Summary of Amendments to the Model Plan Document

(Effective May 21, 2004)

The New York State Deferred Compensation Board voted to amend the Plan Document for the Deferred Compensation Plan for Employees of the Power Authority of the State of New York, commonly referred to as the Model Plan Document, on September 27, 2004. The following is a summary of those amendments.

- Retirement Catch-Up Limitation - The determination of the maximum Retirement Catch-Up deferral amount is limited to the plan years during which the participant was eligible to participate in the Model Plan sponsored by his or her current employer. (Section 3.2(b)(ii))

- Individual Transaction Restrictions - The Administrative Service Agency of a Model Plan may reject an investment direction from a participant if the requested transaction would be contrary to the rules, regulations or prospectus of the investment fund. (Section 4.5)

- Mandatory Distribution of Plan Accounts - Model Plans are permitted to require a participant to withdraw all assets from his or her plan account if the account holds less than $5,000. This amendment will require the Model Plan to comply with requirements of the Internal Revenue Code (§401(a)(31)) with regard to such mandatory distributions and to comply with any future rules relating to that section. (Section 6.4)

- Plan Loan Rules - A Model Plan that permits loans must, at a minimum, comply with the provisions set forth in the Model Plan document in the event the Model Plan sponsor adopts additional requirements. (Section 6.5)

- Limitations on Loans Subsequent to a Default – Any loan that is in default is deemed to be an outstanding loan until paid in full. A Model Plan may permit a loan to a participant who has previously defaulted on a loan, but only after the maximum time period for which the original loan could have been repaid has expired. The amount of the original loan and accrued interest is deducted from the maximum permissible amount for any loan subsequent to a default. (Section 6.5)

- Withdrawal of Rollover Assets - A Model Plan may permit participants who have rolled assets into the plan from another qualified retirement plan to receive a distribution of those assets at any time in accordance with the rules of the plan that originally held the assets provided that the assets are separately accounted for. Assets rolled in from another governmental deferred compensation plan may not be distributed until the participant is eligible for a distribution under the rules for a governmental deferred compensation plan. (Sections 6.6 and 7.5(b)(ii)(C))

- Status of Plan Loans and In-service Withdrawal Requests Upon Death of Participant - If a participant should become deceased prior to the payment of proceeds of any withdrawal or loan requested under Section 6, the loan or benefit payment request is deemed void as of the date of his or her death. (Section 6.7)

- Rollovers by Alternate Payees - A direct rollover of assets into a Model Plan by an alternate payee may only be made by an alternate payee who is the spouse or former spouse of the participant in the plan. (Section 7.5(b))

- Purchase of Retirement Service Credit - Participants may use plan assets to purchase retirement service credit in any governmental defined benefit plan. This provision is no longer restricted to such plans within the State of New York. (Section 7.5(c))

- Liability Limitation of Committee Members – As requested by the IRS, provides clarification that Deferred Compensation Committee members are not protected from liability in the event that the member has failed to act in good faith or has engaged in gross negligence or willful misconduct. (Section 9.3)

Deferral Limits for 2005

Regular Deferral Limit	Additional Deferral for Age 50 and Over Participants	Maximum Retirement Catch-Up Deferral
$14,000	$4,000	$14,000

Participants who become Age 50 at any time during calendar year 2005 are eligible to make Age 50 and Over Catch-Up Contributions.

Participants who are eligible to retire in 2008 or sooner without a reduction in benefits are eligible to participate in the Retirement Catch-Up provision in 2005. The additional amount that a participant may contribute under the Retirement Catch-Up provision is based on the difference between the amount contributed to the Plan in past years and the maximum amount that could have been contributed to the Plan in those years ("underutilized deferrals").

A participant may not make Age 50 and Over contributions and Retirement Catch-Up contributions during the same time. However, if a participant is participating in the Retirement Catch-Up provision and is, also, eligible to make Age 50 and Over contributions, the higher contribution maximum may be used.