CENTRAL MICHIGAN UNIVERSITY
403(b) SUPPLEMENTAL TAX DEFERRAL PLAN

(Restated January 1, 2009)

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CENTRAL MICHIGAN UNIVERSITY
403(b) SUPPLEMENTAL RETIREMENT PLAN

I. ESTABLISHMENT OF PLAN

1.1 Name and Type of Plan.

Central Michigan University ("University") amends and restates the Central Michigan University 403(b) Supplemental Tax Deferral Plan, formerly the Central Michigan University 403(b) Multiple Option Tax Deferral Plan ("plan").¹ The plan is established, for the exclusive benefit of eligible employees and their beneficiaries, as a tax-sheltered annuity program under Section 403(b) of the Internal Revenue Code of 1986, as amended ("Code"). The plan is intended to meet the requirements of Section 403(b) in form and in operation and will be construed and administered consistently with that objective. This plan is limited to the elective contributions more fully described in Article III.

1.2 Effective Date.

The initial effective date of this plan is January 1, 1974. Unless a provision specifies a different effective date, the effective date of this restatement is January 1, 2009. Each plan provision applies from its effective date until the effective date of an amendment to that provision. The terms of the prior plan documents apply to and control the participation and benefits of Participants for all periods prior to the effective date of an amended provision.

1.3 Former Participants.

An amendment to this plan will apply to a former Participant who is no longer employed by the University but has undistributed benefits on the effective date of the amendment if the amendment is applicable to or affects benefits payable to the Participant. If a former Participant is not eligible to participate in this plan and has no undistributed benefits on the effective date of an amendment, the amendment will not apply to the former Participant unless the former Participant becomes an eligible employee again through qualifying service after the effective date of the amendment.

1.4 Plan Year.

The "Plan Year" is the calendar year.

¹ Section 8.7 describes the plan documents.
II. PARTICIPATION

2.1 Participation.

(a) Participant. Unless employed in an ineligible classification described below, each employee of the University shall be a "Participant" upon becoming employed by the University. A Participant shall be eligible to have elective pre-tax salary reduction contributions made by the University to this plan upon satisfaction of the requirements, and subject to the limitations, of Article III.

(b) Ineligible Classifications. Leased employees and independent contractors described in (c) and student employees (including graduate assistants) who regularly attend classes and who are paid on the student payroll are not eligible to participate in this plan.

(c) Employee. The term "employee" means an individual who is employed by the University and receives compensation for personal services to the University that is subject to withholding for federal income tax purposes. The term does not include a leased employee under Code Sections 414(n) and 414(o) and does not include any individual classified by the University as an independent contractor.

2.2 Duration of Participation.

A Participant shall continue to be a Participant in this plan until no longer employed in a classification that is eligible to participate. A former Participant shall become a Participant again upon resumption of employment in a classification eligible to participate in this plan.

III. CONTRIBUTIONS

3.1 Elective Contributions; Vesting.

Contributions under this plan are limited to those made as a result of each Participant's election of pre-tax payroll deductions. To contribute to this plan, a Participant or former Participant must enter into a written salary reduction agreement with the University and an enrollment agreement with one or more Funding Agents. Before voluntary payroll deduction elective contributions will begin for a payroll period, the employee must complete the Central Michigan University 403(b) Salary Reduction Agreement and return it, with the enrollment agreement or agreements, to the University prior to the deadline for payroll processing for that payroll period. There will be no make-up of contributions missed by late filing of the salary reduction agreement or an enrollment agreement. Salary reductions are subject to the terms and conditions set forth on the Central Michigan University 403(b) Salary Reduction Agreement. Once in place, a salary reduction agreement and each enrollment agreement will remain in
effect until revoked or superseded. The University may establish an annual minimum contribution amount of $200 or less. All elective contributions will be on a pre-tax basis.

A Participant may continue to contribute to the plan until he or she ceases to be an eligible employee, the plan is terminated, or he or she suspends contributions under the plan, whichever occurs first. The Participant may start, stop or change the amounts of contributions and/or allocations to Funding Agents for any pay period by notice to the University Benefits Office before the payroll processing deadline for that payroll period.

Upon receipt of a properly completed salary reduction agreement, the University, on a payroll period basis, will reduce the Participant’s earnings for each pay period and contribute a corresponding amount to the plan on behalf of the Participant for crediting to the Funding Vehicle or Vehicles designated by the Participant. A Participant may reduce compensation by any whole or quarter percentage. The specified percentage will be applied to total earnings for each pay period, provided that the maximum total earnings that may be the source of elective contributions for a Participant for a Plan Year shall not exceed the allowable maximum for that Plan Year in accordance with the Regulations under Code Section 401(a)(17). Effective January 1, 2009, compensation reductions expressed in dollars or dollars and cents will no longer be allowed. Existing dollar amount reductions will continue to apply until changed, but any change of an existing dollar amount election after January 1, 2009, must be expressed as a percentage of compensation.

"Total earnings" includes all cash compensation for services to the University, including salary, wages, fees, commissions, bonuses and overtime pay, that is includible in the Participant’s gross income for the calendar year, plus amounts that would be cash compensation for services to the University and includible in the Participant’s gross income for the calendar year but for a compensation reduction election under any of Code Sections 125, 132(f), 401(k), 403(b), including an election under this plan, or 457(b). For a Participant whose employment has terminated, total earnings also includes, if paid by 2½ months after the termination date or, if later, the end of the Plan Year that includes the termination date, regular compensation for services performed during the Participant’s regular working hours and compensation for services performed outside the Participant’s regular working hours (such as overtime or shift differential) that would have been paid if the Participant continued in employment with the University and payments for unused, accrued, bona fide sick, vacation or other paid time off that the Participant would have been able to use if employment had continued.

The University will submit payments to Funding Agents not later than the fifteenth business day of the month following the month in which the amount otherwise would have been paid to the Participant. Each Funding Agent shall credit each Participant’s individual account on the day payment is received.

Each Participant shall be fully and immediately vested in all contributions made to this plan.
3.2 Limitation on Elective Contributions.

Except as otherwise provided below, the total elective contributions on behalf of the Participant for any Plan Year shall not exceed the dollar limit imposed by Code Section 402(g) ($16,500 for 2009), as adjusted by indexing under Code Section 415(d) as of the beginning of the year. For purposes of the preceding sentence, the language of Code Section 402(g) and the applicable Regulations is incorporated by reference into this plan.

For purposes of the limit imposed by Code Section 402(g), a Participant's elective contributions include those made at the election of the Participant under this plan and any other Code Section 403(b) plan and any other portion of the Participant's income deferred and excluded from current taxation under Code Sections 401(k) (a qualified cash or deferred arrangement); 402A (a qualified Roth contribution program); 408(k)(6) (a simplified employee pension plan); and 408(p)(2)(A)(ii) (a SIMPLE retirement plan). In applying the limit, all of the Participant's elective contributions for the calendar year shall be aggregated.

Effective January 1, 2009, the special deferral limit for Participants with at least 15 years of service will no longer apply.

If the University determines that a limit described in this Section 3.2 may be exceeded, the University may reduce or suspend elective contributions for the Participant as necessary.

3.3 Distribution of Excess Elective Contributions.

In the event that a Participant has total elective contributions under this plan and any other plans that exceed the dollar limits under Code Section 402(g) for a calendar year, he or she may designate all or any part of the contributions made during that year to this plan as excess contributions by notifying the University Benefits Office on or before February 15 following the calendar year of the amount of the excess. Notwithstanding any other provision of this plan, excess elective contributions in this plan and any other plans of the University and any Related Employer for a calendar year, or any amount designated as excess by the Participant, adjusted to reflect any credited investment experience up to the date of distribution, will be distributed no later than April 15 of the following year to the Participant.

3.4 Catch Up Contributions.

A Participant who has or will attain age 50 before the end of a calendar year is eligible, as of January 1 of that year, to make Catch Up Contributions in accordance with, and subject to the limitations of, Code Section 414(v) and Regulations. "Catch Up Contributions" are elective contributions made by an eligible Participant that exceed the limit on elective contributions specified in Section 3.2 but do not exceed the Catch Up Limit. Catch Up Contributions are treated as elective contributions except that Catch Up Contributions
Contributions are in addition to and not subject to the limit on elective contributions in Section 3.2 and shall not be included as an Annual Addition under Code Section 415 and Section 3.5. An amount is a Catch Up Contribution only if the Participant has first contributed elective contributions up to the limit specified in Section 3.2. The "Catch Up Limit" is the amount determined under Code Section 414(v), as adjusted under Code Section 415(d) as of the beginning of the calendar year ($5,500 for 2009). All plans of the University (other than eligible Code Section 457(b) governmental plans) are treated as one plan for purposes of determining the Participant's Catch Up Contributions and in applying the Catch Up Limit.

3.5 Limitation on Annual Additions.

The total credits for a Participant that are "Annual Additions" for an applicable "Limitation Year" shall not exceed the applicable maximum amount permitted for a Section 403(b) plan under and subject to all of the applicable limits, definitions, and aggregation rules under Code Section 415 and Regulations and Code Section 403(b) and Regulations. If the limits stated in the preceding sentence would be exceeded for a Participant, the University may reduce or suspend elective contributions for the Participant as necessary. If the limit is exceeded for a year, the excess shall be included in the Participant's gross income for the year and shall be separately accounted for and not treated as part of any Code Section 403(b) annuity contract or custodial account. Notwithstanding any other provision of this plan, a Participant's excess amount under this Section 3.4 may be distributed from the separate account in accordance with applicable IRS guidance.

3.6 Leave of Absence.

During a leave of absence with pay, contributions will continue to be made in accordance with the Salary Reduction Agreement. No contributions will be made during a leave of absence without pay.

3.7 Rollover Contributions and Transfers to Plan.

With the consent of the applicable Funding Agent, a Participant may request that an annuity contract or custodial account under this plan accept, administer, and distribute an amount that is either a rollover contribution or a direct plan-to-plan transfer to this plan, subject to the following:

(a) Qualifying Rollover. The rollover contribution must be an amount, including a direct rollover, that the Funding Agent reasonably concludes is a qualifying rollover from an annuity contract, custodial account or retirement income account under a Code Section 403(b) plan. If a rollover amount is determined not to be a qualifying rollover, the amount received by this plan, plus any earnings and minus any losses, shall be distributed to the Participant immediately. A rollover amount always shall be held as a separate account under this plan.
(b) Plan-to-Plan Transfers. The transfer must be a direct plan-to-plan transfer from an annuity contract, custodial account or retirement income account, or a separate rollover account, from a Code Section 403(b) plan. A Funding Agent may decline a transfer that it does not reasonably believe is from a plan that is fully compliant with the requirements of Code Section 403(b).

A transfer will be accepted in this plan only if permitted by the transferor plan, only if it is with respect to a Participant or former Participant or a Beneficiary in this plan who has one or more other accounts in this plan at the time of the transfer, and only if it is a transfer of the Participant's or Beneficiary's entire interest in the transferor plan.

The transfer must be in cash or other property acceptable to the Funding Agent. The University and the Funding Agent may require such information, documentation, and agreements from the transferor plan and vendor as is deemed necessary to confirm that the transferor plan satisfies Code Section 403(b) and that the transfer will comply with Regulations Section 1.403(b)-10(b)(3).

The Participant or Beneficiary whose assets are transferred to this plan must have accumulated benefits immediately after the transfer at least equal to the accumulated benefits in both plans immediately before the transfer.

The amounts transferred shall be held, accounted for and administered as elective contributions, and rollover amounts if applicable. If a transferred amount of elective contributions was subject to a distribution restriction in the transferor plan that does not apply in this plan, the transferred elective contributions shall be held in a separate account and subjected to distribution restrictions no less stringent than those applicable in the transferor plan. Any rollover amount shall be held as a separate account.

A transferred amount shall not be an elective contribution for purposes of the limit on elective contributions in Section 3.2.

The employee shall be treated as a Participant under this plan from the time of receipt of the rollover contribution or transfer to this plan, but shall not be eligible to make contributions until he or she has satisfied the requirements of Article II above, and this Article III.

3.8 Make-Up Contributions Under USERRA.

A former Participant who returns from Qualified Military Service to employment with the University within the time limits established by the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA") (Chapter 43 of Title 38 of the United States Code) is entitled to make up elective contributions the Participant could have made if the Participant had been employed by the University during the period of Qualified Military Service in accordance with Code Section 414(u)
and regulations. Make-up contributions permitted by USERRA are treated as having been made in the Plan Year for which they are made and shall not be subject to the applicable plan contribution limits for the Plan Year in which the contributions are actually made. There are no University contributions under this plan.

"Qualified Military Service" means the performance of duty, on a voluntary or involuntary basis, in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which an individual is absent from a position of employment for the purpose of an examination to determine his or her fitness to perform any such duty. For purposes of this definition, a uniformed service means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, or any other category designated by the President in time of war or national emergency.

(a) Make-Up Contributions. A Participant may elect to have additional elective contributions made beginning on the date of the Participant's reemployment and extending five years or, if less, three times the period of the Participant's Qualified Military Service. Additional elective contributions shall not exceed the amount that would have been permitted under this plan if the Participant had continued to be employed by the University during the period of Qualified Military Service minus the Participant's elective contributions actually made during that period, if any.

(b) Compensation. For purposes of determining the amount of make-up contributions under (a) above, the Participant shall be treated as receiving compensation from the University at the rate of pay the Participant would have received from the University during the period of Qualified Military Service. If the Participant's compensation during the period of Qualified Military Service cannot be determined with reasonable certainty, the Participant's compensation shall equal the Participant's average compensation from the University for the 12-month period immediately preceding the Qualified Military Service (or, if shorter than 12 months, the period of employment immediately preceding the Qualified Military Service).

(c) No Investment Experience. No earnings shall be credited on make-up contributions for any period prior to the date the contributions are actually made.

IV. INVESTMENT OF FUNDS: FUNDING VEHICLES AND FUNDING AGENTS

4.1 Funding Vehicles.

Plan assets shall be held in and invested only through Funding Vehicles. "Funding Vehicle" means an arrangement offered by a Funding Agent (defined in Section 4.4) and designated by the University as available for this plan from time to time.
that conforms to the requirements of this plan and Code Section 403(b) and is described in (a) or (b) below:

(a) **Annuity Contract.** A group or individual annuity contract that is nontransferable by the Participant and meets all other requirements of Code Section 403(b); or

(b) **Mutual Fund - Custodial Account.** A Code Section 403(b)(7) custodial account invested in stock of a regulated investment company. A regulated investment company may include the common fund of a bank which has met the registration requirements of applicable federal securities laws.

The University may, in its sole discretion, add additional annuity contracts or mutual fund options or delete existing options with respect to future contributions at any time.

All annuity contracts and custodial accounts shall be maintained and operated for the exclusive benefit of Participants and their beneficiaries. Plan assets may not be diverted to other purposes, except that plan assets may be used to pay reasonable expenses of administration. All annuity contracts and custodial accounts shall be incorporated by reference as a part of this plan.\(^2\) The provisions of this plan document control when there is any inconsistency or ambiguity between the terms of this plan document and the terms of the custodial account, annuity contract, or related documentation.

### 4.2 Commingled Principal and Income.

Plan assets may be commingled for investment without distinction between principal and income.

### 4.3 Participant Investment Direction.

Subject to rules of each Funding Agent, a Participant may allocate contributions among Funding Agents and Funding Vehicles, and shall direct investments among the Funding Vehicles, in whole percentages that total one hundred percent of the contributions being allocated. The investment options available to the Participant shall be the annuity contracts and mutual funds designated by the University pursuant to Section 4.1.

(a) **Commingling.** Funds or assets invested at the direction of a Participant under this provision may be commingled with other funds or assets similarly invested by other Participants.

(b) **Direction.** Investment directions shall be given and changed by the means established by the University and each Funding Agent from time to time. An

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\(^2\) Section 8.7 describes the plan documents.
investment direction may provide for both the investment of existing balances under any annuity contracts or custodial accounts and the investment of future contributions on behalf of the Participant. All investment directions shall be in accordance with the rules established by the University and the Funding Agent from time to time for this purpose. An investment direction shall remain in effect until modified or revoked or until the designated Funding Vehicle is no longer available. A Participant may change the investment of the existing balances (including transfers between designated Funding Agents within the plan) and future contributions in accordance with the rules established by the University and the applicable Funding Agent.

All investment directions shall be filed with the University or, by agreement between the University and the Funding Agent, directly with the Funding Agent, in the manner prescribed by the University or the applicable Funding Agent. The Funding Agent may rely upon the investment direction and shall implement the direction by procedures established for that purpose. During any period in which there is a change in Funding Vehicles, the appropriate Funding Agent may hold contributions and other amounts in cash pending implementation of the conversion.

As specified in Section 3.1, contributions for a Participant will not begin or resume until the Participant has returned the completed salary reduction agreement and enrollment form or forms, and no retroactive contributions will be made.

(c) **No Direction.** Except as specified in Section 3.1, if a Participant fails to direct the investment of all or any portion of the Participant's accounts at any time (including when changes in Funding Vehicles are made by the University), the undirected portion of the Participant's accounts shall be invested, as soon as feasible, as provided in the University's direction delivered in writing to the Funding Agent.

(d) **Additional Terms and Conditions.** The University and the Funding Agent may formulate additional terms and conditions applicable to investment directions by Participants.

(e) **Responsibility of Participant.** The Participant shall be solely responsible for the investment consequences of the Participant's choices among Funding Vehicles and for all investment directions by the Participant. Neither the University nor any Funding Agent or other fiduciary shall have any responsibility or liability for the investment performance resulting from a Participant's choices among Funding Vehicles or any other investment directions.

(f) **Direction by Beneficiary or Alternate Payee.** Following the death of the Participant, each of his or her Beneficiaries shall have the right to direct the investment of the portion of the Participant's annuity contract or custodial account held on behalf of the Beneficiary, subject to the same terms and conditions as applied to the Participant prior to death. An alternate payee under an EDRO or QDRO (see Section 5.1(g)) shall have the same rights and responsibilities as a Participant for direction of investment of amounts held for the alternate payee.
(g) **Transfers Among Funding Agents.** A Participant may transfer funds accumulated under this plan and redirect future contributions among the designated Funding Agents and their Funding Vehicles. All transfers are subject to the provisions, and any restrictions, of each Funding Vehicle. Prior to a permitted distribution event specified in Section 5.1, a transfer to any vendor that is not currently designated as a Funding Agent for this plan is prohibited. Enrollment with any Funding Agent must take place through the Funding Agent’s designated representatives as contracted with the University.

(h) **Information Sharing Agreements.** Each Funding Agent that receives contributions under this plan is required to agree that it will, when requested by the University, enter into an agreement with the University providing that, as long as it is a designated Funding Agent under the plan and, if it ceases to be a designated Funding Agent under the plan, for as long as it holds one or more annuity contracts or custodial accounts that were issued under the plan, it will, at reasonable intervals, provide to the University and obtain from the University the following information:

(i) **Compliance with Section 403(b).** Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the University, to satisfy Code Section 403(b), including the following:

(A) Information whether the Participant’s employment with the University is continuing and notice to the Funding Agent when the Participant has had a termination of employment (as defined in Section 5.1(d));

(B) Notice by the Funding Agent to the University of any hardship withdrawal under any other plan of the University if the withdrawal results in a six-month suspension of the Participant’s right to make elective contributions under that plan; and

(C) Information from the Funding Agent to the University or other current and former Funding Agents concerning the Participant’s or Beneficiary’s Code Section 403(b) contracts or custodial accounts, or qualified employer plan benefits, to enable any other Funding Agent to determine, to the extent applicable, the amount of any plan loans and any rollover accounts that are available to the Participant in order to satisfy the financial need requirement under any hardship withdrawal provision; and

(ii) **Other Tax Requirements.** Information necessary in order for the contract or custodial account, and any other contracts or custodial accounts to which contributions have been made for the Participant by the University, to satisfy other tax requirements, including the following:

(A) The amount of any plan loan that is outstanding to the Participant in order for a Funding Agent to determine whether an additional plan loan
satisfies the applicable loan limitations, so that any additional loan is not a deemed distribution under Code Section 72(p)(i); and

(B) Information concerning the Participant’s or Beneficiary's after-tax employee contributions, or other tax basis, in order for a Funding Agent to determine the extent to which a distribution is includable in gross income.

4.4 Funding Agents.

"Funding Agent" means each insurance company or custodian (including their investment affiliates) designated by the University to provide Funding Vehicles. An insurance company designated as a Funding Agent must be authorized to transact insurance in any state where the University has employees and must offer arrangements meeting the requirements of Section 4.1(a). A custodian designated as a Funding Agent must be a bank, or other Person approved by the Secretary of Treasury, and authorized to maintain custodial accounts meeting the requirements of Section 4.1(b). Except in the event of a conflict or ambiguity as specified in Section 4.1, Funding Agents shall have the powers and responsibilities specified in their respective Funding Vehicles and related documentation.

The selection, appointment, resignation or removal of each Funding Agent shall be as provided in Section 4.7. The University shall have the right to determine the form and substance of each annuity contract or custodial account agreement under which any part of the contributions under the plan are held, subject to the requirement that they are not inconsistent with the provisions of this plan document. The University may, in its sole discretion, add additional Funding Agents or eliminate existing Funding Agents with respect to future contributions at any time.

A list of the Funding Agents and Funding Vehicles designated as currently available to Participants from time to time under this plan shall be provided to Participants and former Participants on request. To the extent known to the University, the list also shall include Funding Agents not currently designated by the University to receive contributions under this plan, including Funding Agents not previously designated by the University under the plan, that hold one or more annuity contracts or custodial accounts that were issued under the plan or that resulted from a prior transfer or exchange of an annuity contract or custodial account issued under the plan. In the case of a known Funding Agent that is not, on or after January 1, 2009, designated by the University to receive contributions under the plan, the University will, in the absence of an information sharing agreement described in Section 4.3(h) above, keep the Funding Agent informed of the name or title and the contact information for one or more individuals that will provide and coordinate information necessary to satisfy the requirements of Code Section 403(b) and other requirements of applicable law.
4.5 Limitation on Duties of Funding Agents.

(a) Participant Direction. To the extent that a Participant directs investment in or through a Funding Vehicle that continues to be available under this plan, the Funding Agent may not exercise discretionary authority or control with respect to the selection or allocation of a Participant's account among investment choices. With respect to implementation of a Participant's investment directions, the duties of the Funding Agents are limited to the following:

(i) **Custody and Protection.** To act as custodian of the assets transferred to the Funding Agent, and to protect the assets in its custody from loss by theft, fire, or other cause;

(ii) **Acquisitions.** To acquire additional assets in accordance with the directions of the Participant;

(iii) **Dispositions.** To sell or otherwise dispose of assets in accordance with the directions of the Participant;

(iv) **Authorized Actions.** To take other authorized actions in accordance with directions of the Participant;

(v) **Accountings.** To account for and render accountings as provided in Section 4.6 with respect to the Participant's assets (except for assets held by another Funding Agent); and

(vi) **Ministerial and Custodial Tasks.** To perform other ministerial and custodial tasks in accordance with the directions of the Participant.

(b) Transfer. If assets are transferred to another Funding Agent, that Funding Agent shall have, and the Funding Agent from which the assets are transferred shall no longer have, the foregoing duties and powers with respect to those assets.

4.6 Accounts; Accounting.

Each Funding Agent, with respect to the interest of each Participant, Beneficiary, and alternate payee under an EDRO or QDRO, shall maintain the separate accounts specified in (a) below. The accounts shall be based upon, and each Funding Agent must maintain, accurate and detailed records of all contributions, other receipts, investments, distributions and other disbursements and other transactions. All records and accounts must be available for inspection at all reasonable times by the University.

(a) **Separate Accounts.** Each Funding Agent shall maintain separate accounts or accounting records for each type of contribution; for each annuity contract or custodial account; to the extent applicable, for each rollover or transfer to this plan; to the extent applicable, for any excess contributions; and any other separate accounts
required by other provisions of this plan or directed by the University and agreed to by the Funding Agent with respect to each Participant, Beneficiary, and alternate payee under an EDRO or QDRO. Separate accounts are maintained for accounting purposes only and, except to the extent maintained with respect to a specific annuity contract or custodial account, do not require separate investment of amounts allocated to separate accounts.

(b) **Reports.** Each Funding Agent must prepare and furnish to Participants, Beneficiaries and alternate payees, periodic statements of account in the form and with the frequency mutually agreed to by the University and the Funding Agent.

(c) **Judicial Settlement.** A dispute concerning the records or accounts, to the extent not subject to and resolved under Section 6.5, may be settled by a suit for an accounting brought by the University or by another Person having an interest in the account.

**4.7 Appointment, Resignation, and Removal of Funding Agents.**

Unless otherwise stated in an agreement between the University and the Funding Agent, the appointment, resignation, and removal of a Funding Agent shall be subject to the following:

(a) **Appointment.** The University shall appoint one or more vendors as Funding Agents currently designated to receive contributions under this plan.

(b) **Resignation.** A Funding Agent may resign from receipt of future contributions and/or transfers by written notice to the University at least 90 days prior to the effective date specified in the notice.

(c) **Removal.** The University may remove a Funding Agent from receipt of future contributions and/or transfers by written notice to the Funding Agent at least 90 days prior to the effective date specified in the notice.

(d) **Successor.** The University may but is not required to appoint a successor Funding Agent by written instrument with the acceptance of the successor endorsed on the instrument, provided, however, that there shall always be at least one Funding Agent designated by the University for this plan.

**4.8 Action by Funding Agent.**

Actions by a Funding Agent must be either by a resolution of its board of directors or by a written instrument executed by an authorized individual.
4.9 Person.

As used in this plan, "Person" means an individual, committee, proprietorship, partnership, corporation, trust, estate, association, organization or similar entity.

V. DISTRIBUTIONS

5.1 Distribution Events.

The following events permit distribution.

(a) Normal Retirement Date. A Participant requests a distribution at or after the Participant's Normal Retirement Date. "Normal Retirement Date" means the date the Participant attains age 59½.

(b) Death. A Participant dies.

(c) Total Disability. A Participant's employment terminates due to a Total Disability. "Total Disability" means that the Participant has been determined to be eligible for disability benefits by the Social Security Administration.

(d) Termination of Employment. A Participant's employment terminates for any other reason. A transfer between employment eligible to participate in this plan and any other employment with the University is not a termination of employment.

"Termination of employment" means severance from employment with the University and any Related Employer. A severance from employment also occurs on any date on which a Participant ceases to be an employee of the University, even though the Participant may continue to be employed by a Related Employer that is another unit of the state or local government that is not a public school, college or university.

"Related Employer" means any other entity under common control with the University under Section 414(b) or (c) of the Code. For this purpose, the University shall determine which entities, if any, are Related Employers based on a reasonable good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

(e) Plan Termination. Termination of this plan with respect to all Participants.

(f) Required Beginning Date. A Participant reaches the Participant's Required Beginning Date.

(g) EDRO or QDRO. This plan receives a domestic relations order that an appropriate Funding Agent or the University determines to be an EDRO, including a
deemed EDRO, or a QDRO, including a deemed QDRO. "EDRO" means an eligible domestic relations order, as defined in Act 46 of the Michigan Public Acts of 1991, that is issued by a competent state court and meets (i) through (iv) below. "QDRO" means an eligible domestic relations order, as defined in Code Section 414(p), that is issued by a competent state court and meets (i) through (iv) below. A deemed EDRO or QDRO is any other domestic relations order issued by a competent court of any state other than Michigan that creates or recognizes the existence of an alternate payee’s right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a Participant under a plan and that meets (i) through (iv) below.

(i) Alternate Payee. The alternate payee must be the Spouse or former Spouse or a child or other dependent of the Participant. For all purposes under this plan, "Spouse" means the Participant's husband or wife at any specified time. A former Spouse shall not be a Spouse or surviving Spouse except to the extent designated in an EDRO or QDRO.

(ii) Reason for Distribution. The distribution must relate to alimony, support of a child or other dependent, or a division of marital property.

(iii) Contents. The order must contain the name and address of the Participant and the alternate payee, the amount of the distribution or percentage of the Participant's account to be distributed, the valuation date as of which the amount or percentage is to be determined, and instructions concerning the timing and method of distribution.

(iv) Restrictions. The order may not require (A) this plan to pay more to the Participant and all alternate payees than the Participant's total benefits under the plan; (B) a method, commencement date, or duration of payment not otherwise permitted under this plan; or (C) cancellation of the prior rights of another alternate payee.

(h) Hardship Withdrawal. A Participant requests a hardship withdrawal.

(i) Elective Contributions Only. A hardship withdrawal may be made only from a Participant's elective contributions (excluding earnings) and must satisfy the following conditions:

   (A) Amount. The amount of the withdrawal shall not exceed the amount necessary to meet an immediate and heavy financial need as defined below. The amount of an immediate and heavy financial need may include amounts needed to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the withdrawal. A hardship withdrawal shall not include earnings on elective contributions.
(B) **Immediate and Heavy Financial Need.** The request must demonstrate an unusual financial burden due to one or more of the following, which are deemed to be immediate and heavy financial needs for purposes of this plan:

The purchase of, but not mortgage or other regular payments for, a principal residence for the Participant; tuition and related educational costs for the next 12 months of post-secondary education for the Participant or the Participant's Spouse, child, dependent or primary beneficiary; medical expenses previously incurred or necessary to obtain medical care of the type deductible under Code Section 213(d) for the Participant or the Participant's Spouse, dependent or primary beneficiary; prevention of eviction from, or foreclosure (or forfeiture) of the mortgage, land contract, or other security interest on, the Participant's principal residence; burial or funeral expenses for the Participant's parent, Spouse, child, dependent, or primary beneficiary; expenses for the repair of damage to the Participant's principal residence that are the type deductible under Code Section 165; or other conditions specified by the Commissioner of Internal Revenue in official pronouncements. For purposes of this paragraph, a Participant's primary beneficiary is an individual designated by the Participant as a primary beneficiary under Section 5.8 and who has a right to all or a portion of the Participant's account balance upon the death of the Participant.

(C) **Other Resources.** The amount needed to meet the immediate and heavy financial need must not be reasonably available from other resources of the Participant. A Participant shall be deemed to have no other available resources if the Participant has received all distributions from this plan payable without termination of employment and, except to the extent a loan would increase the amount of the need, has received all available plan loans. The Participant's right to make elective contributions under this plan and elective contributions and after-tax employee contributions under all other qualified and nonqualified plans maintained by the University including stock option, stock purchase, and similar plans, and including a cash or deferred arrangement that is part of a cafeteria plan under Code Section 125 (but not the cafeteria plan itself), but excluding other health and welfare benefit plans, shall be suspended for a period of at least 6 months after the withdrawal.

(i) **In-Service Distributions from Rollover Account.** If a Participant has a separate account attributable to rollover contributions to this plan or a transfer of a rollover account from another 403(b) plan to this plan, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account. Amounts in a rollover account not previously distributed pursuant to this provision shall be subject to all of the requirements of Sections 5.3, 5.4, 5.5 and 5.6.

(j) **Other Events.** In addition, other events permitting distribution in compliance with Code Section 403(b) and not in conflict with this plan may be provided in the applicable Funding Vehicle.

3 With the exception of plans offered under Sections 125, 403(b) and 457(b), the University does not offer the types of plans described in this paragraph.
(k) **Prohibited Transfers.** As provided in Section 4.3(g), except upon the occurrence of a permitted distribution event, there shall be no transfer to a vendor that has not been designated by the University as a Funding Agent under this plan.

5.2 **Valuation for Distribution.**

The valuation of the Participant's benefits for distribution will be made in accordance with the procedures established by the Funding Agent for the applicable Funding Vehicle.

5.3 **Methods of Distribution.**

(a) **Methods of Distribution.** Except as otherwise provided, upon the occurrence of a distribution event specified in Section 5.1 and election by the Participant or Beneficiary, distribution shall be made, subject to (b) and (c) and Sections 5.4, 5.5, and 5.6, in one or a combination of the following methods:

(i) **Lump Sum.** Payment of the entire account in a lump sum. A single lump sum shall be the only permitted method of distribution for the following:

   (A) **Small Balance.** A distribution when the Participant's consent is not required pursuant to Section 5.7(b)(iii);

   (B) **Plan Termination.** Termination of this plan under Section 7.2; or

   (C) **EDRO or QDRO.** A distribution pursuant to an EDRO or QDRO under Section 5.1(g) if the Participant has not attained age 50.

(ii) **Installments.** Payment in a series of annual, systematic or periodic withdrawals over an elected period not exceeding the life expectancy of the Participant or the joint life expectancy of the Participant and a Beneficiary.

   Life expectancy or joint life expectancy shall be determined as of the calendar year in which payment begins and in the manner described in Section 5.4.

(iii) **Annuity.** A distribution in the form of a nontransferable annuity selected by the Participant providing benefits over a period not exceeding the life expectancy of the Participant or the joint-life expectancy of the Participant and the Beneficiary.

(iv) **Direct Rollover to Another Plan.** At the election of the distributee, upon a Distribution Event, the Funding Agent will transfer an eligible rollover distribution to the trustee or custodian of an eligible retirement plan for the benefit of the distributee.
(A) **Eligible Rollover Distribution.** An eligible rollover distribution is a distribution of any portion of the balance to the credit of a distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent that the distribution is required under Code Section 401(a)(9); any hardship distribution; and any other distribution that is reasonably expected to total less than $200 during a year.

(B) **Eligible Retirement Plan.** An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), or a qualified trust described in Code Section 401(a), that accepts the distributee's eligible rollover distribution. An eligible retirement plan also includes an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. For any portion of an eligible rollover distribution consisting of after-tax contributions that are not includable in gross income, an eligible retirement plan is an individual retirement account or annuity described in Code Section 408(a) or 408(b) or a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for such portion.

(C) **Distributee.** A distributee includes a Participant or former Participant, the Participant’s or former Participant's surviving Spouse, and the Participant’s or former Participant’s Spouse or former Spouse who is an alternate payee under an EDRO or QDRO.

(D) **Non-Spouse Beneficiary.** A Beneficiary who is not a Spouse may elect to transfer all or any portion of a distribution deemed to be an eligible rollover distribution to an individual retirement account or annuity described in Code Section 408(a) or (b) that is established for the purpose of receiving the distribution on behalf of the Beneficiary and which is treated as an inherited IRA within the meaning of Code Section 408(d)(3)(C). Additional rules, including the determination of any distribution required under Code Section 401(a)(9), apply as provided under Code Section 402(c)(11) and applicable Regulations and any other applicable guidance published by the Internal Revenue Service.

(b) **Combination; When Irrevocable.** Subject to (c) and Sections 5.4, 5.5, and 5.6, a Participant may elect a combination of the distribution methods described in (a)(ii), (iii), and (iv) either in a single, initial election or by making an initial election and one or more subsequent elections; provided, however, that each election shall be irrevocable when payment begins or should begin. Notwithstanding the preceding
sentence, an elected annual amount of installment payments may be changed as of the beginning of a Plan Year.

(c) **Impact of Funding Vehicles.** All of the methods of distribution are subject to availability under, and the terms and conditions of, the Funding Vehicles selected by the Participant. In addition, other methods of distribution provided under a Funding Vehicle may be used under this plan to the extent not inconsistent with Code Sections 403(b) and 401(a)(9) or the terms of this plan.

5.4 **Minimum Distribution Amount.**

The minimum amount that must be distributed for each calendar year beginning with the calendar year immediately preceding the calendar year that contains the Participant’s Required Beginning Date (as defined in Section 5.5(c)) ("Minimum Distribution") shall be made in accordance with Code Section 401(a)(9) and Regulations. This Section 5.4 shall take precedence over any other provision of this plan that permits payment at a later time or in a smaller amount.

To the extent permitted by Regulations Section 1.403(b)-3, Q-2, Q-3, which is incorporated by reference, the minimum amount of the Participant’s account balance as of December 31, 1986, that must be distributed each calendar year, and the calendar year in which payment of such minimum amounts must begin, shall be determined as provided in such Regulations.

(a) **Lifetime.** During the Participant's lifetime, the Minimum Distribution is the lesser of (i) or (ii) below.

(i) **Uniform Lifetime Table.** The quotient obtained by dividing the Participant's benefit by the distribution period in the Uniform Lifetime Table set forth in Regulations Section 1.401(a)(9)-9 based on the Participant's age at the birthday during the calendar year for which the distribution is made.

(ii) **Spouse is Beneficiary.** If the Participant’s Spouse is the only Designated Beneficiary, the quotient obtained by dividing the Participant’s benefit by the number in the Joint and Last Survivor Table set forth in Regulations Section 1.401(a)(9)-9 based on the age of the Participant and Spouse at their birthdates during the calendar year for which the distribution is made.

Minimum Distributions determined in accordance with this provision will begin when required under Section 5.5(c) and continue through the calendar year that includes the Participant's date of death.

(b) **Death After Required Beginning Date.**

(i) **Designated Beneficiary.** If the Participant dies on or after the Required Beginning Date and there is a Designated Beneficiary, the Minimum
Distribution for each calendar year after the year of the Participant's death shall be the quotient obtained by dividing the Participant's benefit by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's Designated Beneficiary, determined in accordance with the following.

(A) **Participant's Life Expectancy.** The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) **Designated Beneficiary's Life Expectancy.**

   (1) **Spouse is Beneficiary.** If the Participant's Spouse is the only Designated Beneficiary, the remaining life expectancy of the Spouse is calculated for each calendar year after the year of the Participant's death using the Spouse's age as of the Spouse's birthday in that year. For calendar years after the year of the Spouse's death, the remaining life expectancy of the Spouse is calculated using the age of the Spouse in the year of death, reduced by one for each subsequent year.

   (2) **Other Beneficiary.** If the Designated Beneficiary is not the Participant's Spouse, the Designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

   (ii) **No Designated Beneficiary.** If the Participant dies on or after the Required Beginning Date and there is no Designated Beneficiary as of September 30 of the calendar year following the year of the Participant's death, the Minimum Distribution for each calendar year after the year of the Participant's death shall be the quotient obtained by dividing the Participant's benefit by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(c) **Death Before Required Beginning Date.** If the Participant dies before the Required Beginning Date and there is a Designated Beneficiary, the Minimum Distribution for each calendar year shall be the quotient obtained by dividing the Participant's benefit by the remaining life expectancy of the Participant's Designated Beneficiary, determined under (b)(i)(B) above. Minimum Distributions determined in accordance with this provision will begin when required under Section 5.6(a).

(d) **Participant's Benefit.** The value of the Participant's benefit shall be determined as of the last valuation date within the calendar year preceding the calendar year for which the distribution is made ("Valuation Calendar Year"). The benefit shall be increased by the amount of any contributions or forfeitures allocated to the Participant as of any later date in the Valuation Calendar Year and reduced by any amounts charged against such accounts as of any later date during the Valuation Calendar Year. For purposes of the preceding sentence, contributions that are not actually made to this plan during the Valuation Calendar Year may be excluded. The benefit includes any
amounts rolled over or transferred to this plan either in the Valuation Calendar Year or the calendar year for which the distribution is made if distributed or transferred in the Valuation Calendar Year.

(e) **Designated Beneficiary.** "Designated Beneficiary" means the individual (or individuals) who is designated as the Participant's Beneficiary under Section 5.8 and is the designated beneficiary under Code Section 401(a)(9) and Regulations Section 1.401(a)(9)-1, Q&A-4.

(f) **Life Expectancy.** Life expectancy shall be determined from the Single Life Expectancy Table in Regulations Section 1.401(a)(9)-9.

(g) **Source of Payments.** For purposes of this Section 5.4, each separate Funding Vehicle is treated as an individual retirement account so that distributions can be made from any of the Funding Vehicles and are not required to be made on a proportionate basis. Therefore, distributions shall be made in accordance with the provisions of Section 1.408-8 of the Regulations, except as provided in Section 1.403(b)-6(e) of the Regulations.

The provisions of this Section 5.4 override any other provision of the plan and the terms of any Funding Vehicle, including any distribution option inconsistent with Section 401(a)(9) of the Code.

5.5 **Time of Distribution.**

(a) **Early Distribution.** Subject to (c), (d) and (e) below, at the election of a Participant, the Participant's benefits shall be distributed as soon as administratively feasible following the date of the distribution event or on any later elected payment date. Notwithstanding the preceding sentence, if specified by the Funding Agent or Funding Vehicle, if a Participant's benefits are $1,000 or less and the Participant's employment terminates for any reason other than death, the Participant's benefits shall be distributed as soon as administratively feasible following the end of the Plan Year in which the Participant's employment terminates, unless the Participant elects earlier payment.

(b) **Normal Distribution Date.** Unless the Participant elects otherwise, distribution due to termination of employment for any reason other than death shall begin as soon as administratively feasible after the Participant's Normal Retirement Date. Distribution shall not be made later than 60 days after the end of the Plan Year that includes the Participant's Normal Retirement Date or, if later, the end of the Plan Year in which employment terminates. If the amount cannot be ascertained at that date, distribution retroactive to that date shall be made within 60 days of the date that the amount can be determined.

The failure of the Participant to make an election shall be deemed an election to defer payment to a later date. However, a Participant may not elect, or be
deemed to elect, to defer distribution to a date later than the applicable date in (c) below.

(c) **Required Distribution.** If not made under (a) or (b), and except as otherwise provided in Section 5.4 for the Participant’s account balance as of December 31, 1986, distribution to a Participant shall begin not later than the Participant’s Required Beginning Date.

(i) **Required Beginning Date.** "Required Beginning Date" means the April 1 following the calendar year in which the Participant attains age 70½, or, if later, the calendar year in which the Participant’s employment terminates.

(ii) **Payment.** Unless paid during the calendar year before the Participant’s Required Beginning Date, the Minimum Distribution for that calendar year shall be paid not later than the Required Beginning Date. The Minimum Distribution for each subsequent calendar year shall be paid by the last day of the calendar year for which it was required.

(d) **Death.** The time of distribution following death of a Participant is determined under Section 5.6.

(e) **EDRO or QDRO.** Distribution to an alternate payee under an EDRO or QDRO will be paid to the alternate payee at the time specified in the order, whether or not the Participant has attained age 50 and even though the Participant continues to be an employee.

5.6 **Time of Distribution Due to Death.**

(a) **Death Before Required Beginning Date.** If the Participant dies before the Required Beginning Date, distribution to the Participant’s Beneficiary shall begin not later than the date described below. At the election of the Beneficiary, the Participant’s benefit shall be distributed as soon as administratively feasible following the Participant’s death. If the Participant’s Beneficiary does not elect earlier payment, the Beneficiary may elect to have distributions begin at the time specified in (i), (ii) or (iii) below. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under (i) or (ii) below or by September 30 of the calendar year that includes the fifth anniversary of the Participant’s (or if applicable, the Spouse’s) death. The election must be irrevocable.

(i) **Spouse.** If the Spouse is the only Designated Beneficiary, the Spouse may elect to begin distributions on or before the last day of the calendar year in which the Participant would have attained age 70½ or, if later, the last day of the calendar year following the calendar year in which the Participant died. If the Spouse dies before distributions are required to begin, distribution shall be made under (ii) or (iii) as though the Spouse were the Participant. If the Spouse dies after distributions are
required to begin, distribution shall be made under (b) as though the Spouse were the Participant.

(ii) **Other Beneficiary.** If benefits are to be paid to a Designated Beneficiary other than the Spouse, the Beneficiary may elect to begin distributions on or before the last day of the calendar year following the calendar year in which the Participant died.

(iii) **Five-Year Rule.** If an election is not made to begin distributions under (i) or (ii) above or if there is no Designated Beneficiary as of September 30 of the calendar year following the year of the Participant’s death, distribution of the Participant's entire interest must be completed by the last day of the calendar year that includes the fifth anniversary of the Participant's death.

(iv) **Installment Method.** If distributions are made under (i) or (ii) above and the installment method is elected by the Spouse or other Beneficiary, the applicable life expectancy, as of the calendar year in which distribution begins, or other installment period and the amount of each installment, shall be determined under Sections 5.3 and 5.4.

(b) **Death After Required Beginning Date.** If the Participant dies after the Required Beginning Date, any unpaid amount must be distributed at least as rapidly as provided in Section 5.4(b).

(c) **Beneficiary is Minor Child.** Any amount paid to the Participant's minor child will be treated as paid to the Spouse if the remainder becomes payable to the Spouse after the child reaches the age of majority. In all other cases, the payments will be treated as paid to the minor child.

5.7 **Election of Method and Time of Distribution.**

(a) **Permitted Elections.** To the extent permitted under this article, the Participant or other recipient may elect the method and time of distribution.

(b) **Required Consent.** If the distribution event is termination of employment prior to the Participant's Required Beginning Date (see Section 5.5(c)(i)) for any reason other than death, distribution shall not be made without the Participant's consent. The consent shall be given by an election of distribution. An election of distribution shall be made within the 180-day period ending on the Benefit Starting Date.

(i) **Notice.** When consent is required, the Participant shall be notified of the right to elect or defer distribution. The written notice shall provide an explanation of the material features and relative values of the available methods of distribution. The notice shall be provided at least 30 days and not more than 180 days before the Benefit Starting Date.
(ii) **Benefit Starting Date.** "Benefit Starting Date" means the first day of the first period for which an amount is distributable in any form. Generally, the Benefit Starting Date is the date on which distribution is due when all conditions and requirements for distribution have been met.

(iii) **Small Balance Exception.** The Participant's consent is not required with respect to a distribution when the Participant's benefit is $1,000 or less.

(iv) **Waiver of Notice Period.** A distribution may commence less than 30 days after the notice required under (i) above is given, provided:

   (A) **Right to 30-day Period.** The Funding Agent clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option); and

   (B) **Election.** The Participant, after receiving the notice, affirmatively elects a distribution.

(c) **Election Requirements.**

   (i) **Time.** The election shall be made not later than the date distribution begins or, if earlier, the date when distribution must begin. An election may be revoked or changed as provided in Section 5.3(b).

   (ii) **Form.** An election shall be made in a form acceptable to the University and the Funding Agent.

   (iii) **Other Conditions.** An election shall become void upon the death of the Participant prior to the date the distribution is paid to the Participant.

(d) **Failure to Elect.** If a recipient fails to make an election (or multiple recipients cannot agree):

   (i) **Method.** The method of distribution shall be a lump sum.

   (ii) **Time.** Distribution shall begin at the time specified in this article.

(e) **Additional Information.** The University or the Funding Agent may require additional election, application or information forms required by law or deemed necessary or appropriate by the University or the Funding Agent in connection with any distribution.

(f) **No Reduction or Delay of Distribution.** An election, or failure to elect, does not permit noncompliance with the requirements of Sections 5.4 or 5.6, the requirements of Code Section 415, or the terms of an EDRO or QDRO.
5.8 Determination of Beneficiary.

A Participant's Beneficiary and successor Beneficiaries are determined under this Section 5.8. The determination of a Designated Beneficiary under Sections 5.4 and 5.6 is not only determined under this section but also is subject to and determined under Code Section 401(a)(9) and Regulations. A Participant may designate or change a Beneficiary by filing a signed designation with the Funding Agent in a form approved by the Funding Agent. The Participant's Will is not effective for this purpose.

(a) **Beneficiary.** "Beneficiary" means the Person (defined in Section 4.9) designated by the Participant, or determined under this section, to receive the Participant's benefits from this plan after the Participant's death. The rules of this section apply to a designation by the Participant and in the absence of a valid designation or upon the failure of a designation by the Participant.

(b) **Successor Beneficiaries.** One or more successor Beneficiaries may be designated by the Participant or determined under this section.

(c) **Default Determination.** If a Participant fails to designate a Beneficiary, or if there is no Beneficiary or successor at the Participant's death or at any later payment date for the reason specified in (d) below or for any other reason, the Beneficiary shall be the surviving Spouse at the time of the Participant's death and the Spouse's estate with respect to any amount remaining undistributed at the subsequent death of the Spouse.

If the Participant is not survived by a Spouse, the Beneficiary for each distribution shall be the members of the first of the following classes with a living member on the date of distribution:

(i) **Children.** The Participant's children, including those by adoption, dividing the distribution equally among the Participant's children with the living issue of any deceased child taking their parent's share by right of representation;

(ii) **Parents.** The Participant's parents, dividing the distribution equally if both parents are living;

(iii) **Brothers and Sisters.** The Participant's brothers and sisters, dividing the distribution equally among the Participant's living brothers and sisters.

(d) **Death of Beneficiary.** If distribution to one Beneficiary is pending or has begun and the Beneficiary dies before complete distribution, the remaining amount shall be paid to the successor Beneficiary designated by the Participant or, if no successor Beneficiary has been designated, to the Beneficiary determined under (c) above. If distribution is pending or has begun to more than one Beneficiary, distribution shall continue to the survivor or survivors of them, and any amount remaining upon the death of the last survivor shall be paid to the successor Beneficiary designated by the
Participant or, if no successor Beneficiary has been designated, to the Beneficiary determined under (c) above. Survivors shall include the issue of any deceased child who shall take the deceased child's share by right of representation.

(e) **No Surviving Beneficiary.** If a deceased Participant has no surviving Beneficiary or successor Beneficiaries as designated by the Participant or as determined under (c) above on the date of the Participant's death, or on any subsequent date on which a distribution is payable, the remaining balance shall be paid to the Participant's estate, if then under the active administration of applicable probate or similar laws, or if not, to those individuals who would then take the Participant's personal property under the intestate laws then in force of the state where the estate is, or if of sufficient size would be probated, and in the proportions provided by those laws, as though the Participant had died at that time.

(f) **Alternate Payee.** An alternate payee awarded an independent benefit under an EDRO or QDRO shall be considered a Participant for purposes of determining the alternate payee's Beneficiary under this section.

(g) **Determination.** The appropriate Funding Agent shall apply the rules of this Section 5.8 to determine the proper recipient or recipients to whom payment should be made. The decision of the Funding Agent shall be final and binding on all parties.

5.9 **Facility of Payment.**

A payment under this Section 5.9 fully discharges the University and each Funding Agent from all future liability with respect to that payment.

(a) **Incapacity.** If a recipient entitled to a payment is legally, physically, or mentally incapable of receiving or acknowledging payment, the Funding Agent may direct the payment to the recipient; to the recipient's legal representative or any other Person who is legally entitled to receive payments on behalf of the recipient under the laws of the state in which the recipient resides; or by expending the payment directly for the benefit of the recipient.

(b) **Legal Representative.** Neither the University nor any Funding Agent is required to commence probate proceedings or to secure the appointment of a legal representative.

(c) **Determination.** The University and each Funding Agent may act upon affidavits in making any determinations. In reliance upon the affidavits or after having made a reasonable effort to locate any Person entitled to payment, the University and each Funding Agent are authorized to direct payment to a successor Beneficiary or another recipient. A Person omitted from payment has no rights on account of payments under this Section 5.9.
5.10 Loans.

Participant loans shall be available only upon mutual agreement between the University and one or more Funding Agents currently designated to receive contributions under this plan. Loans shall be made or refused on the terms and conditions specified in this Section 5.10 and any additional terms and conditions required by the Funding Agent. Loans shall be available on a reasonably equivalent basis to all Participants who have funds with the Funding Agent, but the Funding Agent may take into account a Participant's credit rating, financial need, and ability to repay the loan. A loan shall not be available to a Participant who is eligible for a hardship withdrawal under Section 5.1(h) unless the Participant has received or rejected the hardship withdrawal.

(a) Separate Investment. The loan shall be a separate investment of the Participant's account as of the date of the loan. Interest on the loan and repayments of principal shall be credited directly to the Participant's account. With the consent of the Funding Agent, the proceeds of the loan may be taken from and repayments shall be credited to more than one of the Participant's separate accounts.

(b) Fees and Charges. Special fees and charges resulting from the loan shall be charged to the Participant's account.

(c) Promissory Note. The loan shall be documented by a written promissory note providing for at least equal quarterly payments of principal and interest with no prepayment penalty.

   (i) Interest Rate. The loan shall bear a reasonable rate of interest which shall be within the range of prevailing rates that would be charged by lenders for a loan of a similar type.

   (ii) Term of Loan. The term of the loan shall not exceed five years unless the loan is used to acquire or construct the Participant's principal residence. The term of a loan used to acquire or construct the Participant's principal residence shall not exceed twenty years. A loan shall have a stated maturity date.

(d) Amount. All outstanding loans to the Participant shall not exceed the lesser of $50,000 or one-half of the Participant's benefit balance. The $50,000 limit shall be reduced by the excess of the highest outstanding principal balance of all loans to the Participant, under this plan and all qualified retirement plans of the University during the one-year period ending on the day before the date of the new loan, over the outstanding balance of all prior loans to the Participant on the date of the new loan.

(e) Security. The loan shall be adequately secured. The Participant shall execute a security agreement within 90 days before the effective date of the loan or renegotiation, extension, renewal, or other revision of an existing loan. The security agreement shall grant to the Funding Agent, for the benefit of this plan, a continuing
security interest in the Participant's benefit balance. Upon payment in full of principal and interest on the loan, the security interest shall terminate.

(i) **Security Interest.** The security interest shall not exceed 50% of the Participant's benefit balance.

(ii) **Alternate Security.** With the Funding Agent's consent, the Participant may provide additional or alternative security to secure repayment of the loan.

(f) **Payment.** The loan payments shall be paid directly by the Participant to the Funding Agent in accordance with the terms of the promissory note. A Participant may prepay the loan in full at any time without penalty.

(g) **Suspension of Loan Payments.** If permitted by the Funding Agent, loan payments shall be suspended for a period that a Participant is on a leave of absence either without compensation or at a level of compensation that is less than the amount of the installment payments required under the terms of the loan.

(i) **Length of Suspension/Due Date.**

(A) **Military Leave of Absence.** If a Participant is performing service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code), whether or not Qualified Military Service, loan payments shall be suspended until the end of the leave of absence. The loan, including accrued interest, must be repaid by the end of the period that equals the original term of the loan plus the period of military service.

(B) **General Leave of Absence.** For all other leaves of absence, loan payments shall be suspended for the period of the leave of absence, but not longer than one year. The loan, including accrued interest, must be repaid by the latest date permitted under (c)(ii) above.

(ii) **Payments on Resumption.** The installment payments due at the end of the suspension must be at least equal to, and as frequent as, those required under the original terms of the loan. If installment payments are not increased on resumption of payment, the Participant must repay the entire remaining balance of the loan on the due date specified in (i) above.

(h) **Default.** Upon default, the entire loan shall be due. The security interest may not be foreclosed until distribution would be permitted under Article V. At that time, the Funding Agent may exercise its right of setoff and equitably charge the Participant's benefit balance by reducing it by the unpaid balance of the loan.

(i) **Early Due Date.** If all or a part of the loan is outstanding on the date the Participant's employment terminates, the loan shall be due and payable. Unless paid,
the remaining balance of the loan and all accrued and unpaid interest shall be deducted from the Participant's benefit balance before the first distribution is made.

5.11 Transfer of Assets to a Defined Benefit Governmental Plan.

Effective January 1, 2002, notwithstanding any provision of this plan to the contrary, to the extent permitted by the Funding Vehicle, a Participant who participates in a governmental defined benefit plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant may elect to have any portion of the Participant’s accounts held by the Funding Agent transferred, at any time and without a distribution event, to the governmental defined benefit plan, provided that the transferred assets are used only for one of the following purposes:

(a) Service Credits. The purchase of additional service credits (as defined in Code Section 415(n)(3)(A)) under the governmental defined benefit plan; or

(b) Repayment. Repayment of contributions and earnings related to a previous forfeiture of service credits under the governmental defined benefit plan and Code Section 415(k)(3).

If the transfer is less than the Participant’s entire interest in this plan, the transfer shall be treated as a pro rata portion of each of the Participant’s accounts in this plan held by the Funding Agent.

VI. ADMINISTRATION OF PLAN

6.1 Duties, Powers, and Responsibilities of the University.

(a) Required. Except to the extent properly delegated, the University is responsible for:

(i) Contributions. Paying, ceasing, or suspending contributions (including additional contributions if necessary to correct an error in allocation, vesting, or distribution of a Participant’s interest);

(ii) Agent for Service of Process. Serving as the agent for service of process;

(iii) Amendment. Amending this plan where required or appropriate;

(iv) Funding Agents. Selecting the Funding Agents;
(v) **Plan Interpretation.** In its discretion, interpreting all provisions of this instrument (including resolving an inconsistency or ambiguity or correcting an error or an omission);

(vi) **Participant Rights; Limits; Tests.** Determining the rights of Participants and Beneficiaries under the terms of this plan; be responsible for determining that this plan complies with all limitations and tests (including, without limitation, nondiscrimination tests and coverage tests) under the Code and Regulations;

(vii) **Allocations.** Determining all allocations for a Plan Year, the amount of each eligible Participant’s compensation for all plan purposes, and the amount and disposition of any excess Annual Addition for a Plan Year;

(viii) **Errors in Participants’ Accounts.** Correcting (to the extent possible, by making equitable adjustments that the University in its discretion deems appropriate) an error, including (but not limited to) errors in allocations of contributions or investment experience, or in determination or distribution of a Participant’s interest;

(ix) **Claims and Elections.** Establishing or approving the manner of making an election, designation, application, claim for benefits, and review of claims;

(x) **EDRO/QDRO Determination.** Establishing procedures for determining whether or not a domestic relations order is an EDRO or QDRO, notifying the Participant and any alternate payee of the determination, and administering distributions pursuant to an EDRO or QDRO;

(xi) **Administration Information.** Obtaining to the extent reasonably possible all information necessary for the proper administration of this plan;

(xii) **Recordkeeping.** Taking reasonable steps to assure establishment and maintenance by each Funding Agent of all records necessary and appropriate for the proper administration of this plan;

(xiii) **Reporting and Disclosure.** Preparing and filing required annual and periodic reports and distributing disclosure documents including but not limited to an explanation to recipients of payments eligible for rollover treatment, required benefit statements, and required notices to employees;

(xiv) **Penalties; Excise Taxes.** Reporting and paying (but not from plan assets) any penalty tax or excise taxes resulting from acts or omissions by the University and imposed on this plan or on the University (but not such taxes imposed on any Participant) on the proper tax form designated by the Internal Revenue Service;

(xv) **Advisers.** Employing attorneys, actuaries, accountants, clerical employees, agents, or other Persons who are necessary for operation, administration, and management of this plan; and
(xvi) Non-discrimination. Applying all rules, policies, procedures, and other acts without discrimination among Participants.

(b) Discretionary. Except to the extent properly delegated, the University may exercise the following responsibilities:

(i) Alternate Administrator. Designating a Person other than the University as an administrator;

(ii) Payment of Administrative Expenses. Paying administrative expenses incurred in the operation, administration, management, and control of this plan. Other than expenses for which a Participant is responsible, these expenses are the obligation of the plan unless paid by the University;

(iii) Expenses, Fees, and Charges. Presenting to the Funding Agent for payment (if not paid by the University) or reimbursement (if advanced by the University) all reasonable and necessary expenses, fees and charges, including fees for attorneys, actuaries, accountants, clerical employees, agents, or other Persons, incurred in connection with the administration, management, or operation of this plan;

(iv) Plan Termination. Revoking this instrument and terminating this plan to the extent permitted under Code Section 403(b); and

(v) Mergers; Divisions. Merging this plan with another 403(b) plan or dividing this plan into multiple plans.

(c) Other. The University also shall have and exercise all other powers and duties necessary or appropriate under this plan.

6.2 Delegation of Administrative Duties.

The powers and duties of the University set forth in Section 6.1 may be delegated to one or more Funding Agents or to another party.

(a) In Writing. The written delegation must specify (i) the date of the action and the effective date of the delegation; (ii) the responsibility delegated; (iii) the name, office, or other reference of each party to whom the responsibility is delegated; and (iv) if a responsibility is delegated to more than one party, the allocation of the responsibility among the parties.

(b) Acceptance of Responsibility. The delegation must be communicated to the party to whom the responsibility is assigned, and written acceptance of the responsibility must be made by the party. A party retains the responsibility until the party resigns or rejects the responsibility in writing, or the University takes a superseding action.
(c) **Conflict.** If a party's powers or actions conflict with those of the University, the powers of and actions of the University will control.

### 6.3 Interrelationship of Parties; Discretionary Authority.

An individual or entity may serve in more than one capacity with respect to this plan.

(a) **Performance of Duties.** Each party must act in accordance with this plan. Each party is responsible for the proper exercise of its responsibilities.

(b) **Reliance on Others.** Each party may rely upon the action of another party and is not required to inquire into the propriety of any action.

(c) **Discretionary Authority of Parties.** Each party has full discretionary authority in the exercise of the powers, duties, and responsibilities allocated or delegated to that party by or under this instrument. Any determination made by the party in a fiduciary capacity will be given deference upon judicial review and shall be overturned only if arbitrary or capricious.

### 6.4 Compensation; Indemnification.

An employee who is compensated on a full-time basis by the University shall not receive compensation from this plan. The University shall indemnify and hold harmless each member of the Board of Trustees and each employee to whom fiduciary duties or other responsibilities for the operation and administration of this plan and trust have been assigned or delegated, from any and all claims, losses, damages, expenses, and liabilities arising from any action or failure to act with respect to any matter related to this plan and trust. Indemnification shall not apply if the action or inaction is due to gross negligence or willful misconduct. The University may purchase and maintain liability insurance covering the University and any other individual or entity against claims, losses, damages, expenses, and liabilities arising from the performance or failure to perform any power, duty, or responsibility with respect to this plan and trust.

### 6.5 Benefit Applications; Appeal Procedures.

The following benefit application and appeal procedures must be fully and timely completed as a condition precedent to the initiation of any legal proceeding asserting a claim for benefits under this plan by or on behalf of a Participant.

(a) **Application for Benefits.** The applicable Funding Agent will process an application for benefits by a Participant or Beneficiary and provide written notification of the determination to the Participant or Beneficiary not later than 90 days after receipt of the application unless the University determines that special circumstances require an extension of time for processing the application.
(b) **Notification of Adverse Determination for Application.** Notification of an adverse determination shall be written in a manner that can be understood by the Participant or Beneficiary and shall include: (i) the specific reasons for the denial; (ii) specific reference to pertinent plan provisions on which the denial is based; (iii) a statement outlining additional material or information necessary to enable approval of the claim and the reasons why such material is necessary; and (iv) an explanation of the appeal procedures.

(c) **Appeal.** Any Participant or Beneficiary asserting entitlement to a benefit different from the benefit approved by the Funding Agent in response to the application for payment, or who has received an adverse determination from the Funding Agent, whether relating to the amount, form of payment or time of payment, may, within 60 days after notice of the determination, file a written appeal for a full and fair review by the University.

(d) **Final Decision.** The University shall render a final determination and provide written notification to the Participant or Beneficiary within 60 days after receipt of the appeal, unless the University determines that circumstances require an extension of time for processing the appeal.

(e) **Notification of Adverse Determination on Appeal.** Notification of an adverse determination on appeal shall be written in a manner that can be understood by the Participant or Beneficiary and shall include: (i) the specific reasons for the denial; (ii) specific reference to pertinent plan provisions on which the denial is based; (iii) a statement of the Participant’s or Beneficiary’s right to reasonable access to, and copies of, all documents, records and information relevant to the claim at no cost; and (iv) an explanation of the additional appeal procedures, if any are available.

(f) **Extensions.** If the response time in (a) or (d) is extended, written notice of the extension must be provided within the original response period and the extension cannot be longer than the original response period – i.e., 90 or 60 days. Notice of the extension must specify the circumstances requiring the extension and the date by which the University or the Funding Agent expects to complete the determination.

(g) **Authorized Representative; Hearings.** A Participant or Beneficiary may designate an authorized representative to act on behalf of, or with, the Participant or Beneficiary at all stages of an appeal. There shall be no right to a hearing or other presentation before the University or the Funding Agent. The University may, in its sole discretion, require a hearing or other presentation if deemed necessary for full and fair review and adjudication of the claim.

6.6 **Participant’s Responsibilities.**

All requests for action of any kind by a Participant or Beneficiary under this plan must be in writing, executed by the Participant or Beneficiary, and are subject to any
other plan rules applicable to any specific type of request and any requirements of the Funding Agent.

6.7 Electronic Administration.

Notwithstanding any requirement set forth in this plan that certain transactions, notices, elections, consents and disclosures be evidenced in the form of written documentation, documentation for such transactions, notices, elections, consents or disclosures may be provided or obtained through electronic media to the extent consistent with applicable Regulations and other guidance.

6.8 University Action.

An action required to be taken by the University may be taken by its Board of Trustees or by an officer or employee authorized to act on behalf of the University.

VII. AMENDMENT AND TERMINATION

7.1 Amendment.

The University may amend the plan at any time and from time to time. An amendment may not divest a Participant or Beneficiary of amounts held under annuity contracts or custodial accounts accrued prior to the amendment. An amendment may not alter the rights, duties, and liabilities of any Funding Agent without its written consent. Promptly upon adoption of any amendment to the plan, the University will furnish a copy of the amendment, together with evidence of its due adoption, to each current Funding Agent.

7.2 Termination.

The University may terminate the plan at any time. After such termination, no employee shall become a Participant, and no further contributions shall be made. The annuity contracts or custodial accounts of each Participant in the employ of the University at the time of such termination shall be nonforfeitable. Notwithstanding the foregoing, any annuity contract or custodial account agreement with a Funding Agent shall remain in effect, and distributions shall be made to Participants and Beneficiaries as they become entitled to distributions under Article V.

7.3 Merger or Division of Plans.

This plan may be merged or consolidated with another plan, may be divided into multiple plans, or its assets and liabilities may be transferred in whole or in part to another plan if:
(a) **Preservation of Benefits.** Each Participant's benefits will be equal to or greater than the benefits the Participant would have been entitled to receive if this plan had terminated immediately before the merger, consolidation, division, or transfer.

(b) **Authorization.** The University authorizes the merger, consolidation, division, or transfer.

7.4 **Successor Employer.**

If the University is dissolved, merged, consolidated, restructured, or reorganized, or if the assets or control of the University are transferred, this plan may be continued by the successor, and in that event, the successor will be substituted for the University.

**VIII. GENERAL PROVISIONS**

8.1 **No Diversion.**

The plan is established and must be administered for the exclusive benefit of Participants and their Beneficiaries. The assets of the plan shall be applied for the exclusive purpose of providing benefits to Participants and Beneficiaries and defraying reasonable expenses of administering the plan. No part of the assets of the plan may be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and payment of reasonable expenses. Notwithstanding the foregoing, if any contribution or portion thereof is made by the University by a mistake of fact, the applicable Funding Agent shall, upon written request of the University within one year after the payment of the contribution to the Funding Agent, return such contribution or portion thereof to the University as soon as possible.

8.2 **No Assignment or Alienation.**

Except with respect to an EDRO or QDRO, a lawful levy or collection demand by the Internal Revenue Service or the United States Government resulting from an unpaid tax assessment against the Participant, Beneficiary, or alternate payee under an EDRO or QDRO, or expressly permitted by this plan or required by law, the interest of a Participant or Beneficiary shall not be subject to voluntary or involuntary assignment, conveyance, transfer, anticipation, pledge, alienation, sale, encumbrance, or charge, whether voluntarily or involuntarily or directly or indirectly, by the Participant, Beneficiary or alternate payee and shall not provide collateral or security for a debt of the Participant or Beneficiary or be subject to attachment, garnishment, execution, assignment, levy or another form of judicial or administrative process or to the claim of a creditor of the Participant or Beneficiary, through legal process or otherwise. If a Participant, Beneficiary or alternate payee attempts to assign, transfer, or dispose of any such right, or if an attempt is made to subject any such right to such process, such process or disposition shall be null and void.
8.3 Benefits Payable by Funding Vehicles.

All benefits to which Persons become entitled hereunder shall be provided only out of the Participant's annuity contracts or custodial accounts and only to the extent of the value of the annuity contracts or custodial accounts. No benefits are provided or paid directly by the University.

8.4 Plan Non-Contractual.

Nothing contained in this plan will be construed as a commitment or agreement on the part of any individual to continue his or her employment with the University, and nothing contained in this plan will be construed as a commitment on the part of the University to continue the employment or the rate of compensation of any individual for any period. All employees of the University will remain subject to discharge to the same extent as if the plan had never been in effect.

8.5 No Interest in University Assets.

Nothing in this plan shall be construed to give an employee, Participant, Beneficiary, or alternate payee under an EDRO or QDRO an interest in the assets or the business affairs of the University, or the right to examine the books and records of the University. A Participant's rights are solely those granted by this instrument.

8.6 Claims of Participants and Other Persons.

Nothing in this plan shall be construed as giving any Participant, Beneficiary, or alternate payee under an EDRO or QDRO, or any other Person, any legal or equitable rights against the University, its officers, employees, or directors, except for the rights that are specifically provided in this plan or created in accordance with the terms and conditions of this plan.

8.7 Written Plan; Conflicts.

This plan consists of this plan document and all other related documentation. Without limitation, the terms of all contracts, agreements and certificates between the Funding Agents and the University and/or any Participant, Beneficiary or alternate payee under an EDRO or QDRO, including all separate agreements and all governing instruments related to any annuity contract or custodial account, and any other agreement with any other provider of services to or with respect to this plan, are part of the plan as if fully set forth in this plan document and the provisions of each are incorporated by reference into this plan. This plan document, together with all related documentation described in the preceding sentence, is intended to satisfy the written plan requirements of Code Section 403(b) and applicable Regulations and other guidance. Except as otherwise stated, the provisions of this plan document control when there is any inconsistency or ambiguity between the terms of this plan document and the terms of any other related documentation.
8.8 Compliance With Laws.

Each employee’s participation is subject to all federal and state laws and regulations that impose requirements upon the University, the Funding Agents or the employee. This plan shall be interpreted, administered, and managed in compliance with the Code, and applicable Regulations. To the extent not preempted by federal law, this plan shall also be interpreted, administered, and managed in compliance with the laws of the state of Michigan.

8.9 Construction.

The singular includes the plural, and the plural includes the singular, unless the context clearly indicates the contrary. Capitalized terms have the meaning specified in this plan. If a term is not defined, the term has the general, accepted meaning of the term. Any period of time described in this plan consists of consecutive days, months, or years, as appropriate.

8.10 Severability.

If any provision of this plan is invalid, unenforceable, or disqualified under applicable state law, the Code, or applicable Regulations, for any period of time, the remaining provisions shall remain in effect.

[The remainder of this page is intentionally blank.]
The University has executed this instrument this _____ day of December, 2008.

CENTRAL MICHIGAN UNIVERSITY

By___________________________________
Its_________________________________

By___________________________________
Its_________________________________

1489275-8-12/17/2008
2009-1 AMENDMENT TO CENTRAL MICHIGAN UNIVERSITY
403(b) SUPPLEMENTAL TAX DEFERRAL PLAN

This is an amendment by Central Michigan University (“University”).

RECITALS

The University amended and restated the Central Michigan University 403(b) Basic Retirement Plan, formerly the Central Michigan University 403(b) Optional Retirement Plan (“plan”), by instrument dated December 30, 2008, effective January 1, 2009. Section 7.1 of the plan permits the University to amend the plan subject to certain restrictions. The University has determined to amend the plan for better coordination with certain Funding Vehicles and to make certain other changes.

Therefore, the plan is amended, effective as of January 1, 2009, as follows:

ONE. The third sentence of the third paragraph of Section 3.1 is amended to read:

Subject to the limitation in Section 3.2, the specified percentage will be applied to total earnings for each pay period.

TWO. Section 4.3(c) is amended to read:

(c) No Direction. If a Participant fails to direct the investment of all or any portion of the Participant’s accounts at any time (including when changes in Funding Vehicles are made by the University), the undirected portion of the Participant’s accounts shall be invested, as soon as feasible, in accordance with the most recent investment allocation on file for the Participant or, if none or if no longer applicable, in the applicable default Funding Vehicle specified in the agreement between the University and the Funding Agent.

THREE. The second sentence of the first paragraph of Section 4.4 is amended to read:

An insurance company designated as a Funding Agent must be authorized to issue annuities in any state where the University has employees and must offer arrangements meeting the requirements of Section 4.1(a).

FOUR. Section 5.3(a)(i) is amended in its entirety to read:

(i) Lump Sum. Payment of the entire amount in a lump sum to the extent permitted by the applicable Funding Vehicle.
FIVE. To avoid any inconsistency with any existing Funding Vehicle, the last sentence of Section 5.5(a) is deleted.

SIX. Section 5.7(b)(iii) is deleted and Section 5.7(b)(iv) is renumbered as Section 5.7(b)(iii).

SEVEN. Section 5.8(d) is amended to read:

(d) **Death of Beneficiary.** If distribution to one Beneficiary is pending or has begun and the Beneficiary dies before complete distribution, the remaining amount shall be paid to the successor Beneficiary in accordance with the terms of the applicable Funding Vehicle. If the Funding Vehicle does not specify the successor Beneficiary, the remaining amount shall be paid to the successor Beneficiary designated by the Participant or, if no successor Beneficiary has been designated, to the Beneficiary determined under (c) above. If distribution is pending or has begun to more than one Beneficiary, distribution shall continue to the survivor or survivors of them, and any amount remaining upon the death of the last survivor shall be paid to the successor Beneficiary in accordance with the terms of the applicable Funding Vehicle. If the Funding Vehicle does not specify the successor Beneficiary, the remaining amount shall be paid to the successor Beneficiary designated by the Participant or, if no successor Beneficiary has been designated, to the Beneficiary determined under (c) above. Survivors shall include the issue of any deceased child who shall take the deceased child's share by right of representation.

EIGHT. Section 5.8(e) is amended to read:

(e) **No Surviving Beneficiary.** If a deceased Participant has no surviving Beneficiary or successor Beneficiaries as designated by the Participant on the date of the Participant's death, or on any subsequent date on which a distribution is payable, the remaining balance shall be paid in accordance with the terms of the applicable Funding Vehicle. If the Funding Vehicle does not specify the successor Beneficiary, the remaining amount shall be paid to the Beneficiary determined under (c) above or, if none, to the Participant's estate, if then under the active administration of applicable probate or similar laws, or if not, to those individuals who would then take the Participant's personal property under the intestate laws then in force of the state where the estate is, or if of sufficient size would be, probated, and in the proportions provided by those laws, as though the Participant had died at that time.

NINE. Section 5.10(a) is amended by adding the following at the end:

Notwithstanding the foregoing, to the extent required by the applicable Funding Vehicle and the Funding Agent, a loan shall not be a separate investment of the Participant’s account but instead shall be an investment of the general account of the Funding Agent and shall be administered accordingly.
TEN Section 6.1(b)(ii) is amended to read:

(ii) Payment of Administrative Expenses. Paying all reasonable and necessary administrative expenses incurred in the operation, administration, management, and control of this plan, including fees for attorneys, actuaries, accountants, clerical employees, agents or other Persons, other than expenses for which a Participant is responsible;

ELEVEN. Section 6.1(b)(iii) is deleted and Sections 6.1(b)(iv) and (v) are respectively re-numbered as Sections 6.1(b)(iii) and (iv).

The University has executed this Amendment this ____ day of October, 2009.

CENTRAL MICHIGAN UNIVERSITY

By___________________________________

Its________________________________

By___________________________________

Its________________________________

1678545-5