex) at 5.00%.
Marriage	It is assumed that 80% of active participants are married, with males three years older than their spouses.
Social Security Increase Rates	
Wage Base	4.00% per annum.
Cost-of-living Adj.	3.00% per annum.
Expenses	Administrative-related expenses for the previous year equal zero.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (EIN: 75-0453080/PN: 001)

Salary Increases

Illustrative annual rates of assumed salary increases at various representative ages are as follows:

<u>Age</u>	<u>Increase %</u>
25	9.00%
35	7.00%
45	5.80%
55	5.40%
60	5.20%
62	5.12%

Changes from the Prior Year

In prior valuations, actual compensation for the calendar year ending after the valuation date was used in determining the plan's Target Normal Cost. Age-graded salary rates were introduced for the short plan year valuation because a) calendar-year 2015 compensation was not yet available, and b) the new assumption aligns with what is used by the multiple employer plan into which the Muenster Bank plan will merge on July 1, 2015.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (EIN: 75-0453080/PN: 001)

Summary of Plan Sponsor Elections for June 1, 2015 Valuation

Interest rates used for determining funding target	Three-segment rates based on 24-month segment rates for May 2015, as amended by MAP-21 and further modified by HATFA.
Asset valuation method	Market Value
Mortality basis	2015 Combined Static
Voluntary reduction of carryover balance	None
Voluntary reduction of prefunding balance	None
Deemed reduction of carryover balance	None
Deemed reduction of prefunding balance	None
Amount added to the prefunding balance	\$0
Choice to reflect amendment effective after 6/1/2015	Not Applicable



SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 06/01/2015 and ending 06/30/2015

▶ **Round off amounts to nearest dollar.**
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MUENSTER STATE BANK	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MUENSTER STATE BANK	D Employer Identification Number (EIN) 75-0453080
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>06</u> Day <u>01</u> Year <u>2015</u>			
2 Assets:			
a Market value.....		2a	1631289
b Actuarial value.....		2b	1631289
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	1	10381	10381
b For terminated vested participants.....	3	146496	146496
c For active participants.....	16	1165296	1165296
d Total.....	20	1322173	1322173
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate.....	5	6.15%	
6 Target normal cost.....	6	11202	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		01/11/2016
Signature of actuary		Date
JOHN CORPORON		1407665
Type or print name of actuary		Most recent enrollment number
PENTEGRA SERVICES INC.		914-821-9465
Firm name		Telephone number (including area code)
108 CORPORATE PARK DRIVE		
WHITE PLAINS NY 10604		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II	Beginning of Year Carryover and Prefunding Balances
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	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	181174	102750
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	181174	102750
10 Interest on line 9 using prior year's actual return of <u>8.19</u> %	14838	8415
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		33385
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.40</u> %		2137
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		35522
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	196012	111165

Part III	Funding Percentages
-----------------	----------------------------

14	Funding target attainment percentage	14	100.14 %
15	Adjusted funding target attainment percentage	15	123.37 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	123.15 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV	Contributions and Liquidity Shortfalls
----------------	---

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0 18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 1
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	11202	
b Excess assets, if applicable, but not greater than line 31a	31b	1939	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	9263	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	9263	0	9263
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015**This Form is Open to Public
Inspection**For calendar plan year 2015 or fiscal plan year beginning 06/01/2015 and ending 06/30/2015▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MUENSTER STATE BANK		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MUENSTER STATE BANK		D Employer Identification Number (EIN) 75-0453080
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>06</u> Day <u>01</u> Year <u>2015</u>				
2 Assets:				
a Market value.....		2a	1631289	
b Actuarial value.....		2b	1631289	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....		1	10381	10381
b For terminated vested participants.....		3	146496	146496
c For active participants.....		16	1165296	1165296
d Total.....		20	1322173	1322173
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐				
a Funding target disregarding prescribed at-risk assumptions		4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b		
5 Effective interest rate.....		5	6.15%	
6 Target normal cost.....		6	11202	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>01/11/2016</u>
Signature of actuary		Date
JOHN CORPORON		1407665
Type or print name of actuary		Most recent enrollment number
PENTEGRA SERVICES INC.		914-821-9465
Firm name		Telephone number (including area code)
108 CORPORATE PARK DRIVE		
WHITE PLAINS NY 10604		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2015
v. 150123

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	181174	102750
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	181174	102750
10 Interest on line 9 using prior year's actual return of <u>8.19</u> %	14838	8415
11 Prior year's excess contributions to be added to prefunding balance:		
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d Portion of (c) to be added to prefunding balance		0
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Part III Funding Percentages

14 Funding target attainment percentage	14	100.14 %
15 Adjusted funding target attainment percentage	15	123.37 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	123.15 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
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20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 1
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
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a Schedule elected ☐ 2 plus 7 years ☐ 15 years			
b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011			
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

**2015 Form 5500 Schedule SB, line 22 - Description of Weighted
Average Retirement Age (EIN: 75-0453080/PN: 001)**

100% of retirements are assumed to occur at Normal Retirement Age.

The weighted average retirement age is 65.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

**2015 Form 5500 Schedule SB, line 24 - Change in Actuarial
Assumptions (EIN: 75-0453080/PN: 001)**

The salary scale used to determine liabilities was changed from 0.00% at all ages to an age-graded rate table to better reflect anticipated future experience under the plan. A table of sample illustrative rates is included in the Statement of Actuarial Assumptions attached to this Form 5500 Schedule SB.

Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (EIN: 75-0453080/PN: 001)

Mortality	2015 Combined male and female static mortality tables for non-annuitants and annuitants as published in IRS final regulation 1.430(h)(3)-1(e).
Termination Rates	None assumed.
Retirement Rates	100% assumed to retire at Normal Retirement Age.
Disability Rates	None assumed.
Form of Payment	Assumed form of payment is lump sum equivalent of normal form. Funding Target for lump sum is the greater of the present value of accrued benefit computed using funding segment rates and 417 (e) Applicable Mortality Table or lump sum at the assumed retirement date of accrued benefit using plan actuarial equivalence discounted using appropriate segment rate.
Plan Lump Sum Actuarial Equivalence	1994 GAR Proj. 2002, Scale AA (unisex) at 5.00%.
Marriage	It is assumed that 80% of active participants are married, with males three years older than their spouses.
Social Security Increase Rates	
Wage Base	4.00% per annum.
Cost-of-living Adj.	3.00% per annum.
Expenses	Administrative-related expenses for the previous year equal zero.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (EIN: 75-0453080/PN: 001)

Salary Increases

Illustrative annual rates of assumed salary increases at various representative ages are as follows:

<u>Age</u>	<u>Increase %</u>
25	9.00%
35	7.00%
45	5.80%
55	5.40%
60	5.20%
62	5.12%

Changes from the Prior Year

In prior valuations, actual compensation for the calendar year ending after the valuation date was used in determining the plan's Target Normal Cost. Age-graded salary rates were introduced for the short plan year valuation because a) calendar-year 2015 compensation was not yet available, and b) the new assumption aligns with what is used by the multiple employer plan into which the Muenster Bank plan will merge on July 1, 2015.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (EIN: 75-0453080/PN: 001)

Summary of Plan Sponsor Elections for June 1, 2015 Valuation

Interest rates used for determining funding target	Three-segment rates based on 24-month segment rates for May 2015, as amended by MAP-21 and further modified by HATFA.
Asset valuation method	Market Value
Mortality basis	2015 Combined Static
Voluntary reduction of carryover balance	None
Voluntary reduction of prefunding balance	None
Deemed reduction of carryover balance	None
Deemed reduction of prefunding balance	None
Amount added to the prefunding balance	\$0
Choice to reflect amendment effective after 6/1/2015	Not Applicable



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Summary of Plan Provisions (EIN: 75-0453080/PN: 001)

Plan History

The Plan was effective June 1, 1960.

Eligibility Requirements

▪ Plan Participation

Eligible Employee

Any employee will become a participant immediately upon completion of 12 Months of Service.

Excluded Employee

Employees of Affiliated Employers, unless such Affiliated Employer has specifically adopted this Plan in writing.

▪ Normal Retirement (Date)

The Anniversary Date (December 31) coincident with or next following the attainment of age 65.

▪ Early Retirement

A participant who has attained age 55 and completed 10 years of Vested Service will be eligible.

▪ Vested Retirement

A participant who at time of termination of service has completed 3 years of Vested Service will be eligible.

▪ Disability Retirement

See Disability Benefit later in this section.

▪ Death Benefit

See Preretirement Death Benefit later in this section.

Definitions

▪ Vested Service

One Year of Service for each plan year the participant completes 1,000 Hours of Service.

▪ Credited Service

One Year of Service for each plan year the participant completes 1,000 Hours of Service.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Summary of Plan Provisions (EIN: 75-0453080/PN: 001)

Definitions (cont'd)

- **Compensation** Total compensation that is subject to income tax and paid by the Employer during the plan year.

- **Average Monthly Earnings** The average Compensation during the 5 consecutive years within the last 10 Years of Service producing the highest monthly average.

Retirement Income

- **Normal Retirement Benefit** 0.95% of Average Monthly Earnings times Years of Service, plus 0.65% of Average Monthly Earnings in excess of one-twelfth of \$4,800 times Years of Service.

Benefit formula subject to the permitted disparity rules of Code Section 401(l).

The Normal Form of this benefit is a 50% Joint and Survivor for married participants and Ten-Year Certain & Life Annuity for single participants. Participants can also elect a 100%, 75%, 66 2/3% or 50% Joint and Survivor Benefit; 10-yr Certain & Life Benefit, Single Life Annuity or Lump-Sum Option.

- **Early Retirement Benefit** The Normal Retirement Benefit accrued to date of termination of service, reduced actuarially for commencement of benefits prior to Normal Retirement Date.

Reduction factors: 1/15 for each of the first five years and 1/30 for each of the next five years that early commencement precedes Normal Retirement Date. (For the lump sum option, the Early Retirement Benefit is equal to the Accrued Benefit multiplied by the above reduction factors or the plan's Actuarial Equivalent factors, whichever produces the greater amount).



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Summary of Plan Provisions (EIN: 75-0453080/PN: 001)

Retirement Income (cont'd)

- **Vested Retirement Benefit** The Normal Retirement Benefit accrued to date of termination of service, reduced actuarially for commencement of benefits prior to Normal Retirement Date.

- **Disability Retirement Benefit** If a participant is deemed totally and permanently disabled, the monthly income that can be provided on an actuarially equivalent basis by the greater of the Accrued Benefit or 24 times Average Monthly Compensation as of termination due to disability. If the age and service requirements for Early Retirement are satisfied at time of disability, the Disability Benefit amount shall not be less than a participant's Early Retirement Benefit.

- **Preretirement Death Benefit** A participant at date of death prior to commencing to receive retirement benefits, having an eligible surviving spouse or named beneficiary, and eligible for a Vested Retirement Benefit will be eligible.

The amount that can be provided on an actuarial equivalent basis by the greater of (1) the participant's Accrued Benefit; or (2) the lesser of (i) 24 times the participant's Average Monthly Compensation, or (ii) 100 times the amount the participant would have been entitled to at normal retirement assuming continuous employment and no change in current salary. Payable for the life of the Beneficiary with 10-years certain.

The minimum spouse's death benefit is the Preretirement Survivor Annuity, the amount that would have been paid to the spouse had the participant terminated immediately prior to date of death and elected a 50% Joint & Survivor Annuity, with payments commencing on the participant's earliest retirement date.

Summary of Significant Plan Changes

Effective July 1, 2015 the plan will merge into the Pentegra Defined Benefit Plan for Financial Institutions, a multiple-employer plan.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, line 26 - Schedule of Active Participant Data (EIN: 75-0453080/PN: 001)

Age	Years of Credited Service													
	< 1		1-4		5-9		10-14		15-19		20-24		25-29	
	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.	No. Comp.	Avg.
< 25	0		2		0		0		0		0		0	
25-29	0		0		0		0		0		0		0	
30-34	0		0		1		0		0		0		0	
35-39	0		1		1		1		0		0		0	
40-44	0		0		0		0		1		0		0	
45-49	0		0		1		0		0		0		0	
50-54	0		0		0		1		1		2		0	
55-59	0		1		0		0		1		0		0	
60-64	0		0		0		0		0		1		0	
65-69	0		0		0		0		0		0		0	
> 69	0		0		0		0		0		0		0	
Total	0		4		3		2		3		3		1	

Grand Total: 16



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

**2015 Form 5500 Schedule SB, line 22 - Description of Weighted
Average Retirement Age (EIN: 75-0453080/PN: 001)**

100% of retirements are assumed to occur at Normal Retirement Age.

The weighted average retirement age is 65.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Summary of Plan Provisions (EIN: 75-0453080/PN: 001)

Plan History

The Plan was effective June 1, 1960.

Eligibility Requirements

▪ Plan Participation

Eligible Employee

Any employee will become a participant immediately upon completion of 12 Months of Service.

Excluded Employee

Employees of Affiliated Employers, unless such Affiliated Employer has specifically adopted this Plan in writing.

▪ Normal Retirement (Date)

The Anniversary Date (December 31) coincident with or next following the attainment of age 65.

▪ Early Retirement

A participant who has attained age 55 and completed 10 years of Vested Service will be eligible.

▪ Vested Retirement

A participant who at time of termination of service has completed 3 years of Vested Service will be eligible.

▪ Disability Retirement

See Disability Benefit later in this section.

▪ Death Benefit

See Preretirement Death Benefit later in this section.

Definitions

▪ Vested Service

One Year of Service for each plan year the participant completes 1,000 Hours of Service.

▪ Credited Service

One Year of Service for each plan year the participant completes 1,000 Hours of Service.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Summary of Plan Provisions (EIN: 75-0453080/PN: 001)

Definitions (cont'd)

- **Compensation**

Total compensation that is subject to income tax and paid by the Employer during the plan year.

- **Average Monthly Earnings**

The average Compensation during the 5 consecutive years within the last 10 Years of Service producing the highest monthly average.

Retirement Income

- **Normal Retirement Benefit**

0.95% of Average Monthly Earnings times Years of Service, plus 0.65% of Average Monthly Earnings in excess of one-twelfth of \$4,800 times Years of Service.

Benefit formula subject to the permitted disparity rules of Code Section 401(l).

The Normal Form of this benefit is a 50% Joint and Survivor for married participants and Ten-Year Certain & Life Annuity for single participants. Participants can also elect a 100%, 75%, 66 2/3% or 50% Joint and Survivor Benefit; 10-yr Certain & Life Benefit, Single Life Annuity or Lump-Sum Option.

- **Early Retirement Benefit**

The Normal Retirement Benefit accrued to date of termination of service, reduced actuarially for commencement of benefits prior to Normal Retirement Date.

Reduction factors: 1/15 for each of the first five years and 1/30 for each of the next five years that early commencement precedes Normal Retirement Date. (For the lump sum option, the Early Retirement Benefit is equal to the Accrued Benefit multiplied by the above reduction factors or the plan's Actuarial Equivalent factors, whichever produces the greater amount).



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

2015 Form 5500 Schedule SB, Part V - Summary of Plan Provisions (EIN: 75-0453080/PN: 001)

Retirement Income (cont'd)

- **Vested Retirement Benefit** The Normal Retirement Benefit accrued to date of termination of service, reduced actuarially for commencement of benefits prior to Normal Retirement Date.

- **Disability Retirement Benefit** If a participant is deemed totally and permanently disabled, the monthly income that can be provided on an actuarially equivalent basis by the greater of the Accrued Benefit or 24 times Average Monthly Compensation as of termination due to disability. If the age and service requirements for Early Retirement are satisfied at time of disability, the Disability Benefit amount shall not be less than a participant's Early Retirement Benefit.

- **Preretirement Death Benefit** A participant at date of death prior to commencing to receive retirement benefits, having an eligible surviving spouse or named beneficiary, and eligible for a Vested Retirement Benefit will be eligible.

The amount that can be provided on an actuarial equivalent basis by the greater of (1) the participant's Accrued Benefit; or (2) the lesser of (i) 24 times the participant's Average Monthly Compensation, or (ii) 100 times the amount the participant would have been entitled to at normal retirement assuming continuous employment and no change in current salary. Payable for the life of the Beneficiary with 10-years certain.

The minimum spouse's death benefit is the Preretirement Survivor Annuity, the amount that would have been paid to the spouse had the participant terminated immediately prior to date of death and elected a 50% Joint & Survivor Annuity, with payments commencing on the participant's earliest retirement date.

Summary of Significant Plan Changes

Effective July 1, 2015 the plan will merge into the Pentegra Defined Benefit Plan for Financial Institutions, a multiple-employer plan.



Retirement Plan for Employees of Muenster State Bank

Actuarial Valuation at 6/1/2015 for Plan Year 6/1/2015 to 6/30/2015

**2015 Form 5500 Schedule SB, line 24 - Change in Actuarial
Assumptions (EIN: 75-0453080/PN: 001)**

The salary scale used to determine liabilities was changed from 0.00% at all ages to an age-graded rate table to better reflect anticipated future experience under the plan. A table of sample illustrative rates is included in the Statement of Actuarial Assumptions attached to this Form 5500 Schedule SB.