

**SUMMARY DESCRIPTION**  
**OF THE**  
**University of Mississippi 403(b) PLAN**  
**("The Plan")**

**PLEASE READ THIS CAREFULLY  
AND KEEP FOR FUTURE REFERENCE.**

**January 2013**

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## **1. INTRODUCTION**

The [Name of Plan] 403(b) Plan has been adopted by the [Name of University] to provide you with an opportunity to save for retirement on a tax-advantaged basis. This type of plan is commonly referred to as a “403(b) plan” or “TDA” (Tax Deferred Annuity). The plan is intended to comply with section 401(b) of the Internal Revenue Code.

The plan is designed to allow you to supplement your retirement savings by electing to defer a portion of your compensation and have these amounts contributed to the plan on your behalf. Contributions to the plan grow on a tax-deferred basis until your benefits are distributed to you. Participation in the plan is voluntary.

This Summary provides a brief description of the plan and is intended to provide you with a basic understanding of how the plan works. The Summary does not cover all of the plan’s provisions nor is intended to interpret, extend or change the provisions of the plan in any way. You may review a copy of the actual plan document (copies are available to you at the Human Resources office during regular business hours). If there is a difference between the language of the Summary and the actual provisions of the plan document, or if this Summary is silent on an issue, the plan document will control. In addition, because the plan can only be amended by official action of the University, you may not rely on any oral statements or representations made to you regarding the terms or affect of the plan on you that are contrary or inconsistent with the plan document.

Neither the plan nor this Summary alters in any way your employment relationship with the University or creates an obligation of continued employment by either you or the University. The University has the right to modify or terminate the plan and Summary without providing advance notice to you or any other employee.

## 2. IMPORTANT PLAN INFORMATION

**NAME OF PLAN:** University of Mississippi 403(b) Plan

**TYPE OF PLAN:** Section 403(b) salary deferral plan.

**EFFECTIVE DATE:** The plan document is effective January 1, 2009.

**PLAN YEAR:** The plan year is January 1 through December 31.

**SPONSORING EMPLOYER:** The employer who sponsors this plan is:

University of Mississippi  
P.O. Box 1848  
University, MS 38677

**PLAN ADMINISTRATOR:** The plan administrator is *[Institution Name]*.

**PLAN CONTACT:** To obtain information about the plan, copies of the plan document and administrative forms, contact the following:

University of Mississippi, Department of Human Resources  
Assistant Director, Benefits and Compensation  
662-915-5690  
hr@olemiss.edu

**WEBSITE:** Additional information about the plan can be found on the University's website at <http://www.olemiss.edu/depts/hr/retirement.html>.

### **3. ELIGIBILITY AND PARTICIPATION**

#### **3.1 What are the plan's eligibility requirements?**

All employees (faculty, staff, student workers, and re-employed retirees) of the University are eligible to participate in the plan. An employee may join the plan immediately upon the employee's first day of employment with the University. Participation in the plan is strictly voluntary.

#### **3.2 How do I enroll in the plan?**

To enroll in the plan you must first select an investment Provider and investment product. The Provider must be one that is authorized by the University to offer investment products under the plan (called "Authorized Providers"). You must also complete a Salary Reduction Agreement on which you authorize the University to withhold your 403(b) salary deferral contributions from your pay and deposit your contribution with your selected Provider. If you need assistance enrolling in the plan or have any questions, contact the Plan Administrator.

You can obtain a current list of Authorized Providers by contacting the Plan Administrator. A current list of Authorized Providers is also available on the University's website at [*web address*].

If you do not elect to enroll in the plan when you are first eligible to do so, you may enroll at any later date. Your enrollment will be effective as of the first administratively feasible payroll period following the date you complete and return the enrollment materials to the Plan Administrator.

#### **3.3 After I become a participant, can I become ineligible to participate?**

Yes. You will cease to be a participant if you die, retire or otherwise terminate employment with the University.

#### **3.4 How are eligibility and benefits under the plan affected by uniformed service leave?**

The Uniformed Service Employment and Reemployment Rights Acts of 1994 ("USERRA") provides for the protection of certain benefits due to uniformed service leave. Uniformed service leave includes not only service with the Armed Services, but also service with the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency. If you have a uniformed service leave and return to active employment with the employer within the period set by USERRA, you will be eligible to make up salary deferral contributions to the plan.

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In addition, the plan includes special provisions that apply to employees performing qualified military service:

- Certain in-service distributions may be available to employees while on active duty.
- Employees who receive wage continuation payments while in the military may be eligible to make salary deferrals with respect to such compensation.
- Special provisions apply for employees who die or become disabled while performing qualified military service.

Because your rights under USERRA are subject to certain conditions and time restrictions, you should contact the Plan Administrator before starting your military leave and as soon as you return.

## 4. CONTRIBUTIONS

### 4.1 What kinds of contributions can be made to the plan?

The following types of contributions may be made to the plan:

- Employee salary deferral contributions
- Employee Rollover contributions

The plan is a supplemental retirement program to which the University does not make additional employer contributions.

### 4.2 What are employee salary deferral contributions?

Pre-tax salary deferral contributions are the contributions you make to the plan through payroll deduction. Because the amount designated is contributed directly to the plan instead of being received by you as cash from your pay check, no federal income tax is paid on that amount at the time of contribution. You pay taxes when the money is later distributed to you from the plan. That is why a 403(b) plan is referred to as a tax-deferred savings plan.

**Your Deferral Elections.** Subject to the plan limitations described below, you may elect to contribute up to 100% of your compensation each pay period as your “regular” salary deferral contribution. The plan administration may limit your deferrals to take into account other deductions. Participants who are age 50 or older may also elect to make additional “catch-up contributions” described below.

**Limits On Salary Deferral Contributions.** Your regular salary deferral contributions are subject to an annual IRS dollar limitation. The annual limitation for 2013 is \$17,500. For tax years after 2013, the Secretary of the Treasury may increase the limit to reflect cost of living adjustments.

The dollar limit on salary deferral contributions applies to the combined amount of salary deferrals you make to this plan and any other similar retirement programs in which you participate during the plan year (other than section 457 plans). For example, if your employment with the University starts in the middle of the calendar year and you also participated in a 403(b) plan sponsored by your former employer, your aggregate contributions to both plans for the plan year cannot not exceed the dollar limit described above. If the combined amount of your salary deferrals exceed the maximum, you must inform the Plan Administrator no later than March 1 of the calendar year following the year the salary deferrals were made if you want the required refund of the excess to be made from the University’s plan. It is your responsibility to monitor the combined plan limit and request the refund. If you do not request distribution of the excess, you may be taxed twice on the amount of the excess plus earnings.

If your salary deferral contributions to this plan alone reach the above limits and you are not eligible to make catch-up contributions as described below, the plan administrator will discontinue your contributions for the remainder of the year. Catch-up contributions are not subject to the above dollar limits.

**Catch-up Contributions.** Tax law and the plan permit certain older participants to make salary deferral contributions in excess of the limits described above, in order to increase their retirement savings. To be eligible to make these additional salary deferral contributions, called “catch-up contributions,” you must meet both of the following requirements:

- You are age 50 or older, or will reach age 50, before the end of the plan year, and
- You have deferred the maximum annual dollar amount for the year (the annual dollar limitation described above).

You may begin making catch-up contributions before you are age 50 as long as you will reach age 50 by the end of the year. In addition, you can begin making catch-up contributions before you reach the annual IRS dollar limit on regular salary deferral contributions as long as you are projected to reach that limit by the end of the year. If you make catch-up contributions but don't meet the catch-up eligibility requirements by the end of the year, your catch-up contributions will be treated as regular salary deferral contributions.

The maximum catch-up contribution you may make for a year is subject to an annual IRS limitation. The annual limitation for 2013 is \$5,500. For years after 2013, the Secretary of Treasury can increase the limit to reflect cost-of-living adjustments.

The catch-up limits are in addition to the IRS limits on regular salary deferral contributions. For example, for 2013 a catch-up eligible participant could make pre-tax contributions totaling \$23,000 (\$17,500 as regular salary deferral contributions and \$5,500 as catch-up contributions).

Catch-up contributions must be made by payroll deduction.

**Roth Option.** Instead of making your salary deferral contributions as pre-tax contributions, you may elect to contribute all or a portions of your salary deferral contributions as Roth elective deferrals. Roth elective deferrals will be maintained in an account (called your “Roth Deferral Account”), that is separate from any pre-tax salary deferrals you make to the plan.

With a Roth elective deferral, you must pay current income tax on your deferrals (i.e. the deferrals are not pre-tax). Roth elective deferrals will be subject to federal income tax withholding and taxes in the year the contribution is made. Roth elective deferrals and the earnings on those deferrals are not subject to federal income taxes when you later take a distribution. However, in order for the earnings to be distributed tax-free, the distribution from your Roth Deferral Account must be a *Qualified Roth Distribution*.

To be a *Qualified Roth Distribution*, the distribution must occur after one of the following events: (a) your attainment of age 59½ (2) your disability; or (3) your death. ***In addition***, the distribution must occur after the expiration of a 5-year participation period. The 5-year participation period starts at the beginning of the calendar year in which you first make a Roth contribution to this plan (or another plan permitting Roth deferrals, if such amount was rolled over to this plan) and ending on the last day of the calendar year that is 5-years later. For example, if you make your first Roth elective deferral to this plan on February 1, 2012, your 5-year participation period will end December 31, 2016.

If a distribution from your Roth deferral account is not a Qualified Roth Distribution, the earnings distributed with your Roth elective deferrals will be taxable to you at the time distributed (unless you roll over the amounts to an IRA or other eligible retirement plan that accepts Roth rollovers).

Roth elective deferrals are combined with pre-tax salary deferrals for purposes of applying the limits on salary deferrals and catch-up contributions described above.

Contributions must be designated as Roth elective deferrals before the contribution is made. Once a contribution is made to the plan as one type of deferral, either Pre-tax or Roth, it cannot be reclassified as the other type.

The decision to designate a salary deferral contribution as Pre-tax or Roth is a personal one, and is typically based on individual expectations for tax rates at retirement. Since there are many factors affecting individual tax rates at retirement (such as financial position at retirement, and future changes to tax policy), there is no certain advantage to one approach over the other. You are urged to seek the advice of a financial advisor when considering the Roth option.

**Changing or Stopping Your Contributions.** You can start, stop or change your salary deferral contributions by filing a new Salary Reduction Agreement with the Plan Administrator. The change will be effective as soon as administratively feasible after your request for a change.

#### **4.3 For determining contributions, what does compensation mean?**

Compensation means the total compensation paid to you by the employer (including commissions, overtime and bonuses) which is includible in your gross taxable income for the plan year, plus amounts you elect to defer to this plan, a cafeteria plan, or a qualified transportation fringe benefit plan.

Certain types of compensation paid to you after you terminate employment, called “post-severance compensation”, are also included as compensation for plan purposes. In general, post-severance compensation includes certain amounts you would have received had the compensation been paid before termination of employment (such as regular pay, over-time, commissions, bonuses or payments for unused leave paid to you soon after you terminate), provided such amounts are actually paid within certain timing requirements. Post-severance compensation does **not** include amounts paid pursuant to a severance agreement.

The amount of compensation that may be taken into account for most purposes of the plan is subject to an annual limitation. The annual limitation for 2013 is \$255,000. The annual limitation may be increased by the Secretary of the Treasury each year to reflect changes in the cost of living.

#### **4.4 What are rollover contributions?**

Rollover contributions are distributions from a qualified retirement plan or from certain types of IRAs (see below) that are either transferred directly to this plan or “rolled over” to this plan within 60 days of distribution to you. If you were previously employed by

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another employer and you received a lump sum distribution or are entitled to receive a distribution from that employer's retirement plan, you may be able to "roll over" the amount of the distribution to this plan. This may allow you to defer paying taxes on the distribution. The plan accepts Section 403(b) tax-sheltered annuity plans

- A prior employer's qualified plan,
- Pretax IRAs
- Conduit IRAs (an IRA that holds a rollover from a previous employer's qualified plan)

The plan does not accept rollovers of Roth or after-tax contributions made to a prior employer's qualified plan, rollovers from after-tax (ROTH) IRAs or rollovers from governmental Section 457 plans.

*[For plan with Roth Provisions, the following paragraph applies in lieu of the preceding paragraph.]*

To the extent provide by your selected Provider's contract or custodial agreement, the plan will accept rollovers of Roth deferrals, but only to the extent that the rollover is a **direct** rollover from a Roth elective deferral account maintained under the distributing plan.

The rules involving rollovers are unusually complex. Whether you can, or even should, rollover an amount you previously received is a question you should discuss with your personal tax advisor.

## 5. INVESTMENT OF PLAN FUNDS

### 5.1 How are the plan funds invested?

All contributions to the plan are invested in the annuity contract(s) or custodial account(s) made available by the Authorized Provider(s) you have selected. The University selects the Providers that are authorized to offer investment products under the plan and may, at its discretion, remove or add Authorized Providers and/or investment funds available under the Provider products.

You may invest your salary deferral contributions with one or more of the Authorized Providers. Once you have selected a Provider, you must also select how you want your contributions to be invested among the various investment vehicles made available under the Provider's product.

Because you direct the investment of your accounts, you are solely responsible for the results of your investment decisions.

### 5.2 How do I decide how my funds should be invested?

When you first become eligible for the plan, you should contact the Authorized Providers to obtain information about their products and their investment options. This information will generally include a description of the investment options and will explain the objectives and the investment strategy of the option, the types of assets in which the fund is invested, the risk and return characteristics of the option and information about fees and expenses. You should read this information carefully and make sure you understand it. While guaranteed investment options are offered under many of the products, many (if not most) of the options, such as mutual funds or insurance company separate accounts, do not guarantee preservation of principal. When investing in these funds you should be prepared to see the value of your account fluctuate over time.

When making your Provider selection, you should make sure that you fully understand all fees, expenses and restrictions associated with the investment product. Many products include penalties and restrictions if terminated early.

After you read the information provided, you will need to analyze your personal financial situation. You may want to consult with your personal investment advisor about the best way to invest your account.

***Changing Your Election.*** Changes to your investment elections within your selected Provider's product are subject to the terms of your Provider's contract or custodial agreement. Make sure you understand any limitations or fees that may apply to investment changes before entering the contract or agreement.

You may choose to select a different Authorized Provider and direct future contributions to the new Provider's product at any time. To do so you, should select the new Provider and file a new salary reduction agreement with the Plan Administrator. Contributions may only be directed to Providers that have been authorized by the University. Your new

selection will be effective as soon as administratively feasible following the date you complete and return the election materials to the Plan Administrator.

You may also move your account from one Authorized Provider to another Authorized Provider at any time (called an “exchange”). Exchanges may only be made among Providers that are authorized by the University. You should make sure you fully understand any restrictions or penalties that apply within your existing Provider’s investment product before making an exchange.

While participants are encouraged to develop personal investment strategies and to actively manage their accounts, market timing is discouraged. Market timing is frequent trading in mutual funds usually, but not always, intended to take advantage of market inefficiencies. Frequent trading by some investors can hurt other long-term investors because fund managers are forced to keep larger cash positions to redeem short-term trades. In an effort to limit market timing abuses, many mutual funds now monitor trading activity and some funds assess additional fees against short-term trades.

## **6. VESTING**

### **6.1 What is vesting?**

Vesting is the term which refers to the portion of your account which belongs to you and cannot be forfeited by you or taken away from you. You are always 100% vested in all of your accounts under the plan.

## **7. PAYMENT OF BENEFITS**

### **7.1 When can I receive distributions from the plan?**

Distribution of your account may be made upon the earliest of the following:

- Termination of employment
- Attainment of age 59½
- Upon becoming disabled
- Upon death

### **7.2 When are benefits paid?**

Whenever you terminate employment, regardless of the reason, you are entitled to receive a distribution of your total account. You will have the right to take your distribution in any of the distribution forms permitted under the terms of the annuity contract or custodial account you selected.

Subject to the small benefit provisions of your Provider's contract or custodial agreement, (see Section 7.4) you will also have the right to delay distribution of any or all of your account until a future date, but not later than the April 1 following the calendar year you attain age 70½.

In general, death benefits are paid as soon as administratively practicable following the participant's death. However, subject to the small benefit rules described in Section 7.4 and minimum distribution rules described in Section 7.7, the beneficiary may elect to delay distribution.

### **7.3 In what form will my benefits normally be paid?**

The forms of payment available to you (or your beneficiary) are determined by the terms of the annuity contract or custodial account you have selected. In general, the payment options will include lump sum payments, installments and annuities. You should review your Provider's annuity contract or custodial agreement to identify the forms of payment available.

### **7.4 Are there special payout rules applicable to small accounts?**

The plan permits the Provider products to include provisions that allow the cashout of small benefits. In general:

- If your account balance does not exceed \$1,000, it may be paid to you in a lump sum unless you elect to roll it over to an IRA or other eligible retirement plan.
- If your account balance is greater than \$1,000 but does not exceed \$5,000, your balance may be rolled to a default IRA, unless you elect a lump sum distribution or to roll it over to another eligible retirement plan of your choosing.

The rules regarding the distribution of small benefits are determined under the terms of the annuity contract or custodial account of the Provider you have selected. Because these rules may differ under each investment product, you should review your annuity contract or custodial agreement to see what, if any, small benefit cashout provision may apply to your account.

### **7.5 Is there a penalty tax on early distributions?**

You should be aware that the government imposes a penalty tax, over and above ordinary income taxes, on certain early payments from the plan. At the time this Summary was prepared, the amount of the penalty tax is 10% of the amount of the early distribution. The penalty tax generally applies to payments made before age 59½ (or age 55 if your employment with the employer has terminated), except that payments due to death, disability and certain other circumstances are excluded. Amounts rolled over to an IRA or to another qualified plan are also excluded. You should consult your personal tax advisor before requesting a distribution that might be subject to the early payment tax penalty.

### **7.6 May I roll my distribution over into an IRA or another qualified retirement plan?**

In most cases, you may elect to roll the taxable portion of your distribution over into an IRA or other qualified retirement plan. The eligible rollover portion of your distribution is not taxable until you withdraw it from the IRA or other qualified retirement plan. Also, the amount rolled over is not subject to any penalty tax for early withdrawal.

There are two ways to roll your distribution over into an IRA or another qualified retirement plan:

- (1) You can take the distribution in cash and contribute it to the IRA or qualified retirement plan within 60 days of the original distribution. If you choose this method, federal taxes are withheld at the rate set by IRS rules (20% at the time this Summary was prepared). To obtain the maximum tax benefit, you must also contribute to your new account an amount equal to the amount of taxes withheld.
- (2) You can elect a direct rollover. The Provider you selected pays the amount directly to the trustee or custodian of the IRA or qualified retirement plan. You also may be given a check made out to the new plan and be required to deliver it. Under this method, taxes are not withheld and the full amount is rolled over.

Either way, the amount rolled over escapes current federal (and in most cases, state) income taxation, but only the direct rollover allows you to avoid certain federal tax withholding requirements.

Most distributions qualify for rollover, but certain distributions may not. Distributions that may not be rolled over include:

- hardship distributions,
- distributions in the form of installments over a period of 10 or more years,

- distributions in the form of an annuity paid for your lifetime or for the joint lifetime of you and your beneficiary,
- certain portions of your distribution if it begins after you reach age 70½, and
- certain distributions that are less than \$200.

In some cases, in-service withdrawals (other than hardship withdrawals) are also eligible for rollover.

Starting in 2010, you can rollover the taxable portion of your distribution to a Roth IRA. If you roll over the payment to a Roth IRA, special rules apply. These rules are complex and are beyond the scope of this Summary. You should consult a professional tax advisor to review all of your rollover options, including the Roth option.

If your spouse is your beneficiary under the plan, the rollover rules explained above will apply to distributions made to your spouse. If your beneficiary under the plan is not your spouse, that beneficiary may be eligible to rollover the distribution to an “inherited IRA.” This direct rollover will result in no taxes being due until the beneficiary withdraws funds from the inherited IRA. However, the inherited IRA may be subject to the required minimum distribution rules described in Section 7.7. The special rules for inherited IRAs are beyond the scope of this Summary. A beneficiary interested in this option should consult with a professional tax advisor prior to requesting a distribution.

## **7.7 What are the IRS rules on required minimum distributions?**

The IRS has special rules that require payments to begin by a certain time and to be at least a certain minimum amount. The payments under these rules are called “required minimum distributions”, or “RMDs”. These special RMD rules override the plan’s rules described above. At the time this Summary was prepared, the RMD rules work as follows:

- **Retirement Benefits.** RMD payments must begin by April 1 following the end of the year in which you reach age 70½ or terminate employment, whichever is later. The minimum annual amount of RMD payments is generally calculated as your total account spread over your lifetime or the joint lifetime of you and your spouse.
- **Death Before Payments Begin.** If you die before retirement benefits begin and there is no designated beneficiary, the “five-year rule” applies. This means that your entire vested account must be distributed by the end of the calendar year containing the fifth anniversary of your death.

If there is a designated beneficiary, the five-year rule applies unless installment payments to the designated beneficiary are elected and begin by December 31 of the calendar year immediately following the calendar year of your death. However, if the sole designated beneficiary is the your spouse, your spouse can elect to delay the start of distributions until December 31 of the calendar year in which you would have attained age 70½. The minimum amount is calculated as your total vested account balance spread over the beneficiary’s life expectancy.

- **Death After Payments Begin.** If you die after retirement benefit payments have started, required minimum payments to your beneficiary must begin by December 31 of the calendar year immediately following the calendar year of your death. The minimum amount is generally calculated as your total vested account balance spread over your remaining life expectancy. However, if there is a surviving designated beneficiary, the minimum amount can be calculated based on the beneficiary's remaining life expectancy (if longer than your remaining life expectancy).

The RMD rules are very complicated and you should contact your personal tax advisor prior to the anticipated payment deadline if it appears that these rules may apply to you. There are tax penalties if amounts are not paid when required under the RMD rules.

## **7.8 How do I designate a beneficiary to receive my death benefits?**

If you are married, your spouse is automatically your beneficiary. You must obtain your spouse's written consent to the designation by you of anyone other than your spouse, or in addition to your spouse, as your beneficiary. Your selected Provider will provide you with the necessary forms.

If you are not married and are not subject to a "qualified domestic relations order" (explained in Section 7.9), you may designate any one or more persons of your choosing to receive your death benefits. If you later get married, your spouse becomes your designated beneficiary and your prior designation is no longer in effect.

Subject to obtaining spousal consent as described above, you may change your beneficiary designation at any time. To change your beneficiary designation, you should file a new beneficiary designation form with your selected Provider.

If you are subject to a "qualified domestic relations order" issued by a court as a result of a divorce settlement, on or after January 1, 1985, which states that a former spouse or other dependent is entitled to all or any portion of your benefits from the plan, your former spouse may be entitled to the same rights as a current spouse. It may be necessary to obtain the written consent of your former spouse or other dependent, to the designation by you of anyone else as your beneficiary.

If there is ever any change in your marital status, you should inform the Plan Administrator and your selected Provider *immediately*.

## **7.9 What is a Qualified Domestic Relations Order, and how can a Qualified Domestic Relations Order affect my benefits under the plan?**

A Qualified Domestic Relations Order, or "QDRO", is a court order that provides child support, alimony or marital property rights to a spouse, former spouse or dependent from your account in the plan. A QDRO must be issued pursuant to a state domestic relations law and must meet certain technical requirements. A QDRO cannot require the plan to provide any type or form of payment, or any option, not permitted by the plan (although it can require payment before you terminate employment). Under a QDRO, a former spouse may be entitled to the same rights as a current spouse, with respect to some or all of your account. If this is the case, then any provisions in the plan that require spousal approval, such as naming a non-spouse beneficiary or (if applicable)

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choosing certain optional forms of payment, may apply to your former spouse with respect to the portion of your account designated for the former spouse. If it appears that you may be subject to a QDRO, you should contact the Plan Administrator and your selected Provider immediately.

## **8. IN-SERVICE WITHDRAWALS AND LOANS**

### **8.1 May I make withdrawals from my salary deferral account before I terminate employment?**

Yes. An in-service withdrawal from your salary deferral account is permitted if either:

- you are experiencing a financial hardship (as described below), or
- you have reached age 59½.

### **8.2 What is a financial hardship?**

Tax law strictly limits the circumstances under which in-service withdrawals may be made from a 403(b) plan. The term “financial hardship” is narrowly defined and a hardship withdrawal from your salary deferral account is only allowed for the following purposes:

- eligible uninsured medical expenses incurred, or which will be incurred by you, your spouse, or your dependents;
- purchase (excluding mortgage payments) of your principal residence;
- payment of tuition and related educational fees for the next 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 on your principal residence;
- payments for funeral or burial expenses for your deceased parent, spouse, child or dependent; or
- expenses to repair damage to your principal residence that would qualify for a casualty loss deduction on your federal tax return (determined without regard to whether the loss exceeded 10% of gross income).

You may not withdraw any of the earnings on your salary deferral contributions.

In addition, in order to qualify for a hardship withdrawal of salary deferral contributions, you must have no other resources or savings available to you to satisfy the immediate and heavy financial need. Under the plan, you will be considered not to have sufficient resources to meet the immediate and heavy financial need only if **all** the following conditions are satisfied:

- The distribution the plan makes to you is not in excess of the immediate and heavy financial need, plus any income taxes and penalties reasonably anticipated to result from the distribution.
- You have obtained all distributions (other than hardship distributions) and all nontaxable loans available from any plan the employer maintains.

- Under the plan *and all other plans maintained by the employer (including the section 457 plan)*, your salary deferral contributions and after-tax employee contributions must be ***suspended for six (6) months*** after receipt of the hardship distribution.

In general, a hardship distribution of your salary deferral contributions will be subject to current federal income taxation. If you are under age 59½ at the time of the hardship distribution, there may also be an additional penalty tax for making an early withdrawal.

**8.3 May I make withdrawals from my rollover account before I terminate employment?**

Yes. Withdrawals of up to 100% of your rollover account are permitted.

However, if you withdraw rollover contributions or the earnings on them before you've reached age 59½ and are not disabled, you may be charged a penalty tax unless you make a qualified rollover of the funds.

**8.4 May I borrow money from the plan?**

No. Loans from the plan are not permitted.

## **9. AMENDMENT OR TERMINATION OF THE PLAN**

### **9.1 Under what conditions would the plan be amended or terminated?**

The University intends and expects to maintain the plan indefinitely. However, it reserves the right to amend or terminate the plan at any time for any reason without notice. The University will notify you if a decision to amend or terminate the plan is made.

The University reserves the right to add or remove Providers and products from the list of Authorized Providers (i.e. those authorized by the University to offer investment products under the plan) at any time without prior notice. If a Provider is removed, additional contributions may not be directed to that Provider's contracts or custodial accounts.

### **9.2 If the plan is amended or terminated, what will happen to my account?**

Because the plan was established for the exclusive benefit of the University's employees and their beneficiary, the plan's amendment or termination cannot reduce your account as it exists when the amendment or termination occurs. If the plan terminates, you will remain fully vested in your account. After all assets have been distributed, the University has no more responsibilities under the plan and neither you nor your beneficiary will have any further claim for benefits under the plan.