CENTRAL MICHIGAN UNIVERSITY
403(b) BASIC RETIREMENT PLAN

(Restated January 1, 2009)

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I. ESTABLISHMENT OF PLAN

1.1 Name and Type of Plan.

Central Michigan University ("University") amends and restates the Central Michigan University 403(b) Basic Retirement Plan, formerly the Central Michigan University 403(b) Optional Retirement 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 to constitute an "optional retirement program" (as provided for in Mich. Comp. Laws §§38.381 to 38.387) with respect to certain eligible employees, and will be construed and administered consistently with those objectives. The plan was established by the University to provide eligible employees who are not members of the Michigan Public School Employees' Retirement System ("MPSERS") (provided for in Mich. Comp. Laws §§38.201 to 38.234) another source of retirement income derived from service with the University. This plan is limited to the University contributions more fully described in Article III.

1.2 Effective Date.

The initial effective date of this plan, the date the plan was established, is March 28, 1996. 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. ELIGIBILITY AND PARTICIPATION

2.1 Eligible Employees Hired Prior to January 1, 1996.

Any full-time faculty or administrative employee, within the meaning of Mich. Comp. Laws §38.382(c), and any salaried Public Broadcasting employee who was hired by the University prior to January 1, 1996, and who elected to participate in this plan in accordance with Mich. Comp. Laws §38.385, and any other employee of the University hired prior to January 1, 1996 who was transferred, promoted, or reclassified to a full-time faculty, administrative or salaried Public Broadcasting position on or after January 1, 1996, and who made an irrevocable election to participate in this plan, shall be eligible to participate.

2.2 Eligible Employees Hired On or After January 1, 1996.

Any employee of the University who was hired or rehired on or after January 1, 1996 is eligible to participate in this plan in accordance with the following rules:

(a) Classification. Except as provided in the remainder of this Section 2.2, an employee is eligible to participate if the employee is classified by the University as:

(i) Regular Faculty. A regular faculty employee with a full-time appointment or a 50 percent or more part-time appointment or an appointment of 20 hours per week or more for at least nine months.

(ii) On-Campus Temporary Faculty. An on-campus temporary faculty employee with a full-time appointment or with a 50 percent or more part-time appointment or an appointment of 20 hours per week or more for at least nine months.

(iii) Off-Campus Temporary Faculty. An off-campus temporary faculty employee on an annual contract.

(iv) Regular and Provisional Staff. A regular or provisional staff employee with a full-time appointment or a 50 percent or more part-time appointment or an appointment of 20 hours per week or more for at least nine months.

Any employee whose collective appointments drop below 50 percent or below 20 hours per week for at least nine months shall cease to be eligible to participate for such period as the appointments are less than 50 percent or below 20 hours per week for at least nine months.

(b) Ineligible Classifications. An employee is not eligible to participate in this plan if the employee is classified by the University as a temporary or relief staff employee, off-campus temporary faculty employee (other than those described in (a) above), graduate assistant, or student employee. Leased employees and independent contractors described in (e) are not eligible to participate in this plan.
(c) **Bargaining Unit.** Eligibility of employees in a collective bargaining unit to participate in this plan is subject to negotiations with the bargaining representative of that unit. During any period that an employee is covered by the provisions of a collective bargaining agreement, the employee shall not be eligible to participate in this plan except to the extent provided in the collective bargaining agreement. For purposes of this plan, a collective bargaining agreement shall be deemed to continue after its expiration date, during collective bargaining negotiations, pending the execution of a new agreement.

(d) **MPSERS Service.** A full-time faculty or administrative employee hired after January 1, 1996, with prior eligible service under MPSERS at any of the following seven universities: Central Michigan University, Eastern Michigan University, Ferris State University, Lake Superior State University, Michigan Technological University, Northern Michigan University, or Western Michigan University is eligible to participate in this plan if he or she makes a one-time irrevocable election of this optional retirement program within 90 days after the date employment begins.

(e) **Employee.** The term "employee" means an individual who is employed by the University and who 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 even if that classification is later determined to be incorrect.

2.3 **Commencement of Participation.**

An employee of the University shall become a Participant in the plan and eligible for University contributions on the earliest date (on or after the effective date of the plan) on which the employee is eligible to participate under Sections 2.1 and 2.2.

Historically, certain classifications of employees were required to complete one year of service before being eligible to participate in the plan. The one-year eligibility waiting period was eliminated for employees hired or transferred into any of those classifications before, on or after the effective date specified for that classification.²

2.4 **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 or the Participant’s appointment falls below the 50 percent part-time level or falls below a position that provides at least 20 hours per week for at least nine months. A former Participant shall become a

² The classifications and effective dates were Hourly Professional and Administrative, January 1, 2001; Office Professional, January 1, 2001; Supervisor/Technical, July 1, 2000; Service Maintenance, July 1, 2002; Hourly Public Broadcasting, July 1, 2002; Police, July 1, 2002; and Command Officer, June 11, 2002. Command Officer ceased to be a separate classification and the employees became members of the Hourly Professional and Administrative classification on July 1, 2005.
Participant again upon resumption of employment in a classification eligible to participate in this plan or upon appointment to a position that is a 50 percent or more part-time level or appointment to a position that provides at least 20 hours per week for at least nine months.

III. CONTRIBUTIONS

3.1 University Contributions; Vesting.

On a payroll period basis, the University shall make a contribution on behalf of each eligible Participant to the applicable Funding Vehicle or Vehicles elected by the Participant in the percentage of Recognized Compensation specified in Schedule A attached, as updated from time to time. Notwithstanding Schedule A, the University contribution for each Participant who is a member of a collective bargaining unit is contingent on collective bargaining negotiations and determined by the terms of the applicable collective bargaining agreement. A Participant shall only receive a contribution for the payroll period if the Participant meets the eligible employee requirements under Article II during the payroll period. The contribution percentage used to calculate contributions to this plan is subject to change in the discretion of the University, except as provided in a collective bargaining agreement.

Notwithstanding the foregoing paragraph or any other provision in this plan, the University shall not make a contribution for an eligible Participant for any payroll period until the Participant has completed all enrollment and other administrative forms, including investment election forms, designated by the University as necessary for participation or continued participation in the plan and has submitted those forms, appropriately completed, to the University. If the Participant fails to submit the completed documentation within 60 days following the Participant's first day at work, contributions will not be made for any Recognized Compensation paid before the next payroll period after all necessary documentation has been submitted and no retroactive contributions will be made. To be effective for a payroll period, completed documentation must be submitted sufficiently in advance of the payroll processing deadline for that payroll period to enable the University to make a contribution for the Participant for that payroll period.

Each Participant shall be fully and immediately vested in the University contributions made to this plan.

3.2 Recognized Compensation.

"Recognized Compensation" of a Participant from the University for any year means the amount determined by the University to be the total earnings paid to the Participant during the Plan Year for service as an eligible employee, subject to the following:
(a) **Included Amounts.** Recognized Compensation includes any contributions made by pre-tax salary reductions to any 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); 408(p)(2)(A)(ii) (a SIMPLE retirement plan); 457(b) (a deferred compensation plan of governments and tax-exempts); or 501(c)(18) (a pre-June 25, 1959, employee contributions only plan). Recognized compensation also includes any amount that is excluded from gross income pursuant to Code Sections 132(f)(4) or 125 (including Deemed Section 125 Compensation). For all eligible Participants, Recognized Compensation also includes the value of paid time off as actually used and paid.

(b) **Compensation Paid after Employment Terminates.** If paid by the later of 2½ months after the Participant's employment terminates or the end of the Plan Year that includes the date of termination, recognized Compensation also includes 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), provided it would have been Recognized Compensation under this Section 3.2 and would have been paid if the Participant continued in employment with the University; and

(c) **Other Included Amounts.** For employees hired before January 1, 1996, who are participating in this plan with no break in service and for all regular faculty in this plan, Recognized Compensation includes supplemental pay, special assignment pay, and pay for teaching ProfEd courses.

(d) **Excluded Amounts.** Except as provided in (c), Recognized Compensation does not include any compensation paid to the Participant in a single sum, or in a form other than a single sum, that is classified by the University as bonus pay, retirement incentives, excellence awards, retirement service awards, payback, pay in lieu of unused leave at retirement or termination, longevity pay, staff and temporary faculty supplemental pay, staff and temporary faculty special assignment pay, staff and temporary faculty pay for on-campus employees teaching ProfEd courses, subsistence pay, severance pay, payments in lieu of notice of termination, and University contributions for insurance or other employee benefit or fringe benefit plans.

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3 “Deemed Section 125 Compensation” means employee elective contributions for payment of group health coverage that are not available to a Participant in cash because the Participant is unable to certify to alternative health coverage. These amounts are only considered Deemed Section 125 Compensation if the University does not request or collect information regarding the Participant’s alternative health coverage as part of the enrollment process for the group health plan.

4 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.

5 Cash received for opting out of health coverage or when University contributions toward benefits exceed the full premium cost for a benefit election.
(e) **LTD Recipients.** When a Participant is receiving Long Term Disability income payments, the University will make special contributions that will be credited to a separate annuity account for the Participant with one of the Funding Agents.

(f) **Maximum.** Recognized Compensation of a Participant for any Plan Year shall not exceed the IRS allowable maximum, adjusted for each year to take into account any cost of living increase provided for that year in accordance with Regulations prescribed by the Secretary of the Treasury under Code Section 401(a)(17)(B).

### 3.3 Limitation on Annual Additions.

The amount of University contributions that may be credited annually to the accounts of any Participant in this plan is subject to the limit for defined contribution plans imposed by Code Section 415. That limit is either 100% of the Participant's compensation or, if less, a specified dollar limit. The limit applies to each calendar year. For 2009, the dollar limit is $49,000. To calculate the 100% of compensation limit, a special definition of compensation applies. The limit does not apply to earnings or other investment gains credited to an account. It does apply to certain other amounts credited to a Participant's account, but none of those credits are available in this plan.

The credits that are subject to the limit are referred to in the aggregate as "Annual Additions." Under Section 415, the limit on Annual Additions applies separately to each Participant and generally applies to all Annual Additions for the Participant under all plans of the employer or a group of related employers. However, this plan is a Code Section 403(b) plan and the limit on Annual Additions applies differently to Participants in Section 403(b) plans. Instead of aggregating Annual Additions for the Participant under all plans of the employer, it aggregates Annual Additions of the Participant in all Section 403(b) plans. Therefore, all University contributions credited to a Participant in this plan for a year must be aggregated with all payroll deduction elective contributions for that Participant, if any, under the Central Michigan University 403(b) Supplemental Tax Deferral Plan.

If a Participant in this plan also participates in a Section 403(b) plan of an unrelated employer in the same year, the Annual Additions for the year in that plan, to the extent required by the Regulations under Section 415, must be aggregated with those in the plans of the University for purposes of applying the limit on Annual Additions. There is also a special aggregation rule that applies when a Participant in a Section 403(b) plan owns or controls a separate business that has a retirement plan. If so, the Annual Additions of the Participant in all Section 403(b) plans must be aggregated with the Annual Additions of the Participant in any other qualified retirement plan of any type maintained by the business owned or controlled by the Participant.

Without disclosure by the Participant, the University cannot know about a Section 403(b) plan of an unrelated employer or about any other qualified retirement plan of a business owned or controlled by a Participant. Therefore, the University will
apply the limit on Annual Additions only with respect to the Section 403(b) plans that it maintains unless it is informed by the Participant of participation in a Section 403(b) plan of an unrelated employer or a plan of a business owned or controlled by the Participant. It is the responsibility of the Participant in either of those situations to inform the University of participation in the other plan or plans and to work with the University to avoid Annual Additions in excess of the limit for the Participant for the year.

If the University determines that the limit on Annual Additions will be exceeded for a Plan Year, the University contribution for the Participant in this plan for that Plan Year may be reduced to the extent necessary to avoid exceeding the limit. If the limit is exceeded in this plan, the excess amount must be maintained as a separate account and, notwithstanding any distribution limitations in Article V, may be distributed from the separate account in accordance with applicable IRS guidance. To the extent permitted, any failure to comply with the limit on Annual Additions in this plan may be corrected under the IRS correction program as in effect at the time of the correction.

For the purpose of complying with the Code Section 415 limit on Annual Additions, as applicable to Participants in this plan, and for the purposes of maintaining any amount in excess of the limit on Annual Additions for a Participant in a separate account and disposing of the excess by distribution or by other means of correction, Code Sections 415 and 401(a)(17) and applicable Regulations, and the applicable provisions of the Regulations under Code Section 403(b), are incorporated by reference into and made a part of this plan.

3.4 Rollover Contributions and Transfers to Plan.

(a) Rollovers to Plan. Effective January 1, 2009, this plan will no longer accept rollover contributions. Prior to January 1, 2009, an employee who has become a Participant in this plan may request that an annuity contract or custodial account under this plan accept, administer as a separate account, and distribute an amount that is a rollover contribution from another plan, subject to the following:

(i) Qualifying Rollover. The rollover contribution must be an amount, including a direct rollover, that the Funding Agent reasonably concludes is a qualifying rollover from one of the following eligible plans:

(A) Qualified Plan. A qualified plan under Code Section 401(a) or an annuity plan under Code Section 403(a), excluding after-tax employee contributions;

(B) Annuity Contract. An annuity contract, custodial account or retirement income account under Code Section 403(b);

(C) Governmental Plan. An eligible plan under Code Section 457(b) maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; or
(D) **IRA.** An individual retirement account or annuity under Code Section 408(a) or 408(b), excluding any amount which would not otherwise be includable in gross income.

(ii) **Return of Improper Rollover.** 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) **Transfers to Plan.** This plan does not accept a plan-to-plan transfer from another plan to this plan that is not a qualifying rollover to this plan.

3.5 **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 receive an allocation of University contributions the Participant would have received 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 required 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 and deduction limits for the Plan Year in which the contributions are actually made. There are no contributions by Participants 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.** As soon as administratively feasible after the Participant's reemployment, the University shall contribute to this plan, and allocate to the Participant's accounts, the University contributions that the Participant would have received but for the period of Qualified Military Service.

(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 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. 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.

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6 Section 8.7 describes the plan documents.
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 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 enrollment form and related documentation, 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) **In-Service Distributions from Rollover Account.** If a Participant has a separate account attributable to rollover contributions 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.
(i) **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.

(j) **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.

(k) **Loans.** This plan does not permit loans to Participants or Beneficiaries.

### 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.
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 University 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, University 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) **Married Participant; Spousal Consent.** The Beneficiary of a married Participant shall be the Spouse unless the Spouse consents to designation of a Beneficiary other than the Spouse. The actual or default designation of the Participant's Spouse as the Beneficiary shall be void upon dissolution of the marriage or death of the Spouse. If a married Participant designates or changes a Beneficiary other than the Spouse without the Spouse's consent, the designation will be void. A consent that permits further designations without consent is void unless the consent expressly permits such designations without additional spousal consent. A consent may limit a distribution to a specific Beneficiary and/or to a specific method of distribution.

(i) **Consent.** Consent by the Spouse must be voluntary and must acknowledge and accept the consequences of the designation of a Beneficiary other than the Spouse. Consent by the Spouse is irrevocable. The consent and acknowledgment must be witnessed by an individual designated by the University or the Funding Agent or by a notary public. If the Spouse cannot be located or if any of the other exceptions set forth in Regulations issued under Code Section 417 apply, a consent is not required.

(ii) **Successors.** Spousal consent is not required for the designation or determination, under this Section 5.8, of successor Beneficiaries to the Spouse.

(iii) **Change of Marital Status.** An existing Beneficiary designation by a Participant will be void upon the Participant's subsequent marriage or remarriage unless the new spouse consents to the designation.

(d) **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 (e) 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.

(e) **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 (d) 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 (d) above. Survivors shall include the issue of any deceased child who shall take the deceased child's share by right of representation.

(f) **No Surviving Beneficiary.** If a deceased Participant has no surviving Beneficiary or successor Beneficiaries as designated by the Participant or as determined under (d) 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.

(g) **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.

(h) **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.

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 University 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) **Nondiscrimination.** 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___________________________

1489271-20-12/17/2008
## SCHEDULE A

<table>
<thead>
<tr>
<th>Classification</th>
<th>Time Period and Rates</th>
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<td>Salaried Professional and Administrative</td>
<td>Participant before 1/1/1996&lt;br&gt;12%&lt;br&gt;Participant on or after 1/1/1996&lt;br&gt;10%</td>
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<td>Hourly Professional and Administrative</td>
<td>Participant on or after 1/1/1996&lt;br&gt;4% through 12/31/2000&lt;br&gt;6% effective 1/1/2001 through 6/30/2007&lt;br&gt;8% effective 7/1/2007&lt;br&gt;Police Sergeant or Detective Sergeant positions on or after 7/1/2004&lt;br&gt;10%</td>
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<td>University President</td>
<td>Amount specified in employment agreement</td>
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<td>Senior Officer other than University President</td>
<td>Participant before 1/1/1996&lt;br&gt;12%&lt;br&gt;Participant on or after 1/1/1996&lt;br&gt;10%</td>
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<td>Regular Faculty</td>
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<td>Category</td>
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<td>Temporary Faculty</td>
<td>12% (drops to 10% if there is a break in service of one semester or longer)</td>
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<td>Union Hourly Public Broadcasting</td>
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<td>Union Hourly Police</td>
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<td>9% effective 7/1/2000 through 6/30/2001</td>
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Effective June 11, 2002, the Command Officers (COAM) union was formally recognized as a separate union from POAM (Police). Effective July 1, 2004, COAM ceased to exist as a separate classification and the employees became members of the Hourly Professional and Administrative classification.
2009-1 AMENDMENT TO CENTRAL MICHIGAN UNIVERSITY
403(b) BASIC RETIREMENT PLAN

This is an amendment by Central Michigan University ("University").

RE C I T A L S

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, or other specified effective date, as follows:

ONE. Section 3.1 is amended by inserting the following new third paragraph:

Effective August 21, 2009, for any employee who is initially eligible to participate in this plan, and any former Participant who is eligible to resume participation in this plan, under the terms of Article II on or after August 21, 2009, the preceding paragraph shall not apply. Instead, the University will make the applicable contributions for the Participant and, until otherwise directed by the Participant through completion of an appropriate investment election form, those contributions will be invested as specified in this paragraph. For any employee who is initially eligible to participate in this plan, those contributions will be invested in the applicable default Funding Vehicle specified in the agreement between the University and the Funding Agent TIAA-CREF. For any former Participant who is eligible to resume participation in this plan, those contributions will be invested in accordance with the most recent investment allocation on file for the former 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.

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

(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, 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. For clarification, the following sentence is added to the end of Section 5.1(i):

The preceding sentence includes in-service distributions before attainment of age 59½, but only for annuity distributions under TIAA-CREF Funding Vehicles that allow in-service annuity distributions prior to age 59½.

FIVE. 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.

SIX. To avoid any inconsistency with any existing Funding Vehicle, the last sentence of Section 5.5(a) is deleted.

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

EIGHT. For clarification and to avoid any inconsistency with any existing Funding Vehicle, the first sentence of Section 5.8(c) is amended to read:

Effective only for assets held in Funding Vehicles created on or after September 1, 2009, and not applicable to assets added to Funding Vehicles created before that date, the Beneficiary of a married Participant shall be the Spouse unless the Spouse consents to designation of a Beneficiary other than the Spouse.

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

(e) **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 (d) 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 (d) above. Survivors shall include the issue of any deceased child who shall take the deceased child’s share by right of representation.

**TEN.** Section 5.8(f) is amended to read:

(f) **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 (d) 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.

**ELEVEN.** 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;

**TWELVE.** 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).

**THIRTEEN.** Effective July 1, 2009, Schedule A is amended by changing the classification of “University President” to “University President and Dean of the Medical School” and the classification “Senior Officer other than University President” to “Senior Officer other than University President and Dean of the Medical School.”

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

CENTRAL MICHIGAN UNIVERSITY

By___________________________________

Its__________________________________
2009-2 AMENDMENT TO CENTRAL MICHIGAN UNIVERSITY
403(b) BASIC RETIREMENT 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. The plan subsequently has been amended by an instrument dated October 26, 2009, also effective as of January 1, 2009. As permitted in Section 7.1 of the plan, the University has determined to further amend the plan for consistency with the terms of employment of certain at-will employees.

Therefore, the plan is amended, effective as of January 1, 2009 by adding the following sentence at the end of Section 3.2(c):

Recognized Compensation also includes a termination payment due to involuntary termination of an at-will Professional and Administrative or Senior Officer employee.

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

CENTRAL MICHIGAN UNIVERSITY

By____________________________

Its____________________________

By____________________________

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