UNIVERSITY OF MISSOURI SYSTEM
RETIREMENT PROGRAMS

Voluntary Retirement Plans

403(b) Tax Deferred Annuity Plan
457(b) Eligible Deferred Compensation Plan
401(a) Supplemental Retirement Plan

Plan designs effective date January 1, 2025

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Retirement Program Introduction

Welcome to the University of Missouri System's Retirement Program. We are eager to make you aware of the retirement plans available, as they apply to you. This Voluntary Retirement Plans Summary Plan Description ("VRP SPD") is a summary plan description describing benefits available to you under the *University's*:

- 403(b) Tax Deferred Annuity Plan;
- 457(b) Eligible Deferred Compensation Plan; and
- 401(a) Supplemental Retirement Plan.

These plans are collectively referred to as the *University's* voluntary retirement plans ("VRPs"), and individually, where appropriate, as a VRP.

As warranted, you will receive supplemental information about these VRPs and other Retirement Program plans for which you are eligible. In the event of a conflict between this VRP SPD and the actual VRP plan documents, the actual plan provisions will govern. Other summaries are available to provide an overview of other plans within the *University's* Retirement Program. A description of the Retirement Program plans and the summary documents that describe these plans follows.

The *University* hopes to sponsor the plans within its Retirement Program indefinitely but reserves the right to amend or terminate them at any time, to the extent permitted by law. If any material changes are made in the future, you will be notified.

Please review this summary carefully and share it with your family. It's important that you fully understand your benefits to make the most of them. Should you need additional information about a plan, please contact your HR Generalist or HR Service Center using the contact information below. You can request a copy of the plan document for any plan by contacting your HR Generalist or HR Service Center.

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Summary of the *University's* Retirement Program

The *University's* Retirement Program includes several retirement plan options. Your participation in these plans and the benefits you receive are dependent on when you were hired, or in some cases, rehired, by the *University*. Because your hire date determines your benefits under a specific plan, we have created this summary based on benefits available to you based on your hire date. A quick summary of the *University's* Retirement Program plans and the summaries of those plans is below so that you can review the plan documents and summaries applicable to you.

Retirement Program Plans

Retirement Program benefits are offered through the following plans sponsored by the *University*:

- **Retirement, Disability and Death Benefit Plan (RDD)**. The RDD is a defined benefit plan. The level of benefit received under the RDD depends on whether the employee is a "Level One Member" or "Level Two Member," which in turn depends on the employee's hire date or rehire date. Under the RDD, the *University* pays the majority of the cost of the benefits and the employee is required to make a contribution equal to a percentage of the employee's salary. Employees hired or rehired on or after October 1, 2019, will not accumulate any additional *service credit* (or *summer appointment service credit*) or accrue benefits under the RDD.
- **401(a) Employee Retirement Investment Plan (ERIP).** The ERIP is a defined contribution plan. Under the ERIP, the *University* makes matching contributions equal to a percentage of what the employee contributes to the 457(b) Eligible Deferred Compensation Plan (and in certain cases, a nonelective contribution as well). The matching percentage and the employee's eligibility for a nonelective contribution depend, again, on the employee's hire (or rehire) date.
- **401(a) Supplemental Retirement Plan (SRP).** The SRP is a defined contribution plan. Under the SRP, the employee is permitted to make a one-time irrevocable election. The *University* may also make additional nonelective contributions for certain designated employees. Participating employers in the Plan may make nonelective and matching contributions equal to a percentage of the employee's salary.
- **457(b) Eligible Deferred Compensation Plan (457(b) Plan).** The 457(b) Plan is a defined contribution plan. Under the 457(b) Plan, an employee may be automatically enrolled to defer a percentage of the employee's salary (the default percentage) depending on the employee's hire (or rehire) date. If applicable, the default percentage, which may be changed by the employee, depends on the employee's hire (or rehire) date.
- **Tax Deferred Annuity Plan (403(b) Plan).** The 403(b) Plan is a defined contribution plan. Under the 403(b) Plan, an employee is permitted to make a one-time irrevocable election and may also elect to defer a percentage of the employee's salary per pay period. Also, the *University* may make a nonelective contribution to a designated employee in an amount determined by the *University* at its discretion.

Summaries of the Retirement Program Plans

The names of the summaries describing the plans above (called summary plan descriptions) are as follows:

- **Defined Contribution Retirement Plan SPD ("DC Plan SPD")**. This summary applies to an eligible employee* hired or rehired on or after October 1, 2019, and describes the employee's benefit under the ERIP.
- **Defined Benefit Retirement Plan SPD ("DB Plan SPD")**. This summary applies to a "Level One Member" as defined by the RDD, and describes the Level One Member's benefit under the RDD. A "Level One Member" under the RDD is a member* who was (1) initially hired prior to October 1, 2012, (who is still employed) or (2) initially hired prior to October 1, 2012, earned a vested benefit under the RDD, experienced a termination from employment after earning such vested benefit and did not receive a lump sum payment under the RDD, and who was rehired by the University on or after October 1, 2012, but prior to October 1, 2019.
- **Hybrid Retirement Plan SPD ("Hybrid Plan SPD").** This summary applies to a "Level Two Member" as defined by the RDD, and describes the Level Two Member's benefit under the RDD. A "Level Two Member" under the RDD is a member* who was (1) hired on or after October 1, 2012, but prior to October 1, 2019; or (2) rehired on or after October 1, 2012, but prior to October 1, 2019, who does not otherwise meet the definition of "Level One Member" described above. This summary also describes the ERIP benefit for an eligible employee* who was (1) hired on or after October 1, 2012 but prior to October 1, 2019; or (2) rehired on or after October 1, 2012, but prior to October 1, 2019, who does not otherwise participate in the RDD as a "Level One Member," described above.
- **Voluntary Retirement Plans SPD ("VRP SPD")**. This summary describes benefits provided under the SRP, 457(b) Plan, and 403(b) Plan for an eligible employee.* Eligibility varies (see the plan documents) but is not based on the hire or rehire date like the benefits under the RDD and ERIP.

**The descriptions of the summaries above only describe the hire or rehire date requirements. However, benefits are also contingent on other eligibility factors and restrictions not discussed above, such as full-time status, academic or non-academic status, or employment classification. Read the summaries for more information.*

What is the difference between a defined benefit and defined contribution plan?

- *A defined benefit plan* is a retirement plan that promises to pay a specified amount at retirement based on factors such as salary, age, years of service, and a benefit multiplier. The benefit (the amount a member receives) at retirement is predetermined and will not fluctuate with the market (but depends on other factors at retirement).
- *A defined contribution plan* is a retirement plan that provides an individual account for each participant in the plan and provides benefits based on the amount contributed to that participant's account. The amount available at retirement is affected by returns generated by the investment(s) the participant selects and expenses charged to their account. The benefit at retirement will be based on total contributions by the participant and the *employer* to the plan on their behalf, as applicable, plus any investment gain and/or loss.

The Voluntary Retirement Plans (VRPs)

Introduction

Participation in the *University's* VRPs is completely voluntary. This summary of the VRPs is intended to help answer many commonly asked questions. Should you need additional information about a specific VRP (the 403(b) Plan, 457(b) Plan, or the 401(a) SRP), contact your HR Generalist or the UM System Office of Human Resources Service Center.

The 403(b) Plan and the 457(b) Plan allow you to set aside, through an *elective deferral,* a portion of your *compensation* on a pre-tax basis before federal and state income taxes are paid. Additionally, the 403(b) Plan and the 457(b) Plan allow you to set aside a portion of your *compensation* on an after-tax basis. *Elective deferrals* made to the 403(b) Plan or the 457(b) Plan on an after-tax basis are called Roth *elective deferrals*.

The 401(a) SRP and 403(b) Plan allow you to set aside through *irrevocable contributions* a portion of your *compensation* on a pre-tax basis before federal and state income taxes are paid.

Learn more about your VRPs
Visit:
umurl.us/Fidelity to enroll in the 403(b) or 457(b) and invest in yourself today.

Both *elective deferrals* and *irrevocable contributions* are invested in an investment option that you choose. If you do not choose an investment option, your *elective deferrals* or *irrevocable contributions* are invested in a default investment option.

The amount you defer pre-tax and any earnings are not taxed until you receive them. Your Roth *elective deferrals* are subject to income taxes in the year of deferral. However, your Roth *elective deferrals* are not taxed when distributed to you and, if your distribution is a *qualified distribution*, the earnings on your Roth *elective deferrals* are not subject to income tax (see **What are some of the possible tax consequences when I receive a distribution from a VRP?** for the definition of *qualified distribution*), making the distribution tax free.

There are many investment options included in the VRPs. Each has varying degrees of return and financial risk. This summary is not intended to advise you on any investment risks or tax issues arising from investing in any of these options. You may wish to contact your tax advisor or legal counsel for assistance in determining which option best fits your long-term goals.

Key Terms

To help you understand your retirement benefits and how they work, this section provides definitions of important terms used in this summary.

Beneficiary
A person designated by a *participant*, a *beneficiary*, or by a VRP, who is or may become entitled to a benefit under a VRP. Any person designated as a *beneficiary* shall have no rights under a VRP until after the death of the *participant*.

Compensation
Each VRP has a different *compensation* definition. Generally:

- *403(b) compensation* means all cash compensation paid to you for services rendered to the *University*, including salary, wages, fees, commissions, bonuses and overtime pay, that is includible in your gross income or that would be included in your gross income but for a compensation reduction election. The precise definition may be reviewed in the 403(b) Plan document.
- *457(b) compensation* means all compensation paid to you for services rendered to the *University.* The precise definition may be reviewed in the 457(b) Plan document.
- *401(a) SRP compensation* means all compensation paid to you for services rendered to the *University*, including the cash value of all compensation paid in any medium other than cash. The precise definition may be reviewed in the 401(a) SRP plan document.

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Compensation for purposes of the VRPs also includes *elective deferrals* to a *University* retirement plan or any other plan or arrangement (such as a flexible benefit plan). Special rules apply to compensation received after you terminate employment. Notwithstanding the above, the 401(a) SRP and 403(b) Plan will not consider *401(a) SRP compensation* or *403(b) compensation* (as applicable) exceeding $350,000 in 2025 (such compensation limit is adjusted annually by the IRS for cost-of-living).

Contract Year
The period from September 1 through August 31.

Elective Deferrals
Contributions made to the 403(b) Plan or 457(b) Plan at the election of the *participant* in lieu of receiving cash *compensation*. *Elective deferrals* are not the same as *irrevocable contributions* made to the 401(a) SRP and 403(b) Plan. There are two types of *elective deferrals*, pre-tax and after-tax. *Elective deferrals* made on an after-tax basis are called Roth *elective deferrals*. Roth *elective deferrals* may only be made to the 403(b) Plan or the 457(b) Plan.

Eligible Employee

- For purposes of the 403(b) Plan, *eligible employee* means all *University* common law employees, except health affiliate employees (subsidiary employees) and student employees.
- For purposes of the *457(b) Plan, eligible employee* means all *University* common law employees, except student employees and employees of a participating employer prior to the date the participating employer adopted the 403(b) Plan with the *University's* consent.
- For purposes of the 401(a) SRP, *eligible employee* means an employee actively employed by the *University* in at least a 75% *full-time equivalency* position, with an appointment duration of at least 9 months. For the purposes of this definition, any individual who is simultaneously employed by the *University* and the Harry S. Truman Veterans Administration Hospital pursuant to a written agreement between said organizations, and whose joint appointments, combined, otherwise meet the requirements of this definition, shall be considered an *eligible employee.* Per diem employees, student employees, resident physicians, leased employees, non-common law employees, and employees of a participating employer prior to the date the participating employer adopts the 401(a) SRP with the consent of the *University* are <u>not</u> *eligible employees*.

Full-Time Equivalency (FTE)
For a non-academic appointment which is not exempt from receiving overtime pay, 100% *full-time equivalency* means 2,080 hours of service during a *contract year*. For an academic appointment or a non-academic appointment which is exempt from receiving overtime pay, 100% *full-time equivalency* shall be determined on the basis of criteria established in accordance with applicable *University* policy.

Individual Agreement
The agreement between the *vendor* and you that governs your custodial account or annuity contract under the 403(b) Plan. Your custodial account or annuity contract, as applicable, is issued by a *vendor* for purposes of holding contributions to the 403(b) Plan on your behalf. The *individual agreements* supplement the 403(b) Plan and control certain aspects of the 403(b) Plan, as indicated in this summary.

Irrevocable Contribution
A contribution to the 401(a) SRP or 403(b) Plan, pursuant to a one-time irrevocable election by you to reduce your *compensation* by a specified amount. Under the 403(b) Plan your election is for the duration of your employment with the *University*. Under the 401(a) SRP your election is for the duration of your employment with the *University* as an *eligible employee*. Irrevocable elections under either VRP must be made no later than the date you first became eligible under the VRP or any other *University* retirement plan or arrangement that is described under IRS Code Section 219(g)(5)(A). Where an employee is eligible to participate in the *University's* 403(b) Plan (a plan described under IRS Code Section 219(g)(5)(A)) immediately upon becoming employed by the *University*, any such *irrevocable contribution* under the 401(a) SRP or 403(b) Plan must be made on or before the first day of employment.

Participant
With respect to the 403(b) Plan, 457(b) Plan, or 401(a) SRP, as applicable, any individual who has satisfied the eligibility and participation requirements of the respective VRP and each employee or former employee with a

benefit under the respective VRP. An employee becomes a *participant* in a VRP independent of participation in other *University* Retirement Program plans.

Plan Administrator
The Department of the *University*, or such other person, or Department as may be appointed by the *University* to supervise the administration of the VRPs. The committee that assists the *plan administrator* is the Total Rewards Advisory Committee. A separate committee, the Investment Oversight Committee, has operating and supervisory responsibilities related to the selection and monitoring of investment options made available to *participants*.

Plan Year
The twelve-month period ending December 31 each year.

Qualified Distribution
See **What are some of the possible tax consequences when I receive a distribution from a VRP?** for a definition of a *qualified distribution*.

Rollover Contribution
An amount transferred to either the 403(b) Plan or 457(b) Plan, either directly or indirectly, from another eligible retirement plan.

Vendor
The provider of your annuity contract or custodial account under the 403(b) Plan. Your custodial account or annuity contract, as applicable, is issued by a *vendor* for purposes of holding contributions to the 403(b) Plan on your behalf. Effective January 1, 2021, the vendor shall only include Fidelity Management Trust Company for new *elective deferrals*. Other *vendors* established prior to January 1, 2021, shall continue under the terms of the 403(b) Plan.

Getting Started

When am I eligible to participate in the VRPs?

You are eligible to participate in the 457(b) Plan and 403(b) Plan on your first day of employment with the *University* as an *eligible employee*. To enroll and review a summary of the investment options available under each Plan, visit umurl.us/Fidelity or call Fidelity at 1-800-343-0860.

You are eligible to participate in the 401(a) SRP on the first day of employment, but if you choose to make an *irrevocable contribution*, you must make that election on or before the first day you are eligible to participate in any *University* retirement plan.

Please note that *eligible employee* is defined differently under the 401(a) SRP than under the 403(b) Plan and 457(b) Plan. The 401(a) SRP definition is more limited in terms of who is eligible to participate.

Eligibility Information			
Plan / Contribution Type	**Eligibility / Participation**	**Effective Date of Enrollment/Changes**	**How often can I make changes?**
403(b) Plan pre-tax *elective deferrals*	First day of employment	Enrollment, investment election, and subsequent changes are effective the first available pay period after the enrollment, election, or change is made in good order, or as soon as administratively feasible, if later.	Changes to contribution percentage or investment elections for future contributions may be made as often as you wish.
403(b) Plan Roth *elective deferrals*	First day of employment	Enrollment, investment election, and subsequent changes are effective the first	Changes to contribution percentage or investment elections for future contributions

		available pay period after the enrollment, election, or change is made in good order, or as soon as administratively feasible, if later.	may be made as often as you wish.
403(b) Plan one-time *irrevocable contribution*	First day of employment, but you must make an election to contribute on or before the first day of employment as an *eligible employee*.	The effective date is the first available pay period after enrollment is completed in good order, or as soon as administratively feasible, if later.	The contribution percentage cannot be changed or stopped while you are employed by the *University*. Changes to investment elections may be made at any time.
457(b) Plan pre-tax *elective deferrals*	First day of employment.	Initial deferred compensation agreement (enrollment), investment election, and subsequent changes are effective the first available pay period after the enrollment, election, or change is made in good order, or as soon as administratively feasible, if later.	Changes to contribution percentage or investment elections for future contributions may be made as often as you wish.
457(b) Plan Roth *elective deferrals*	First day of employment.	Enrollment, investment election, and subsequent changes are effective the first available pay period after the enrollment, election, or change is made in good order, or as soon as administratively feasible, if later.	Changes to contribution percentage or investment elections for future contributions may be made as often as you wish.
401(a) SRP one-time *irrevocable contribution*	Eligible on the first day of employment, but you must make an election to contribute before you are eligible to participate in any *University* retirement plan.	The effective date is the first available pay period after enrollment is completed in good order, or as soon as administratively feasible, if later.	The contribution percentage cannot be changed or stopped while you are employed by the *University* as an *eligible employee* under the 401(a) SRP. Changes to investment elections may be made at any time.

When do I begin participating in the VRPs?

Participation in the 403(b) Plan begins after you enroll in the 403(b) Plan and your *elective deferral* becomes effective. 403(b) Plan elections will take effect on the next available payroll period following the receipt of your election, or as soon as administratively feasible, if later.

Participation in the 457(b) Plan begins after you enroll in the 457(b) Plan and your *elective deferral* becomes effective. 457(b) Plan elections will take effect on the next available payroll period following the receipt of your election, or as soon as administratively feasible, if later.

- If you are an eligible employee under the DC Plan or the Hybrid Plan, when you become eligible to participate in the 457(b) Plan, a default *elective deferral* percentage will be selected for you. You may choose to make a contrary election or opt out of making *elective deferrals* under the 457(b) Plan at any time. See the DC Plan SPD (if you are hired on or after October 1, 2019) or the Hybrid Plan SPD (if you are hired on or after October 1, 2012, but prior to October 1, 2019) for more information.

Participation in the 401(a) SRP begins after you elect to make *irrevocable contributions* to the 401(a) SRP. Your *irrevocable contribution* election must be made before you are eligible to participate in any *University* retirement plan.

Contributions/*Elective Deferrals*

What are 457(b) Plan *elective deferrals* and how do I contribute them to the 457(b) Plan?

You may elect to reduce your *457(b) compensation* and have that amount contributed to the 457(b) Plan as an *elective deferral*. *Elective deferrals* are deducted from your paycheck before income taxes are withheld; however, Social Security and Medicare taxes are still paid on the deduction. Income tax is not owed on *elective deferrals* or any earnings on the *elective deferrals* until distributed from the 457(b) Plan.

What are 457(b) Roth *elective deferrals* and how do I contribute them to the 457(b) Plan?

You may elect to reduce your *457(b) compensation* and have that amount contributed to the 457(b) Plan as a Roth *elective deferral*. Roth *elective deferrals* are deducted from your paycheck on an after-tax basis, meaning that *elective deferrals* are subject to income tax and are includible in your gross income at the time of deferral. Your Roth *elective deferrals* are distributed tax-free and any earnings are distributed tax-free if such distribution is a "qualified distribution" (see **What are some of the possible tax consequences when I receive a distribution from a VRP?** for the definition of *qualified distribution*). Roth 457(b) accounts must be open a minimum of 5 years before the distribution is tax-free.

What are 403(b) Plan (pre-tax) *elective deferrals* and how do I contribute them to the 403(b) Plan?

You may elect to reduce your *403(b) compensation* and have that amount contributed to the 403(b) Plan as a pre-tax *elective deferral* (described here) or Roth *elective deferral* (described directly below). Pre-tax *elective deferrals* are deducted from your paycheck before income taxes are withheld; however, Social Security and Medicare taxes are still paid on the deduction. Income tax is not owed on pre-tax *elective deferrals* or any earnings on the *elective deferrals* until distributed from the 403(b) Plan.

What are 403(b) Roth *elective deferrals* and how do I contribute them to the 403(b) Plan?

You may elect to reduce your *403(b) compensation* and have that amount contributed to the 403(b) Plan as a Roth *elective deferral*. Roth *elective deferrals* are deducted from your paycheck on an after-tax basis, meaning that *elective deferrals* are subject to income tax and are includible in your gross income at the time of deferral. Your Roth *elective deferrals* are distributed tax-free and any earnings are distributed tax-free if such distribution is a "qualified distribution" (see **What are some of the possible tax consequences when I receive a distribution from a VRP?** for the definition of *qualified distribution*). Roth 403(b) accounts must be open a minimum of 5 years before the distribution is tax-free.

How do I make a deferral election?

To make a 403(b) or 457(b) *elective deferral* election and review a summary of investment options, please call Fidelity at 1-800-343-0860 or visit umurl.us/Fidelity.

To make a 403(b) or 401(a) SRP *irrevocable contribution* election you must submit paper enrollment forms. These forms may be obtained online at:

- 403(b): umurl.us/Irrevocable403b
- 401(a): umurl.us/Irrevocable401a

or by contacting your HR Generalist or the UM System Office of Human Resources Service Center at 573-882-2146 or by email to retirement@umsystem.edu.

How and when can I change my *elective deferral*? When is the change effective?

You may change your *elective deferrals* at any time by logging into your account at umurl.us/Fidelity or by calling Fidelity at 1-800-343-0860.

- Changes to your 403(b) *elective deferrals* and 457(b) *elective deferrals* are effective on the next available payroll period following the receipt of your election, or as soon as administratively feasible, if later. The 401(a) SRP and 403(b) *irrevocable contribution* elections are irrevocable. Once a deferral percentage or amount is chosen it cannot be changed or discontinued under the 403(b) Plan while employed by the *University* and cannot be changed or discontinued under the 401(a) SRP while employed as an *eligible employee*.

Can I contribute pre-tax and Roth *elective deferrals* in the same year?

You may make both pre-tax and Roth *elective deferrals* to the 403(b) Plan or the 457(b) Plan in a calendar year in any proportion that you like.

If I choose to begin making Roth *elective deferrals* at the first of the year, but later I change my mind, can I then designate them as pre-tax *elective deferrals*?

Once a Roth *elective deferral* has been made to the 403(b) Plan or the 457(b) Plan, the contribution cannot be changed to a pre-tax *elective deferral*.

What distinguishes a Roth 403(b) or 457(b) *elective deferral* from a traditional (pre-tax) 403(b) or 457(b) *elective deferral*?

The primary differences between pre-tax and Roth *elective deferrals* are:

	Contribution	Distribution
Pre-tax	• No income tax paid on contributions • Lower taxable income • Contributions are subject to FICA taxes	• Contributions and earnings are taxed as ordinary income.
Roth	• Income tax is paid on contributions • No change in taxable income • Contributions are subject to FICA taxes	• Contributions are not taxed and earnings are not taxed if it is a "qualified distribution". See **What are some of the possible tax consequences when I receive a distribution from a VRP?** for the definition of *qualified distribution*.

The following chart shows an example of Roth and pre-tax *elective deferrals* and the effect they may have on your net take home pay. Please note this is presented for illustration purposes only. The effect will vary by individual persons.

	Roth	Pre-tax
Monthly *Compensation*	**$3,000.00**	**$3,000.00**
less pre-tax *elective deferrals*	($0.00)	($100.00)
Taxable Income	$3,000.00	$2,900.00
less current federal & state income taxes (estimate)	($671.00)	($643.00)
Total Take Home Pay	**$2,329.00**	**$2,257.00**
less Roth *elective deferrals*	($100.00)	($0.00)
Net Take Home Pay	**$2,229.00**	**$2,257.00**

What are 403(b) *irrevocable contributions* and how do I contribute them to the 403(b) Plan?

You may elect to reduce your *403(b) compensation* and have that amount contributed to the 403(b) Plan as an *irrevocable contribution*. Any *irrevocable contribution* election under the 403(b) Plan must be made on or before initial eligibility to participate in the 403(b) Plan. Because the 403(b) Plan is available to all employees, except health affiliate employees (subsidiary employees) and student employees, as of the first day of employment, generally only new employees to the *University* are eligible to make this election. The *irrevocable contributions* are contributed on a pre-tax basis. *Irrevocable contributions* and any earnings on such contributions are not subject to Federal or State income tax until distributed.

No changes are permitted to the amount of the deferral once the one-time *irrevocable contribution* has been made. If you are considering making *irrevocable contributions* to the 403(b) Plan (which must be made on or before your first day of employment), you must be aware that the only way to change the contribution amount is by your termination of employment with the *University*. A change in employment status from full-time to part-time, for example, does not cancel your *irrevocable contribution* election. If you have a change in employment status and do not have sufficient *403(b) compensation* to support the original *irrevocable contribution* election, then as much of the original contribution election as possible will be withheld from your available *403(b) compensation*.

What are 401(a) SRP *irrevocable contributions* and how do I contribute them to the 401(a) SRP?

You may elect to reduce your *401(a) SRP compensation* and have that amount contributed to the 401(a) SRP as an *irrevocable contribution*. Your *irrevocable contribution* election cannot be changed so long as you remain eligible to participate in the 401(a) SRP. If you are not eligible to participate in the 401(a) SRP, your *irrevocable contributions* to the 401(a) SRP cease. The *irrevocable contributions* are contributed on a pre-tax basis. *Irrevocable contributions* and any earnings on such contributions are not subject to Federal or State income tax until distributed.

No changes are permitted to the amount of the deferral once the one-time *irrevocable contribution* has been made as long as you remain an *eligible employee* under the 401(a) SRP. If you are considering making *irrevocable contributions* to the 401(a) SRP (which must be made on or before you first become eligible for any *University* retirement plan), you should be aware that if you do not have sufficient *401(a) SRP compensation* to support the original *irrevocable contribution* election, then as much of the original contribution election as possible will be withheld from your available *401(a) SRP compensation*.

What are “catch up” contributions?

Catch-up contributions are *elective deferrals* beyond the legal limits that would otherwise apply to *elective deferrals* if certain qualifications are met. However, catch-up contributions are subject to separate limits, as described below under **How Much Can I Contribute to the VRPs?**. Both the 403(b) Plan and the 457(b) Plan permit catch-up contributions if you are age 50 or will attain age 50 before the end of the *plan year*. Effective January 1, 2026, your catch-up contributions shall be designated as Roth *elective deferrals* if your wages (as defined by Code Section 3121(a) of the Internal Revenue Code) for the preceding year exceed $145,000 (as adjusted for cost-of-living to the extent provided by Code Section 414(v) of the Internal Revenue Code).

What are *rollover contributions*?

At the *University's* discretion, you may transfer an eligible *rollover distribution* (see the **Rollovers and Tax Treatment** section for a discussion of eligible *rollover distributions*) from certain other employer plans or IRAs to the VRPs, if you are an *eligible employee* and *participant* in the applicable VRP. These transfers are called *rollover contributions*. You can transfer a distribution to a VRP in a direct rollover or 60-day rollover (see **Rollovers and Tax Treatments** for a discussion of the types of rollovers). You should consult with qualified counsel to determine if a rollover is permitted and in your best interest.

Notwithstanding the above, *rollover contributions* to the 403(b) Plan are only permitted to the extent provided in your *individual agreement* with the *vendor*.

How much can I contribute to the VRPs?

Applicable Federal laws place limits on the annual contributions to the VRPs.

In 2025, the limit on total contributions to the 403(b) Plan is $70,000 or 100% of your compensation. Compensation for purposes of the contribution limits is not the same as *compensation* for *elective deferral* percentage purposes and is generally defined by law (*i.e. compensation* as defined in **Key Terms** is not the same as compensation for these limits). Your 403(b) Plan total contributions limit is not affected by contributions to the 401(a) SRP. There is a $23,500 limit on *elective deferrals* to the 403(b) Plan for 2025. The *elective deferral* limit is a combined limit for both pre-tax and Roth *elective deferrals*. Your *irrevocable contributions* to the 403(b)

Plan do not count towards the $23,500 *elective deferral* limit, but your *elective deferrals* plus *irrevocable contributions* do count towards the total $70,000 contribution limit. Please remember these contributions are subject to FICA tax.

In 2025, the limit on total contributions to the 457(b) Plan is the lesser of $23,500 or your compensation for the calendar year. The *elective deferral* limit is a combined limit for both pre-tax and Roth *elective deferrals*. The 457(b) limit is not affected by contributions to the 401(a) SRP or 403(b) Plan.

In 2025, age 50 catch-up contributions are limited to $7,500. There is a separate $7,500 limit for the 403(b) Plan and 457(b) Plan. Therefore, you can contribute up to $15,000 in catch-up contributions to the 403(b) Plan and 457(b) Plan combined. The age 50 catch-up contribution limit is in addition to the limits on total contributions and *elective deferrals*. Therefore, if the age 50 catch-up contribution limit applies, you can contribute up to $31,000 in *elective deferrals* under the 403(b) Plan and 457(b) Plan, and your total contribution limit under the 403(b) Plan is $70,000. You must contribute the *elective deferral* limit before age 50 catch up contributions occur. Effective January 1, 2025, if you are 60, 61, 62, or 63 years of age, you will be allowed to contribute the greater of $10,000 or 50% more than the regular catch-up contribution limit as indexed for inflation under Section 414(v) of the Internal Revenue Code.

In 2025, the limit on total contributions to the 401(a) SRP is $70,000 or 100% of your compensation. However, this 401(a) SRP limit applies to the combination of contributions to the 401(a) SRP (either by you or, in some cases, by the *University* or another participating employer) and the contributions the *University* makes for eligible employees under the DC Plan or DC Plan Component of the Hybrid Plan based on your *elective deferrals* to the 457(b) Plan (described in either the Hybrid Plan SPD or DC Plan SPD). If the contribution limit will be exceeded, any contributions that otherwise would have been made to the SRP will be reduced before contributions to the employer match are reduced, to avoid any excess contributions under the law. Additional ordering rules are outlined in the applicable plan documents. Please remember all contributions are subject to FICA tax.

How much can be contributed to each of the VRPs?	IRS Limits (adjusted annually)	Minimum Contribution	Catch-up Contributions (adjusted annually)	Details
457(b) Plan pre-tax and Roth	$23,500*	1% of *compensation*	Age 50 and over catch-up: $7,500* Ages, 60, 61, 62, and 63 catch-up (effective January 1, 2025): The greater of $10,000 or 50% more than the regular catch-up contribution limit.*	Contributions are made by deduction from your *compensation* only.
403(b) Plan pre-tax, Roth, and *irrevocable contributions*	$23,500* for *elective deferrals* $70,000* for all contributions	1% of *compensation*	Age 50 and over catch-up: $7,500* Ages, 60, 61, 62, and 63 catch-up (effective January 1, 2025): The greater of $10,000 or 50% more than the regular catch-up contribution limit.*	Contributions are made by deduction from your *compensation* only. Pre-tax and Roth *elective deferrals* have a combined contribution limit. *Irrevocable contributions* are made by deduction from your *compensation* only and once elected cannot be changed or stopped.

				Effective January 1, 2026, your catch-up contributions shall be designated as Roth *elective deferrals* if your wages (as defined by Code Section 3121(a) of the Internal Revenue Code) for the preceding year exceed $145,000 (as adjusted for cost-of-living to the extent provided by Code Section 414(v) of the Internal Revenue Code).
401(a) SRP	$70,000*	1% of *compensation*	None	Contributions are made by deduction from your *compensation* only and once elected cannot be changed or stopped as long as you are eligible for the 401(a) SRP. Total IRS limit is shared between any employee or employer contributions to the 401(a) SRP. See **How much can I contribute to the VRPs?**

*Limits may be adjusted annually by the IRS for cost-of-living. *Rollover contributions* are not subject to the contribution limits above. Compensation for purposes of the contribution limits is not the same as *compensation* for contribution purposes and is generally defined by law.

What are in-plan Roth rollovers?

If permitted by your *individual agreement* with a *vendor* under the 403(b) Plan, and if you are eligible for a distribution from an account balance other than a designated Roth contribution account, you may elect to roll over the distribution to a designated Roth contribution account in the 403(b) Plan (referred to as an "in-plan Roth *rollover contribution*"). You may only roll over the distribution directly and the contribution will be subject to taxation to the extent the distribution does not represent after-tax dollars. The account is subject to the same taxation rules that apply to Roth *elective deferrals*.

Will income taxes be withheld from my in-plan Roth *rollover contributions*?

There is no withholding on in-plan Roth *rollover contributions*; however, you may need to increase your withholding or make estimated tax payments to avoid an underpayment penalty.

Vesting

All employee contributions to the VRPs are 100% vested and nonforfeitable at all times.

Investments

How are my *elective deferrals* and *irrevocable contributions* invested?

Choosing your investments: You select how to invest all contributions in the VRPs. For information about your investment choices, please visit umurl.us/Fidelity.

403(b) Plan - You may select and make changes to your investment selections at any time online at umurl.us/Fidelity or by calling Fidelity at 1-800-343-0860.

457(b) Plan - You may make changes to your investment selections at any time online at umurl.us/Fidelity or by calling Fidelity at 1-800-343-0860.

SRP - You may select and make changes to your investment selections at any time online at umurl.us/Fidelity or by calling Fidelity at 1-800-343-0860.

One-on-One Guidance

If you are unsure how to invest your contributions, financial planning and guidance representatives are available on each campus to meet one-on-one to assist you throughout the year. To schedule an appointment:

- Fidelity: call 1-800-343-0860 or visit umurl.us/retconsult.

There are many investment options. Each has varying degrees of return and financial risk. This summary is not intended to advise you on any investment risks or tax issues arising from investing in any of these options. You may wish to contact your tax advisor or legal counsel for assistance in determining which option best fits your long-term goals.

Distributions

When can distributions occur from the VRPs?

Following is a summary of distribution provisions for the VRPs:

Distribution Provisions

403(b) Plan	457(b) Plan	401(a) SRP
Distributions may occur upon: • Termination of employment • Attainment of age 59 ½ • Death • Disability • Financial Hardship • Military Service	Distributions may occur upon: • Termination of employment • Attainment of age 59 ½ • Unforeseeable Emergency • Death	Distributions may occur upon: • Termination of employment • Attainment of age 59 ½ • Financial Hardship • Death • Disability

403(b) Plan distributions are made in accordance with your *individual agreement* with the *vendor*(s), subject to the minimum required distribution rules (see below). The rules for making 403(b) Plan distributions upon termination of employment will be similar to the rules described below for the 401(a) SRP or 457(b) Plan, subject to any limitations contained in your *individual agreement* with the *vendor*. You should contact your *vendor* if you have any questions about your distribution options under the 403(b) Plan.

457(b) Plan distributions upon termination of employment are made on a date selected by you if the value of your 457(b) Plan account is more than $7,000. At any time before commencement of your distribution, you may elect to defer commencement to a later specified date, subject to the minimum required distribution rules (see below).

Certain distribution rules apply when you terminate employment from the *University*, depending on your account balance:

- If the value of your 401(a) SRP or 457(b) Plan account is **$1,000 or less**, it will be distributed to you as soon as administratively feasible after you terminate from the *University*.
- If the value of your 401(a) SRP or 457(b) Plan account is **more than $1,000, but less than $7,000**, the account balance will be rolled over to an IRA as soon as administratively feasible after you terminate from the *University*, unless you elect to receive the distribution directly or roll the distribution over to an IRA or another employer plan of your choice.
- If the value of your 401(a) SRP or 457(b) Plan account is **more than $7,000**, it will not be distributed without your consent, unless the minimum required distribution rules apply (see below).

Can I use my VRP account balance(s) to purchase service credit in another plan?

Under limited circumstances, you may be able to purchase service credit in the *University's* RDD. For more information, please review the RDD plan document at Section 530.010 or the DB Plan SPD or Hybrid Plan SPD and contact the *plan administrator* if you have any questions.

How do I apply for benefits?

For more information on how to begin your benefits from the 403(b) Plan you should contact Fidelity Investments at umurl.us/Fidelity or at 1-800-343-0860.

For more information on how to begin your benefits from the 401(a) SRP and 457(b) Plan you should contact Fidelity Investments at umurl.us/Fidelity or at 1-800-343-0860.

It is important to keep Fidelity informed of name and address changes for you or your *beneficiaries*. Please call Fidelity at 1-800-343-0860 or visit umurl.us/Fidelity to update your information.

If you contributed to a 403(b) Plan as a University employee under a vendor other than Fidelity, you should contact that vendor directly to inquire about applying for benefits.

What are my retirement benefit payment options?

The 401(a) SRP and 457(b) Plan allow you to receive your retirement benefit in a single lump sum payment, or in installments over a fixed number of years. If you elect installments, you may elect to accelerate the installment payments and receive a lump sum distribution of the remainder of your benefit at any time. For more information on these options contact Fidelity at umurl.us/Fidelity or call 1-800-343-0860.

The 403(b) Plan distributions are made in accordance with your *individual agreement* with the *vendor*(s). To the extent permitted by the Individual Agreement with your vendor, a Participant (or Beneficiary, if applicable) may elect to receive distribution of his or her Account Balance under a systematic withdrawal plan (installments). A Participant (or Beneficiary, if applicable) who is receiving distribution under a systematic withdrawal plan may elect to accelerate installment payments or to receive a lump sum distribution of the remainder of his or her Account Balance. You should contact your *vendor* if you have any questions about your distribution options under the 403(b) Plan.

Spousal consent may be required on any distribution from the VRPs.

Because Roth *elective deferrals* are made after-tax, can I withdraw from my designated Roth account at any time, tax-free?

No. Plan restrictions for distributions of pre-tax *elective deferrals* also apply to Roth *elective deferrals*. See **When can distributions occur from the VRPs?**.

If I make a withdrawal, can I return the funds to the VRP at a later date?

The law does not permit contributions to replace previously withdrawn funds. *Elective deferrals* and *irrevocable contributions* must be made from your paycheck. You may however, make a *rollover contribution* to the VRPs, see the **Rollovers and Tax Treatment** section.

What are minimum required distributions?

You may generally delay the distribution of your benefit. However, if you elect to delay the distribution of your benefit, there are rules that require that certain minimum distributions be made from the VRP.

Under current law, if you were born *on or before June 30, 1949*, you must begin receiving your benefit on April 1 following:

- The calendar year in which you turn age 70½; or, if later,
- The calendar year in which your employment ends.

If you were born *after June 30, 1949, and before January 1, 1951*, you must begin receiving your benefit on April 1 following:

- The calendar year in which you turn age 72; or, if later,
- The calendar year in which your employment ends.

If you were born *on or after January 1, 1951, and before January 1, 1960*, you must begin receiving your benefit on April 1 following:

- The calendar year in which you turn age 73; or, if later,
- The calendar year in which your employment ends.

If you were born *on or after January 1, 1960*, you must begin receiving your benefit on April 1 following:

- The calendar year in which you turn age 75; or, if later,
- The calendar year in which your employment ends.

Notwithstanding the foregoing, effective for distribution calendar years beginning after December 31, 2023, you are not required to receive minimum distributions from your Roth *elective deferral* account during your lifetime. If you think you may be affected by these rules, contact Fidelity at 1-800-343-0860.

How are my benefits paid upon my death?

The 403(b) Plan distributions are made in accordance with your *individual agreement* with the *vendor*(s). To the extent permitted by the Individual Agreement with your vendor, a Participant (or Beneficiary, if applicable) may elect to receive distribution of his or her Account Balance under a systematic withdrawal plan (installments). A Participant (or Beneficiary, if applicable) who is receiving distribution under a systematic withdrawal plan may elect to accelerate installment payments or to receive a lump sum distribution of the remainder of his or her Account Balance. In the event your *individual agreement* does not contain language relating to required minimum distributions, the rules above relating to required minimum distributions will apply. You should contact your *vendor* if you have any questions about your distribution options under the 403(b) Plan.

For the 401(a) SRP and 457(b) Plans, if your death occurs before you begin distribution of your benefits, your *beneficiary* may elect to receive a distribution of your benefits in any of the forms of distribution available to you (*i.e.*, lump sum or installments), beginning as soon as reasonably practicable following the *beneficiary's* application for distribution of benefits. If your death occurs after distributions begin, but before your entire benefit under the 401(a) SRP or 457(b) Plan is distributed, your *beneficiary* shall receive distribution of the remainder of your benefits beginning as soon as reasonably practicable following your death in a form available to you and elected by the *beneficiary*, which provides for distribution at least as rapidly as you were receiving distribution of your benefits.

Notwithstanding the above, your benefits upon death are subject to certain required minimum distribution rules. These rules are complicated and depend on who is designated as your *beneficiary* and when your death occurs (before or after distributions begin). In certain circumstances, if your spouse is your sole designated beneficiary, your spouse may elect to be treated as if he or she were you under a VRP for purposes of required minimum distributions. Generally, if your death occurs before distributions begin, the entire benefit under a VRP must be distributed by December 31 of the calendar year containing the fifth anniversary of your death, unless your spouse is your sole designated beneficiary. Generally, if your death occurs after distributions have begun, the entire benefit under a VRP must be distributed by December 31 of the calendar year containing the tenth anniversary of your death, unless you have not designated a *beneficiary*, or your designated *beneficiary* is an eligible designated beneficiary. For purposes of this section, an “eligible designated beneficiary” is your designated *beneficiary* who, at the time of your death, is one of the following individuals: (1) your spouse; (2) your child who has not reached the age of majority; (3) an individual not more than 10 years younger than you; (4) a disabled individual, as defined in Section 401(a)(9)(E)(ii)(III) of the Internal Revenue Code; or (5) an individual who is chronically ill, as defined in Section 401(a)(9)(E)(ii)(IV) of the Internal Revenue Code. Certain trusts may also be treated as eligible designated beneficiaries. For more information regarding these rules contact the administrator at umurl.us/Fidelity or call 1-800-343-0860.

Can I withdraw money from my 457(b) Plan account in the event of an unforeseeable emergency or financial hardship?

You may request a distribution from your 457(b) Plan account to satisfy an immediate and heavy financial need, defined below, in the event of an unforeseeable emergency. This distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance. The *University* will determine whether an unforeseeable emergency exists. A distribution will not be deemed necessary to satisfy an immediate and heavy financial need if the need can be relieved through reimbursement by insurance or otherwise, by liquidation of your assets (except to the extent that liquidation would cause a severe financial hardship), or by cessation of contributions to the VRPs. If you receive a distribution due to an unforeseeable emergency, your *elective deferrals* to the 457(b) Plan will be suspended for six months.

An unforeseeable emergency means a severe financial hardship of the *participant* or *beneficiary* resulting from an illness or accident of the *participant* or *beneficiary*, the *participant's* or *beneficiary's* spouse or the *participant's* or *beneficiary's* tax dependent; loss of the *participant's* or *beneficiary's* property due to casualty including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance (e.g., as a result of a natural disaster); the need to pay for the funeral expense of a spouse or a dependent; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the *participant* or *beneficiary*.

A distribution from your 457(b) Plan account due to an unforeseeable emergency can only be made if you certify and agree that all of the following conditions are satisfied:

- The distribution is deemed necessary to satisfy an immediate and heavy financial need as described above.
- The distribution is not in excess of the amount of your immediate and heavy financial need.
- The need cannot be relieved through reimbursement by insurance or otherwise, reasonable liquidation of your assets, or cessation of contributions to the VRPs, and you have no alternative means reasonably available to satisfy such financial need.

Can I withdraw money from my 401(a) SRP and 403(b) Plan account(s) in the event of a financial hardship?

<u>403(b) Plan</u>. Hardship distributions are permitted under the 403(b) Plan if your *individual agreement* with the *vendor* permits such distributions. The rules for hardship distributions will likely be similar to the rules specified below for the 401(a) SRP (including the certification requirement). You should contact your *vendor* if you have any questions about your distribution options under the 403(b) Plan.

<u>401(a) SRP</u> - You may request a lump sum distribution from the 401(a) SRP on account of financial hardship, with your spouse's consent (if applicable), if you satisfy certain conditions. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance.

<u>Qualifying expenses</u>: A hardship distribution may be made to satisfy certain immediate and heavy financial needs described below:

- Expenses for medical care (deductible under Section 213(d) of the Internal Revenue Code but without regard to the 7.5% AGI limit) for you, your spouse or your dependents.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children or your dependents.
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents.
- Expenses for the repair of damage to your principal residence that would qualify for the casualty loss deduction under Internal Revenue Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).
- Any other financial need specified by the Internal Revenue Service as a deemed immediate and heavy financial need.

<u>Conditions</u>: If you have any of the above expenses, a hardship distribution can only be made if you certify and agree that all of the following conditions are satisfied:

- The distribution is not in excess of the amount of your immediate and heavy financial need.
- The need cannot be relieved through reimbursement by insurance or otherwise, reasonable liquidation of your assets, reasonable commercial loans, or cessation of *elective deferrals*.

Rollovers and Tax Treatment

What are some of the possible tax consequences when I receive a distribution from a VRP?

Generally, you must include any distribution in your taxable income in the year in which you receive the distribution. Distributions made to you when you are under age 59½ may be subject to an additional 10% tax unless you roll the distribution over to an IRA or other employer retirement plan as described below. The 10% additional tax will also apply to a distribution of in-plan Roth *rollover contributions* within the 5-year period that begins on January 1 of the year of the rollover, unless an exception applies (for example, a *participant* who has attained the age 59 ½ is not subject to the 10% additional tax). There is a separate 5-year period for each in-plan Roth *rollover contribution*, and such period is not the same as the 5-year period for "qualified distributions."

You will not be taxed on distributions of your Roth *elective deferrals* and in-plan Roth *rollover contributions* under the 403(b) Plan or the 457(b) Plan. In addition, a distribution of the earnings on the Roth *elective deferrals* and in-plan Roth *rollover contributions* will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59½ or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on January 1 of the calendar year in which you first make a Roth *elective deferral* to the 403(b) Plan or the 457(b) Plan (or to another 401(k) Plan, 403(b) Plan, or 457(b) Plan if such amount was rolled over into this 403(b) Plan or 457(b) Plan). It is not necessary that you make a Roth *elective deferral* in each of the 5 years.

If you receive a distribution from your Roth *elective deferrals* or in-plan Roth *rollover contributions* that is not a "qualified distribution," the earnings on your Roth *elective deferrals* and the earnings on your in-plan Roth *rollover contributions* after the rollover will be taxable to you at the time of distribution (unless you roll over the distribution, as discussed below).

Can I elect a rollover to reduce or defer tax on my distribution?

If your distribution is an eligible rollover distribution, you may defer the tax due on your distribution by rolling the distribution over to an IRA or other employer retirement plan. Generally, an eligible rollover distribution does not include any distribution which is: (1) one of a series of substantially equal periodic payments made for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated *beneficiary*, or for a specified period of ten years or more; (2) a hardship distribution; or (3) a required minimum distribution. There are two types of rollovers:

> Direct rollover: For most distributions, you may request that a direct rollover (sometimes referred to as a direct transfer) be made to either an IRA or other employer retirement plan willing to accept the rollover. A direct rollover will result in no tax being due until you withdraw funds from the IRA or other employer retirement plan.
>
> 60-day rollover: You may roll over a distribution to an IRA or other employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other employer retirement plan. The rollover of the distribution, however, MUST be made within strict time frames (normally, within 60 days after you receive your distribution). A distribution which may be rolled over but which you do not directly roll over (see above) will be subject to mandatory federal income tax withholding at a rate of 20%. You may roll over the 20% amount withheld, but must replace the withheld amount from other sources. If you do not roll over an amount equal to the 20% withheld, the withheld amount is subject to tax.

If your distribution is not an eligible rollover distribution you will not be able to defer tax due on your distribution by rolling the distribution over to an IRA or other employer retirement plan. Withholding on distributions that are not eligible rollover distributions depends on whether the distribution is a periodic distribution (for example, annuity payments or installments) or non-periodic distribution. Withholding on periodic distributions will be determined as if the distribution were wages and withholding on non-periodic distributions will be 10% of the amount includible in income. Notwithstanding the foregoing, you may elect not to have withholding apply.

Pre-Tax to Roth Rollovers: If you roll over pre-tax contributions to a designated Roth account in another employer plan or to a Roth IRA, the amounts will be taxed in the year of the rollover. However, the 10% additional tax on early distributions will not apply. If you complete a direct rollover, no withholding will apply, but you may voluntarily enter into a withholding agreement with the *University*.

Tax Notice: Whenever you receive a distribution, you will receive a more detailed explanation of these options. However, the rules which determine whether you qualify for favorable tax treatment are very complex. You should consult with qualified tax counsel before making a choice.

Loans

Are loans offered in the 403(b) Plan?

Yes, to the extent permitted by your *individual agreement* with the *vendor*.

What are the terms of a loan under the 403(b) Plan?

The terms of the loan are determined by your *individual agreement* with the *vendor*. However, no loan under the 403(b) Plan may exceed the lesser of: (a) $50,000 reduced by the greater of (i) any outstanding loan balance (from any plan maintained by the *University*) on the date of the loan, or (ii) the highest outstanding loan balance (from any plan maintained by the *University)* during the one year period ending on the day before the loan (not taking into account any payments made during such one-year period); or (b) 50% of your vested account balance (which includes your vested interest under any other *University* plan). Effective October 1, 2019, a *participant* may have a maximum of one outstanding loan from his/her account at any time, except that a *participant* may have a second loan for the purpose of the acquisition of a primary residence. This loan limit will not result in the acceleration of payment on any existing loans in excess of the limit.

Are loans offered in the 457(b) Plan?

No.

Are loans offered in the 401(a) SRP?

Yes. A *participant* who has participated in the Plan for one or more *plan years* is eligible for a loan from his/her individual account subject to certain limitations and requirements. Neither a spouse nor a *beneficiary* of a *participant* shall be eligible for a loan. Spousal consent may be required for a loan. Only one loan may be outstanding at a time.

Spousal consent may be required for the loan.

Are there any limits on the loan amount under the 401(a) SRP?

The maximum amount available for a loan is the lesser of: (1) $50,000, reduced by the highest outstanding loan balance during the one-year period ending on the day before the date of the new loan; or (2) 50% of your vested account balance. You may not obtain a loan for an amount less than $1,000.

What are the terms of a loan under the 401(a) SRP?

The interest rate is Prime plus 1% as reported by Reuters on the first business day of the calendar quarter in which the loan is made. Interest is compounded annually.

All loans will be fully secured by your 401(a) SRP benefits (subject to your spouse's consent if your account balance does not exceed $5,000).

Loans must be repaid in equal monthly installments over a period not exceeding 5 years, unless the loan is a principal residence loan, in which case the repayment period is 10 years. Prepayment of the loan is permitted at any time without penalty.

If any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the scheduled payment was missed, the loan will be in default. On default, any outstanding balance is reported as taxable income to you. Default does not relieve you from your repayment obligations. The 401(a) SRP may offset the outstanding balance of a defaulted loan against your benefit under the 401(a) SRP as soon as you are eligible to receive a distribution from the 401(a) SRP. Your account may be charged with any expenses related to the administration of your loan.

Lost Participants

If you are entitled to a distribution and cannot be located, reasonable measures will be taken to locate you. In the event you are not located after the *plan administrator* has taken reasonable measures to locate you, your benefits will be disposed of in accordance with the law and reasonable procedures. Reasonable procedures include rolling over your benefits to an IRA, purchasing an annuity contract in your name, distributing your benefit to an interest bearing insured bank account, or forfeiting your benefit to the specific VRP. If your benefit is forfeited to a VRP and you are later located, your benefit will be restored unadjusted for earnings and distributed to you in accordance with the VRP's terms.

Plan Expenses

The VRPs permit the payment of certain plan expenses to be made from the respective VRP assets. If expenses are paid using VRP assets, then the expenses will generally be allocated among the accounts of all *participants* in the VRP. These expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of *participants* in the VRP. The method of allocating the expenses may depend on the nature of the expense itself.

After you terminate employment, the *University* reserves the right to charge your account for your pro rata share of a VRP's administration expenses, regardless of whether the *University* pays some of these expenses on behalf of current *participants*.

There are certain other expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, a VRP may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses may be paid directly from your account (and not the accounts of other *participants*) because they are directly attributable to you under the VRP. You will be informed when there will be a charge (or charges) directly to your account.

Qualified Domestic Relations Orders

Upon receipt of a domestic relations order issued by a court of competent jurisdiction with respect to your interest in a VRP, the *University* shall determine whether such domestic relations order constitutes a qualified domestic relations order ("QDRO"). If it is determined that a domestic relations order is a QDRO, the alternate payee may receive a distribution in a single lump sum at any time. There will be a charge to your account for processing of a QDRO. A QDRO may not provide for a benefit not allowed by a VRP. Procedures to determine the qualified status of a domestic relations order, to administer distributions mandated by a QDRO, and to implement the QDRO provisions are available upon request.

Additional information about QDRO processing may be obtained by contacting the UM System Office of Human Resources Service Center.

Protecting Your Benefits

Can the VRPs be amended?

The *University* has the right to amend the VRPs at any time. In no event, however, will any amendment authorize or permit any part of the VRPs' assets to be used for purposes other than the exclusive benefit of *participants* or their *beneficiaries*. Additionally, no amendment will cause any reduction in the amount credited to your account.

What happens if the VRPs are terminated?

If the VRPs are terminated, no further contributions will be made and distributions will be made as soon as possible, in accordance with each VRP's terms.

Can my benefits be delayed?

These VRPs are designed to provide you with a retirement benefit when your employment ends, but if you do not keep your most recent address on file and the administrator can't locate you, payments may be delayed. This is particularly important if you leave the *University* prior to retirement. Please call Fidelity at 1-800-343-0860 or visit umurl.us/Fidelity to update your information. Generally, your benefits under the VRPs cannot be forfeited.

Do I need to name a *beneficiary*?

Naming a *beneficiary* ensures that your benefit is handled in the manner you intend. You should name a *beneficiary* when you first participate in the VRPs. If unmarried, you may designate any person or trust as your *beneficiary*. For married employees, your spouse will automatically be your *beneficiary*, unless your spouse consents to a different designated *beneficiary*. You may also designate contingent *beneficiaries*.

If you don't name a *beneficiary* (or your *beneficiary* predeceases you), any death benefits under the VRPs will be paid to your surviving spouse. If there is no surviving spouse, death benefits will be paid to your surviving children in equal shares. If there are no surviving children, the benefit will be paid to your estate, provided that a properly appointed and qualified fiduciary of your estate exists within 120 days of your death, otherwise the payment will be made in accordance with Missouri law.

Update your beneficiary information

Whenever there are important changes in your life – such as marriage, divorce or the birth or adoption of a child – review your *beneficiary* designation and consider updating.

You may update your *beneficiary* at:
umurl.us/Fidelity

You may update your *beneficiary* designation at any time.

A divorce decree, or decree of legal separation, revokes your prior designation, if any, of your spouse or former spouse as your *beneficiary*, unless a QDRO provides otherwise.

Notwithstanding the above, your *individual agreement* with the *vendor* under the 403(b) Plan controls *beneficiary* designations. To the extent the *individual agreement* does not provide for rules regarding *beneficiary* designations, the rules above will apply under the 403(b) Plan.

Can my benefits be forfeited or delayed?

The VRPs are designed to provide you with a retirement benefit when your employment ends, but some situations could affect your VRP benefits. Those situations are summarized here:

- If you do not keep your most recent address on file and Fidelity cannot locate you, payments may be delayed. This is particularly important if you leave the *University* prior to retirement. Please call Fidelity at 1-800-343-0860 or visit umurl.us/Fidelity to update your information.
- Your request for Plan benefits will be considered a claim for benefits. A decision on your claim will be made within 90 days after receipt of the claim by the respective VRP. You will be provided written or electronic notice if your benefits are denied that includes the specific reason(s) your claim was denied, a references to the specific VRP provision(s) on which the denial was based, and a description of the VRP's appeal procedures and the time limits that apply to such procedures.
- You can appeal a denial of your benefits claim by providing written notice to the *University* within 90 days after your receipt of the denial of your claim. You will be able to submit written comments, documents and other information relating to the claim on appeal. The *University* may hold a hearing or otherwise in its decision on appeal. The *University* will provide written notice of its decision on appeal within 90 days after receipt of the appeal. Any decision on appeal will be final and binding on the parties. If you appeal is denied, the written denial will include the specific reason(s) for the denial on appeal and reference to the specific VRP provisions on which the denial on appeal is based.