

Taylor University Retirement Plan

Summary Plan Description

Issued June 1, 2017

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INTRODUCTION

The purpose of this Summary is to help you understand the benefit features offered to you under the Taylor University Retirement Plan ("Plan").

Taylor University ("University") wants to help you save for your retirement. The University helps you to build a reserve for retirement by allowing you to contribute part of your Compensation to the Plan on a pre-tax basis or post-tax basis. If you are an Eligible Employee and complete two Years of Service, the University will also make an Employer Contribution to the Plan on your behalf.

Pre-Tax Contributions and Employer Contributions and earnings thereon grow tax-deferred until they are withdrawn from the Plan. Roth Contributions are contributed on a post-tax basis, but the earnings thereon grow tax-deferred, and are not taxed when withdrawn from the Plan if certain holding periods are satisfied.

Your Pre-Tax Contributions, Roth Contributions, Employer Contributions, any Rollover Contribution you make to the Plan, and the earnings on these contributions, determine your retirement benefits under the Plan.

CAUTION

This Summary describes the principal terms and conditions of the Plan as of June 1, 2017, for Employees of the University, Williams Taylor Foundation and Taylor University Broadcasting, Inc. The Plan is the document that legally governs the terms and operations of the Plan and creates any rights for you or your beneficiary(ies). If there are any differences between this Summary and the Plan document, the Plan document will control. Further details about the Plan are on file at the Taylor University, 236 West Reade Avenue, Upland, IN 46989. You may review this document by calling the Administrator at (765) 998-5118.

DEFINED TERMS

A few defined words and phrases are used in this Summary. Please refer to the Key Definitions Section when the first letter of a word or phrase is capitalized.

PARTICIPATION

A. Becoming a Participant.

Pre-Tax Contributions and/or Roth Contributions. You are eligible to begin making Pre-Tax Contributions and/or Roth Contributions to the Plan immediately after your date of employment (or reemployment) with your Employer as an Employee.

Employer Contributions. To be eligible for Employer Contributions under the Plan you must be an Eligible Employee, be at least 21 years old, and complete two Years of Service without a Break in Service.

Example: Michele begins full-time employment with the University on August 1, 2014, as an Eligible Employee. She is age 30. During the period from August 1, 2014, through July 30, 2016, Michele completes two Years of Service – the first Year of Service is August 1, 2014 through July 30, 2015 and the second Year of Service is August 1, 2015 through July 30, 2016. Michele will become a Participant in the Plan for purposes of Employer Contributions on August 1, 2016.

Service with another college or university may be taken into account in determining whether you have completed two Years of Service. See the definition of Years of Service for more information.

Notification and Forms. The University will notify you when you are eligible to participate in the Plan. You must complete all forms required by both the University and the Service Provider to participate in the Plan. However, if you fail to complete the required forms when you become eligible for Employer Contributions, your Employer will make Employer

Contributions to the Plan on your behalf and will invest these contributions in a default investment option designated by the Administrator until you complete the required forms.

B. End of Participation.

You will cease to be a Participant when your entire Account under the Plan is distributed.

C. Change in Status or Reemployment.

A former Eligible Employee who has satisfied the participation requirements for Employer Contributions and who either (i) has a change in employment status so that he or she is no longer an Eligible Employee, or (ii) has a Severance from Employment, will become a Participant when he or she again performs an Hour of Service as an Eligible Employee.

A former Eligible Employee who did not satisfy the participation requirements for Employer Contributions at the time of his or her change in employment status or Severance from Employment, will become a Participant only in accordance with the above participation requirements. Years of Service prior to a Break in Service will not be counted upon reemployment for purposes of satisfying the participation requirements.

Example: Tim begins employment with the University on August 1, 2013, as an Eligible Employee. He is age 30. Tim has a Severance from Employment on May 1, 2015, before he completes two Years of Service. Tim is reemployed by the University on August 1, 2016, more than 12 consecutive months from the date of his Severance from Employment. Because Tim did not complete two Years of Service prior to his Break in Service, Tim's prior service with the University will not be taken into account for purposes of satisfying the participation requirements for Employer Contributions. Tim will need to complete two Years of Service with the University beginning on August 1, 2016, to begin participation in the Plan for purposes of Employer Contributions.

CONTRIBUTIONS

A. Pre-Tax Contributions and/or Roth Contributions.

As a Participant, you may elect to make Pre-Tax Contributions and/or, effective as soon as administratively practicable after June 1, 2017, Roth Contributions, in any flat dollar amount from your Compensation each pay period.

To make your election, you must complete and return a salary reduction agreement to Human Resources and all other enrollment forms to the Service Provider.

Your Pre-Tax Contributions and/or Roth Contributions will reduce the Compensation that would otherwise be paid to you.

The portion of your Compensation that you contribute to the Plan as a Pre-Tax Contribution is subject to FICA, but is not subject to income tax for the year in which you contribute it.

Example: Assume your Compensation for the year is \$45,000 and you elect to make Pre-Tax Contributions equal to \$200 of your compensation each pay period, or \$2,800 (\$200 x 24 pay periods = \$4,800 for the year).

Total Compensation:	\$45,000
Less Pre-Tax Contributions:	\$ <u>4,800</u>
W-2 Income (for income taxes):	\$40,200

Earnings on Pre-Tax Contributions accumulate tax-free. Pre-Tax Contributions and the earnings thereon are included in your gross income at distribution.

The portion of your Compensation that you contribute to the Plan as a Roth Contribution is included in your gross income before it is contributed to the Plan. Earnings on Roth Contributions accumulate tax-free. Neither Roth Contributions nor the earnings thereon are included in your gross income at distribution to the extent it is a Qualified Distribution.

Changing or Discontinuing Your Pre-Tax Contribution and/or Roth Contribution Election. You may change or discontinue your election to make Pre-Tax Contributions and/or Roth Contributions by completing a new salary reduction agreement at any time. Your election will be effective as soon as administratively practicable after your agreement is received by Human Resources. Requests to change or discontinue Pre-Tax Contributions cannot be made retroactively.

Pre-Tax and/or Roth Contribution Account. Your Pre-Tax Contributions are allocated to your Pre-Tax Contribution Account. Your Roth Contributions are allocated to your Roth Contribution Account.

B. Pre-Tax Contribution and/or Roth Contribution Limits.

General Dollar Limit. Federal law limits the amount of the Pre-Tax Contributions and/or Roth Contributions you may make to the Plan and to all other 403(b) plans and 401(k) plans in which you participate each year. For 2017, the general dollar limit is \$18,000. The IRS adjusts this limit periodically for increases in the cost-of-living. You can contact Human Resources for information on limit increases after 2017.

15 Years of Service Catch-Up. If you have elected to make the maximum Pre-Tax Contributions and/or Roth Contributions under the general dollar limit for a year (\$18,000 for 2017) and you have completed at least 15 years of service with your Employer, you may elect to make catch-up Pre-Tax Contributions and/or Roth Contributions up to \$3,000 for the year. The actual amount of the 15 year of service catch-up available to you depends on your total years of service with your Employer and the total amount of Pre-Tax Contributions and/or Roth Contributions that you have made to the Plan or any other 403(b) plan sponsored by your Employer. Additionally, your 15 years of service catch-up contributions are limited to a total of \$15,000 during your lifetime to any 403(b) plan sponsored by your Employer. You

can contact Human Resources for more information on the 15 years of service catch-up.

Age 50 Catch-Up. If you have elected to make the maximum Pre-Tax Contributions and/or Roth Contributions under both the general dollar limit for a year (\$18,000 for 2017) and the 15 years of service catch-up, if applicable, and you have reached age 50 (or will reach age 50 by the end of the calendar year), you may elect to make a catch-up Pre-Tax Contribution and/or Roth Contribution for the Plan Year up to a specified dollar limit. For 2017, the age 50 catch-up limit is \$6,000. The IRS adjusts the age 50 catch-up limit periodically for increases in the cost-of-living. You can contact Human Resources for information on limit increases after 2017.

The age 50 catch-up limit applies to all 403(b) and 401(k) plans in which you participate. The catch-up contribution you can make to the Plan may be reduced or limited by the amount of catch-up contributions that you make in the same calendar year to a plan sponsored by another employer. Contact Human Resources for more information.

Example: Assume your Compensation for the year is \$52,000 in 2017 and that you have worked for your Employer for 15 years, are age 52, and did not make Pre-Tax Contributions and/or Roth Contributions to the Plan early in your employment with your Employer. You want to maximize your Pre-Tax Contributions to the Plan for 2017. You can elect to make Pre-Tax Contributions to the Plan in 2017 equal to \$27,000 (\$18,000 basic contribution limit, plus \$3,000 15 years of service catch-up, plus \$6,000 age 50 catch-up).

Total Compensation:	\$52,000
Less Pre-Tax Contributions:	<u>\$27,000</u>
W-2 Income (for income taxes):	<u>\$25,000</u>

Note: If you are eligible for the 15 years of service catch-up, you **must use that limit first** before making an age 50 catch-up contribution.

Excess Pre-Tax Contributions and/or Roth Contributions. If your Pre-Tax Contributions

and/or Roth Contributions made to the Plan plus your salary deferrals to any other defined contribution plan exceed the applicable contribution limit, you must notify the Administrator or Service Provider no later than March 15 following the year in which the excess Pre-Tax Contributions were made. The Service Provider will then distribute the excess plus earnings to you by April 15 of that year.

C. Employer Contributions.

When you are eligible for Employer Contributions, your Employer will make an Employer Contribution to the Plan on your behalf equal to 12% of your Regular Salary for each Plan Year. Employer Contributions will not be made for any month during which you do not receive any Regular Salary.

Example: Assume you are an Eligible Employee, you have satisfied the participation requirements for Employer Contributions, and your Regular Salary is \$40,000 for the year. Your Employer will make an Employer Contribution to the Plan on your behalf equal to 12% of your Regular Salary each pay period, or \$4,800 ($12\% \times \$40,000 = \$4,800$) for the year.

If you are a Participant on a Special Leave of Absence, your Employer will continue to make Employer Contributions to the Plan on your behalf for up to 12 months. A "Special Leave of Absence" is a leave of absence granted by your Employer pursuant to a fellowship, scholarship or grant under the

- Fulbright Program, or
- other national or international recognized program of comparable prestige and reputation, as determined in the sole and absolute discretion of the Administrator.

Your Employer Contributions will be equal to 12% of your Regular Salary, but your "Regular Salary" during your Special Leave of Absence is the greater of your (i) Regular Salary for the Plan Year or (ii) your Regular Salary for the academic year immediately preceding the

Special Leave of Absence, subject to the IRS contribution limits. You are eligible for this Employer Contribution only if you are not a Highly Compensated Employee.

If you are a Participant who is a faculty member, and you have a Severance from Employment at the end of your contract employment dates, the University will continue to make Employer Contributions to the Plan on your behalf after your Severance from Employment through the end of the 12 month period during which you receive Regular Salary from the University pursuant to the terms of your employment contract.

Employer Contribution Account. Your Employer Contributions are allocated to your Employer Contribution Account.

D. Rollover Contributions.

If you are a Participant and are still employed by your Employer, you may be able to make a Rollover Contribution to the Plan of a distribution from an "eligible retirement plan." For this purpose, an eligible retirement plan is any of the following types of plans:

- 401(a) or 403(a) qualified plan (excluding after-tax contributions),
- 403(b) plan (excluding after-tax contributions),
- 457(b) plan of a governmental entity, or
- traditional individual retirement account or annuity (IRA).

A Rollover Contribution can be made directly from the trustee or custodian of the eligible retirement plan to the Service Provider for this Plan. You may also roll over a distribution you received from an eligible retirement plan as long as the Rollover Contribution is made within 60 days after the date you received the distribution. However, the Plan will only accept a direct rollover from another Roth contribution account.

The Service Provider must determine that the rollover satisfies all applicable requirements of the Code. Before a Rollover Contribution is made, you must designate the investment

options in which you wish your Rollover Contribution to be invested. A Rollover Contribution will be allocated to your Rollover Contribution Account.

E. Expenses of Plan.

Investment expenses are charged against the investment options to which they relate and are deducted from the investment option's gross rate of return. General expenses of the Plan are paid by the Plan unless paid by the University. However, there are certain expenses that will be paid just from your Accounts. These are expenses that are specifically incurred by you or attributable to you - for example, the cost of loans and hardship withdrawals. Also, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your Accounts be paid to your ex-spouse. These additional expenses will be paid directly from your Accounts because they are directly attributable to your benefit under the Plan. The Administrator or the Service Provider for the Plan may change the amount and the manner in which expenses are allocated from time to time.

LIMITATIONS ON CONTRIBUTIONS AND OTHER ADDITIONS

Federal law limits the total amount of contributions that may be contributed to the Plan on your behalf each year. The total amount contributed cannot exceed the lesser of 100% of your Compensation for the year or, for 2017, \$54,000. The IRS adjusts the contribution limit periodically for increases in the cost-of-living.

The total contribution limit takes into account your Pre-Tax Contributions, Roth Contributions, and Employer Contributions. However, age 50 catch-up contributions are not taken into account in applying this limit. The Administrator will let you know if you have reached the limit.

VESTING

You are always 100% Vested in your Accounts under the Plan. However, your Accounts are subject to investment risks. This means Account

values will fluctuate with the market value of the investment options.

INVESTMENTS

A. Contracts with Service Provider.

All contributions under the Plan are held under Contracts with the Service Provider in accordance with the rules of the Plan. All benefits are paid from the Contracts. Currently, TIAA is the Service Provider from which you may select to invest your Accounts under the Plan.

B. Investments.

You choose the investment options in which you wish to invest your Accounts from a list of investment options offered by the Service Provider and approved by the Administrator. The current list of investment options are shown in the attached Appendix A. The investment options offered may change from time to time. You will be notified of any change.

Contributions are invested as you direct. You may choose to invest your Accounts in one or more of the Plan's investment options in 1% increments. If you fail to direct the investment of your Accounts, your Accounts will be invested in the "default" investment option designated by the Administrator. The default investment option under the Plan is the lifecycle fund that corresponds to your expected date of retirement, which is assumed to be age 65.

You may change your investment elections for future contributions and/or transfer your existing Account balance in whole or in part from one investment option to another as permitted by the Service Provider and subject to the terms of the Contracts. If permitted by the Contract, you may also transfer your Account balance held by a Former Service Provider to the Service Provider for investment, but you may not transfer your Account balance to a Former Service Provider. You may change your investment election for future contributions or for existing contributions by using any of the

investment election methods permitted by the Service Provider.

The University and/or the Service Provider may establish investment guidelines and limits on market trading applicable to each investment option, including, but not limited to, establishing or permitting market trading restrictions and establishing policies regarding redemption fees, in order to comply with the Service Provider's imposed restrictions or redemption fees or other restrictions on the frequency of trades (including trading that is administratively unavailable due to a Plan imposed "blackout" or other unavoidable trading restriction).

Each of the investment options offers certain advantages and risks. Depending upon your personal savings goals - and the level of risk you want to accept - you can create your own investment strategy. The value of your Accounts may fluctuate upward or downward as a result of changes in the market price of the assets in the investment options you select.

It is very important that you review the Contracts in which your contributions are invested carefully before you select your investment options. In exchange for a guaranteed return, some investment options offered under the Contracts impose restrictions on your ability to transfer your contributions to another investment option and/or to request a distribution in a single lump sum. These include limits on the percentage of your Account that you can transfer and/or receive as a distribution in a calendar year, and/or time restrictions and surrender charges for requesting a single lump sum distribution. You may want to consult with your investment advisor before making your investment selections under the Plan so that you understand how these restrictions could affect your personal situation.

C. ERISA Section 404(c) Plan.

ERISA is a federal statute that governs certain retirement plans, including the Plan. ERISA Section 404(c) establishes voluntary guidelines

for the investment options offered and the investment information provided to employees participating in certain kinds of employer-sponsored retirement savings plans. The Plan is intended to comply with ERISA Section 404(c). To the extent that your Account balances are invested as you have directed, Plan fiduciaries are not responsible for losses that may result from following your investment instructions.

ACCOUNTING

A. Participant Accounts.

For accounting purposes, the Service Provider maintains records to reflect the Accounts of each Participant.

B. Valuation.

Contributions and distributions, as well as gains or losses, from each investment option in which you have directed your Accounts to be invested will generally be allocated to your Accounts daily.

C. Statements.

You will receive quarterly statements from the Service Provider. The quarterly statement will show the activity and balance of your Accounts. You should review these statements and contact the Service Provider or Human Resources if you have questions.

BENEFITS

A. Distributions.

All Accounts. You are entitled to receive a distribution of your Accounts under the Plan when you:

- have a Severance from Employment with your Employer; or
- attain age 62.

Pre-Tax Contributions and Roth

Contributions. Additionally, you are entitled to receive a distribution of your Pre-Tax

Contribution Account and/or your Roth Contribution Account when you

- attain age 59 ½;
- have a financial hardship; or
- become Disabled

You may contact the Service Provider to request a distribution under the Plan. Your Employer must certify whether you have had a Severance from Employment or become Disabled.

B. Form of Payment.

Account Distribution Rule for a Married Participant. The automatic form of payment if you are **married** is a "qualified joint and survivor annuity." This means that your Accounts will be used to purchase an annuity contract that will pay a monthly amount for your lifetime with 50% of the amount payable during your lifetime continuing after your death for the lifetime of your surviving spouse.

Account Distribution Rule for a Single (Not Married) Participant. The automatic form of payment if you are **not married** is a "single life annuity." This means that your Accounts will be used to purchase an annuity contract that will pay a monthly amount for your lifetime only with no survivor benefit payable after your death.

Electing an Optional Form of Payment. You may elect to receive any other form of payment (if your spouse consents) offered under the Service Provider's Contract.

C. Notice Requirements.

Within a period of not greater than 180 days and not less than 30 days before your benefit starting date, the Service Provider will provide you with a written explanation of:

- the terms and conditions of the automatic form of payment and any optional form of payment available to you;
- your right to waive the automatic form of payment and elect an optional form of

payment, provided that your spouse, if any, consents to the waiver in writing in the presence of an authorized representative of the Administrator or a notary public;

- your right to revoke your election to waive the automatic form of payment and the effect of a revocation; and
- the financial effect of an election to waive the automatic form of payment and to elect an available optional form of payment, an estimate of the relative economic value of the automatic form of payment and optional forms of payment, an explanation of the concept of the relative economic value of such forms of payments, the assumptions used to determine such values, and any other material features of the optional forms of payment.

D. Election and Consent Requirements.

You may elect to waive the automatic form of payment (and elect an available optional form of payment) at any time during the 180-day period ending on your payment starting date; provided, however:

- You may revoke your election at any time and any number of times during the 180-day period ending on your payment starting date by filing a written revocation with the Service Provider during the election period. Your revocation will be effective upon receipt by the Service Provider. If you revoke an election, you may make a later election during the election period, provided that your spouse, if any, consents to the later election in writing in the presence of an authorized representative of the Administrator or a notary public.
- Your election will become effective and cannot be revoked as of the date the first payment of that optional form of payment is made by the Plan.
- You may elect to waive the requirement that the written explanation described above be provided at least 30 days

before your payment starting date, provided that your spouse, if any, consents to the waiver in writing in the presence of an authorized representative of the Administrator or a notary public, and:

- you are provided with written notice that you have at least 30 days to make an election and consent to an optional form of payment;
- you have the right to revoke the election and consent until the later of (i) your payment starting date, or (ii) seven days after the date the written explanation is provided to you;
- your payment starting date is after the date the written explanation is provided to you; and
- distribution of your benefits does not begin before the end of the 7-day period that begins the day after the written explanation is provided to you.

If you are married, you may elect to waive the automatic form of payment and name a beneficiary other than your spouse if:

- your spouse consents and your spouse's signature on the form provided by the Service Provider is witnessed by an authorized representative of the Administrator or a notary public.
- you establish that your spouse's consent cannot be obtained because your spouse cannot be located.

This consent is effective only for the spouse who signs the form. If you fail to elect a form of payment within the 180-day election period, the Service Provider will provide you with a new written notice and explanation based on a newly established and later payment starting date.

E. Optional Forms of Payment.

Subject to the spousal consent rules, you may elect to receive your benefits under the Plan under any one or combination of the optional

forms of payment available under the Plan and offered by the Service Provider. The following is a brief summary of the available forms of payments offered by the Service Provider. The actual optional forms of payment available to you will depend on the type of Contract in which your Accounts are invested, which may vary by the type of contribution made to the Plan. Additionally, the optional forms of payment available to you are subject to your spouse's right to survivor benefits, as previously described.

The optional forms of payment are more fully described in the Contract and in other written material provided to you by the Service Provider. If there is conflict between the terms of a Contract and this summary, the terms of the Contract shall control.

Single Lifetime Annuity. This option pays you an income for as long as you live, with payments stopping at your death. This option is also available with a 10, 15, or 20 year guaranteed payment period (but not exceeding your life expectancy at the time you begin annuity income). If you die during the guaranteed period, payments in the same amount that you would have received continue to your beneficiary(ies) for the rest of the guaranteed period.

Survivor Lifetime Annuity. This option pays you a lifetime income, and if your annuity partner lives longer than you, he or she continues to receive an income for life. The amount continuing to the survivor depends on which of the following four options you choose:

- *Full Benefit to Survivor.* The full income continues as long as either you or your annuity partner is living.
- *Three-fourths Benefit to Survivor.* The full income continues as long as you live. If your annuity partner survives you, he or she receives, for life, three-fourths the income you would have received if you had lived. If your annuity partner dies before you, the full income continues to you for life.
- *Two-thirds Benefit to Survivor.* Income is paid as long as either you or your annuity

- partner is alive. At the death of either of you, the payments are reduced to two-thirds of the amount paid when you were both alive, and are continued to the survivor for life.
- *Half Benefit to Second Annuitant.* The full income continues as long as you live. If your annuity partner survives you, he or she receives, for life, one-half the income you would have received if you had lived. If your annuity partner dies before you, the full income continues to you for life.

All survivor annuities are available with a 10, 15, or 20 year guaranteed period, but not exceeding the joint life expectancies of you and your annuity partner. These annuities will pay benefits to you and your annuity partner for as long as either of you is living. If you and your annuity partner both die during the guaranteed period, payments in the same amount that you would have received continue to your beneficiary(ies) for the rest of the guaranteed period.

Minimum Distribution Option (MDO). The MDO enables you to automatically comply with federal tax law distribution requirements. With the MDO, you will receive the minimum distribution that is required by federal tax law in the frequency and on the date you elect. This option is generally available in the year you attain age 70½ or retire, if later. When you die, the remainder of your benefit will go to your beneficiary(ies).

Fixed Period Payment. You may receive benefits for a fixed period after termination of employment. The fixed period available to you depends on the Contract, but is generally between two and 30 years, but not exceeding your life expectancy or the joint life expectancy of you and your beneficiary at the time you begin fixed period payments (note that for your TIAA Traditional Annuity accumulations, you may receive benefits over a 10-year period under the Transfer Payout Annuity). At the end of the selected fixed period, all benefits will end. If you die during the fixed period, payments will continue in the same amount to your

beneficiary(ies) for the duration of the fixed period.

Retirement Transition Benefit. You may receive a lump-sum payment of up to 10% of your Accounts that you elect to convert to annuity payments. Your monthly income will then be reduced in proportion to the amount received. This option is not available from your TIAA Traditional Annuity accumulations.

TIAA Traditional Transfer Payout Annuity. You can withdraw all or a part of your TIAA Traditional Annuity accumulations in a series of ten (or five after your Severance from Employment) substantially equal annual payments through a Transfer Payout Annuity. Once your Transfer Payout Annuity has been issued, it cannot be revoked nor can the amount be changed, although you can convert your remaining payments into certain other forms of payment, such as a lifetime annuity, at any time. If you die while receiving payments under the Transfer Payout Annuity, your beneficiary(ies) will continue to receive payments for the remainder of the period, or may elect to take the commuted value of those payments in a single lump sum.

Systematic Cash Withdrawals. Under the systematic cash withdrawal option, you can specify that you be paid any amount (the minimum is \$100) in a frequency you elect. You can stop systematic payments at any time, and convert your remaining account to certain other forms of payment. If you die while receiving systematic withdrawals, the remaining balance goes to your beneficiary(ies). Systematic cash withdrawals are not available under all Contracts.

TIAA Traditional Annuity Interest-Only. If you are between the ages of 55 and 69 ½, and have a TIAA Traditional Annuity accumulation of at least \$10,000, you may receive payments of the interest (guaranteed plus dividends) that would otherwise be credited on your TIAA Traditional Annuity.

The interest-only option is available for all of your TIAA Traditional Annuity accumulation or

any portion of it is equal to at least \$10,000, and must be taken for a minimum period of 12 months. You can change to certain other forms of payment after the end of one year. If you die while receiving interest-only income, your beneficiary(ies) will receive the remaining balance.

Repurchase. If you have a small account balance of \$4,000 or less under the Plan at your Severance from Employment, your total TIAA Traditional Annuity investment is \$2,000 or less, and you do not have a TIAA Transfer Payout Annuity in effect, you may elect to receive your Accounts in a single lump sum.

Single Lump Sum. You may generally elect to receive a single lump sum cash withdrawal of your accounts. However, under some Contracts, you may only elect a single lump sum cash withdrawal from the TIAA Traditional Annuity during a limited time period after Severance from Employment, and surrender charges may apply.

F. Upon Your Death.

If you are **married** and die *before* distribution of your Accounts begins, the automatic form of payment is to purchase a "qualified preretirement survivor annuity" with 50% of your Account balance under the Plan. This means that your surviving spouse will receive monthly payments for his or her lifetime. The remaining amount in your Accounts will be paid to your designated beneficiary as a lump sum payment as soon as possible following your death, unless your beneficiary elects a later payment date or another form of payment permitted under the Plan.

You will be provided an explanation regarding the qualified preretirement survivor annuity similar to the explanation regarding a qualified joint and survivor annuity. This explanation will be provided within a period beginning on January 1 of the year you turn age 32 and ending on January 1 of the year you turn age 35, unless you become a Participant before you turn age 35 and notice is given to you within a reasonable time period after you become a Participant. If

you begin participation after you turn age 35, notice will be provided within a reasonable period after you become a Participant. If you have a Severance from Employment before you turn age 35, notice will be provided again within one year after your termination.

You may elect to waive the qualified preretirement survivor annuity or designate a beneficiary other than your spouse during any of the following periods:

- if you have a Severance from Employment, you may make the election any time *before* death (for benefits accrued before your Severance from Employment);
- you may make the election at any time before the year you reach 35, but that election will become void after you reach age 35; or
- you may make the election at any time beginning in the year in which you reach age 35 until your death.

If you are married on the date of your death, your waiver of the qualified preretirement survivor annuity, or designation of anyone other than your spouse to whom you are married on the date of your death, will not be effective unless your spouse consented to your waiver before an authorized representative of the Administrator or a notary public on forms provided by the Service Provider. You can revoke your waiver at any time without your spouse's consent.

If you are **not married** and die *before* distribution of your Accounts begins, your designated beneficiary will receive the balance in your Accounts as a lump sum payment as soon as possible following your death. Your beneficiary may elect a later payment date or another form of payment permitted under the Plan.

Regardless of whether you are married or not, if you die *after* distribution of your Account begins, any remaining Account balance distributed to your beneficiary will be determined by the form of payment you selected prior to your death.

Under some forms of payment, your beneficiary may elect instead to receive a lump sum payment or another optional form of payment available under the Plan. However, if your Accounts have been used to purchase an annuity, any remaining payments will be made under the terms of the annuity.

Federal law places limits on the maximum time period when benefits must be paid and on the minimum amount that must be paid after your death. The Service Provider will notify your beneficiary(ies) if any of these limits apply.

G. Beneficiaries.

You may designate on the form provided by the Service Provider one or more primary and contingent beneficiaries to receive any Plan benefits payable upon your death. Your designated beneficiary may be a person, company, trustee, or estate. You may revoke or change your beneficiary designation by completing a new beneficiary designation form and giving your completed form to the Service Provider.

If you die before you name a beneficiary, or, if your named beneficiary dies before you die, benefits will be paid to your spouse. If your spouse is not living when you die, benefits will be paid to your dependents per stirpes. If neither your spouse nor any dependents are living when you die, benefits will be paid to your estate. *You should keep a current beneficiary designation form on file with the Service Provider.*

H. Distributions After Age 70½.

Distribution of your Accounts must begin no later than April 1 of the calendar year following the *later of* the calendar year in which you turn age 70½, or the calendar year in which you have a Severance from Employment. The Service Provider will calculate the amounts required to be distributed to you and notify you prior to the date that distributions must begin. The payment of benefits under this rule is important to avoid a 50% excise tax on the difference between your required distribution and the amount actually distributed to you.

I. Mandatory Distributions.

A lump sum payment of your Vested Account may be distributed to you without your consent if your Account balance does not exceed \$1,000, including your Rollover Contribution Account.

J. Payments That Can Be Rolled Over.

Eligible Rollover Distribution. Some payments from the Plan will be "eligible rollover distributions" that can be rolled over to an "eligible retirement plan." An eligible retirement plan includes the following types of plans:

- 401(a) or 403(a) qualified plan,
- 403(b) plan,
- 457(b) plan of a governmental entity;
- individual retirement account or annuity (IRA); or
- Roth individual retirement account (Roth IRA).

By electing to directly roll over your eligible rollover distribution to an eligible retirement plan, you may defer paying income taxes on the distribution (and avoid any early withdrawal tax) until you actually receive a distribution at a later date. The Service Provider will be able to tell you what portion, if any, of your payment is an "eligible rollover distribution." Generally, lump sum payments and installment payments made to you for a period of less than 10 years are "eligible rollover distributions" and can be rolled over. Hardship withdrawals, annuity payments and required minimum distributions made to you after you reach age 70½ (or, if later, your Severance from Employment), are not "eligible rollover distributions" and cannot be rolled over.

The Service Provider will provide you with a written explanation of the income tax consequences of receiving an "eligible rollover distribution" at least 30 days and not more than 180 days before you receive a distribution, unless you waive the 30-day notice.

A payment from the Plan that is an "eligible rollover distribution" can be taken in the following ways: You can elect:

- to have all of your payment paid in a "direct rollover" (see below),
- to have all of your payment paid to you (see below),
- to have part of your "eligible rollover distribution" paid to you and part rolled over to an eligible retirement plan.

You should discuss your situation with your tax advisor before electing a particular rollover payment method.

Direct Rollover. A direct rollover is the payment of your "eligible rollover distribution" from the Plan directly to an IRA or an eligible employer plan that is able to accept the direct rollover payment on your behalf. If you go to a new employer and your new employer's plan does not accept rollovers, you can choose a direct rollover to an IRA. If you do not have an IRA, you can open an IRA to receive the direct rollover.

If you choose a direct rollover:

- (1) Your payment will not be taxed in the current year and no income tax will be withheld.
- (2) The Service Provider will send the direct rollover payment on your behalf to your IRA or another eligible retirement plan.
- (3) Your payment will be taxed when you take it out of the IRA or the eligible employer plan.

If you choose a direct rollover, you must furnish to the Service Provider the name of the recipient plan, a representation completed by the recipient plan that it is an eligible retirement plan which is able to accept a rollover on your behalf, and provide any other information that is necessary to permit the Service Provider to accomplish the direct rollover. The Service Provider will rely on the information you provide; therefore, any

inaccurate information may subject your distribution to adverse income tax consequences.

Payment Made to You. If you choose to have your "eligible rollover distribution" paid to you, the Service Provider is required by federal law to withhold 20% from your distribution to be applied against your federal income tax liability for the year.

Even if you have an "eligible rollover distribution" paid to you, you can still roll over all or part of it to an IRA or an eligible employer plan that accepts rollovers, provided that you roll it over within 60 days of payment. The portion that you roll over is not taxed until distributed from the IRA or the eligible employer plan, but 20% will still be withheld.

Payments That Cannot Be Rolled Over. The 20% mandatory withholding rules do not apply to payments that cannot be rolled over. In this case, your payment will be taxed in the year received, and will be subject to federal income tax withholding unless you (or your beneficiary) elect not to have withholding apply. You must complete an IRS form to elect out of withholding.

Special Rules for Surviving Spouses, Alternate Payees, and Non-Spouse Beneficiaries. The rules summarized above apply to Employees. In general, these rules also apply to payments to surviving spouses of Employees, and to spouses or former spouses who are Alternate Payees. You are an Alternate Payee if your interest in the Plan results from a "qualified domestic relations order." Additionally, these rules generally apply to non-spouse beneficiaries, except that payments can be rolled over only to an IRA.

Additional Information. The general rules described in this Section are complex and contain many conditions and exceptions that are not included in this summary. Therefore, you should discuss your situation with your tax advisor before you apply for the payment of your Accounts from the Plan.

IN-SERVICE WITHDRAWALS

A. Financial Hardship Withdrawals.

You may request a withdrawal from your Pre-Tax Contribution Account or Roth Contribution Account while you are still employed by your Employer if you suffer a financial hardship with no other available financial resources and if permitted under the Contract in which you have your Accounts invested. The amount of the hardship withdrawal cannot exceed your Pre-Tax Contributions or Roth Contributions invested in the Contract, excluding earnings after 1988. Any portion of your Accounts held for security for a Plan loan is not eligible for a hardship withdrawal.

Hardship withdrawals are subject to income taxes and, if you are under age 59½, will generally be subject to an additional 10% excise tax. Your spouse, if you are married, must consent in writing witnessed by an authorized representative of the Administrator or a notary public to your request for a hardship withdrawal.

You must make your hardship withdrawal request on the form provided by the Service Provider. The Administrator will determine on a nondiscriminatory basis whether you qualify for a hardship withdrawal. Your request will be approved only if it satisfies all the requirements of the Plan.

A withdrawal for reason of financial hardship must be on account of:

- (1) medical expenses incurred by you, your spouse, your dependents, or your Immediate Family Member who is your designated beneficiary for the six month period prior to the date that the expense was incurred, that would be deductible (determined without regard to whether the expenses exceed 7.5% of your adjusted gross income); or
- (2) purchase (excluding mortgage payments) of your principal residence; or
- (3) payment of tuition, room and board, and related educational fees for up to the next 12

months of post-secondary education for you, your spouse, your children, your dependents, or your Immediate Family Member who is your designated beneficiary for the six month period prior to the date that the expense was incurred; or

- (4) payments to prevent the eviction from your principal residence or foreclosure on the mortgage of your principal residence; or
- (5) payments for burial or funeral expenses for your deceased parent, spouse, children, dependents, or Immediate Family Member who is your designated beneficiary for the six month period prior to the date that the expense was incurred; or
- (6) expenses for the repair of damage to your principal residence that would qualify for the casualty deduction (determined without regard to whether the loss exceeds 10% of adjusted gross income); or
- (7) such other financial circumstances as declared by the Commissioner of Internal Revenue to constitute financial hardship.

Any withdrawal for reason of financial hardship also must satisfy all of the following requirements:

- the requested hardship distribution is necessary in light of your immediate and heavy financial need;
- the amount of the requested distribution does not exceed the amount required to meet the financial need created by the hardship, including any amounts necessary to pay any federal, state, or local taxes or penalties reasonably anticipated to result from the distribution; and
- you have obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans maintained by the University, your Employer or any other employer.

Your Pre-Tax Contributions, Roth Contributions, and any elective contributions or employee contributions under any other plan maintained by the University or your Employer, except for employee contributions under a health or welfare benefit plan, will be suspended for six months after you receive a hardship withdrawal.

Your request for a withdrawal must specify the reason of the financial hardship and the amount you wish to withdraw to meet the financial hardship.

The Administrator will determine whether a financial hardship exists, and its determination will be final and conclusive. In making this determination, the Administrator will require you to substantiate the reason and the amount of the financial hardship. If the Administrator or Service Provider requires further information in order to determine whether financial hardship exists, it may request this information.

The Service Provider may impose a charge for the costs in processing your hardship distribution. Please contact the Service Provider for more information.

B. Military Service Distributions.

If you are performing qualified military service (as defined in USERRA) while on active duty for a period of more than 30 days, you may request a distribution from your Pre-Tax Contribution Account and/or your Roth Contribution Account. If you receive a distribution under this provision, your Pre-Tax Contributions and Roth Contributions to the Plan will be suspended for the six month period after you receive a distribution.

If you are a "qualified reservist," then regardless of your age, this distribution will not be subject to a 10% early withdrawal penalty. However, the withdrawal will be subject to income taxes. A "qualified reservist" is a reservist or national guardsman ordered or called to active duty after September 11, 2001, for a period that is greater than 179 days or for an indefinite period. If you are a qualified reservist and take a distribution from the Plan, you will have the opportunity to

repay the distribution to an IRA at any time during the two year period after the end of your active duty.

PLAN LOANS

A. Generally.

Subject to the terms of the Contract in which your Accounts are invested, the Plan allows you to borrow money from your Pre-Tax Contribution Account and/or Roth Contribution Account while you are still employed. Loans are not available with respect to your Employer Contribution Account. Loans are available to all Participants on a uniform and nondiscriminatory basis.

B. Loan Limits.

Only two loans may be taken from the Plan at a time. If you have defaulted on a loan under the Plan, you may not take another loan until you have repaid the defaulted loan.

The minimum loan amount that may be taken from the Plan is \$1,000, and the maximum loan amount is \$50,000. In addition, the maximum loan amount that may be taken from the Plan cannot exceed the lesser of (i) or (ii):

- (i) 45% of your Plan Accounts; or
- (ii) 90% of your TIAA Traditional Annuity balance in the Contract.

If you had an outstanding loan at any time during the one year period prior to your loan request, the total loan available to you will be reduced by the greater of:

- (i) the outstanding balance on any loan from the Plan to you on the date the loan is made; or
- (ii) the highest outstanding balance on loans from the Plan to you during the one year period ending on the day before the date the loan is approved by the Service Provider (not taking into account any

payments made during the one year period).

C. Collateral.

You will be required to set aside an amount equal to 110% of the loan amount in the TIAA Traditional Annuity as security for your loan. You will not be able to transfer or take a cash withdrawal from funds that serve as security for your loan. The amount held as security will decrease as you repay your loan. If you die before repaying your loan, the remaining loan balance will be repaid from the TIAA Traditional Annuity set aside as security.

D. Interest Rate.

Interest will begin accruing on the unpaid balance of your loan on the date that the check for the loan is issued. You will be charged a variable market rate of interest on the loan that is set by TIAA and indexed to Moody's corporate bond yield average. The interest rate can be adjusted no more than once every three months if the Moody's rate changes by at least one-half of one percent.

E. Loan Repayment.

You will repay the loan to your Accounts, with interest, based on an amortization schedule. Loans must be repaid within 5 years (or up to 10 years if the loan is used to purchase your primary residence).

Your first payment is due the first business day of the third calendar month after your loan is issued, and the first day of the month thereafter that payments are due. Repayments can be made every month or quarter by bank debit, or every quarter by check. You can repay the loan early in whole or in part with no penalties. If the Service Provider does not receive your loan repayment by the last day of the month that it is due, you will be in default. If the total overdue amount is not paid by the end of the calendar quarter following the calendar quarter in which the payment was due, the total outstanding loan balance will be reported to the IRS as taxable income that year. Defaulted loans will also be

subject to a 10% tax penalty if you are under age 59½. In addition, the Service Provider may foreclose on its security interest for the loan when you are otherwise entitled to a distribution under the Plan.

F. Military Leave.

If you are on a leave of absence for a period of military service, your loan repayments will be suspended during such service. You must begin making loan payments once the military service ends, and the loan must be repaid in full including interest for the period that payments are suspended (the interest rate cannot exceed 6% if the participant provides written notice and a copy of the call-up or extension orders to the Service Provider within 180 days of the end of military service) by the end of the period equal to the original term of the loan, plus the period of time you are on military service leave.

If the original term of your loan was less than the maximum term permitted, when you return from military service the term of the loan may be increased to a maximum of 5 years (10 years if the loan is used to purchase your primary residence), plus the period of your qualified military service leave.

G. Requesting a Loan.

To request a loan, you must complete a loan application with the Service Provider. The Service Provider will decide if you qualify for the requested loan. Your spouse must consent to your loan request in writing, witnessed by an authorized representative of the Administrator or a notary public.

You may request written Loan Procedures from Service Provider for more information regarding taking a loan.

The Service Provider may impose a processing fee for taking a loan. Please contact the Service Provider for more information regarding processing fees.

MILITARY SERVICE

In the event you are rehired following a period of qualified military service (as defined in USERRA) you will be entitled to make Pre-Tax Contributions and/or Roth Contributions to the Plan from your current earnings attributable to the period of time such contributions were not otherwise allowable due to military service. These Pre-Tax Contributions and/or Roth Contributions will be in addition to other contributions permitted under the Plan, and will be made as permitted under the Plan and Code Section 414(u).

These additional Pre-Tax Contributions and/or Roth Contributions will be based on the amount of Compensation you would have received from your Employer had it not been for your military service, and will be subject to the Plan's terms and conditions in effect during your period of military service. Pre-Tax Contributions and/or Roth Contributions for the period of military service may be made during the period that begins upon your reemployment and extends for five years or your period of military service multiplied by three (whichever is less.)

Employer Contributions will be made in accordance with the terms and conditions of the Plan and Code Section 414(u) by no later than 90 days after your date of reemployment or when Employer Contributions are normally due for the year in which the qualified military service was performed.

To be eligible for these benefits, before leaving for military service, you are generally required to give your Employer advance notice that you are leaving the job for service in the Uniformed Services. When you return from military service, you must timely submit an application for reemployment with your Employment and request information regarding your reemployment rights. Time limits for returning to work will depend on the length of time of your military service. Please contact the Office of Human Resources for additional information.

ADMINISTRATION OF THE PLAN

A. Administrator.

The Administrator may designate an Administrative Committee to serve as the Administrator of the Plan. The Administrator has the authority to control and manage the operation and administration of the Plan and is the named fiduciary of the Plan. Benefits under the Plan will be paid only if the Administrator, in its sole discretion, decides that the applicant is entitled to them.

The Administrator has the power and authority to determine all questions of law or fact that may arise as to eligibility, benefits, status and rights of any person claiming benefits or rights under the Plan, to construe and interpret the Plan consistent with the Code and ERISA, and to correct any defect, supply any omissions, or reconcile any inconsistencies in the Plan.

B. Claims Procedure.

You or your beneficiary may file a claim for benefits with the Administrator or Service Provider.

Denial of Claims. If the claim is denied, in whole or in part, then the Administrator or Service Provider must give you or your beneficiary a written notice within 90 days of receiving the claim, explaining the specific reasons for the denial, identifying the Plan sections on which the denial is based, describing additional material necessary to perfect the claim, explaining why the material or information is necessary, and explaining the review procedure.

If the Administrator or Service Provider decides that special circumstances require an extension of time to process your claim, you will be given written notice of the extension within the initial 90-day period. Any extension cannot be longer than an additional 90 days after the initial 90-day period.

Appeal of Denial of Claim. If the Administrator's or Service Provider's

determination to deny the claim is not acceptable to you or your beneficiary, an appeal for benefits may be filed with the Administrator or Service Provider. This appeal must be in writing and filed within 60 days of the date of the determination by the Administrator or Service Provider. If you do not file an appeal within this 60-day period, the decision of the Administrator or Service Provider will be final. You or your authorized representative may review any Plan documents and submit comments and documents for review. You will be provided access to documents and information relevant to your claim. When reviewing an appeal, all information submitted by you will be considered, regardless of whether it was submitted in the initial determination.

If you do appeal the claim denial, the Administrator or Service Provider will then make a determination as to any claim for benefits within 60 days of receiving the appeal without regard to whether all information needed to make a determination is included with the appeal. If the Administrator or Service Provider decides that special circumstances require an extension of time to process your claim, you will be given written notice of the extension within the initial 60 day period. Any extension cannot be longer than an additional 60 days after the initial 60 day period.

If the Administrator or Service Provider denies your appeal as to any claim, you will receive a statement explaining the specific reason for the denial, identifying the Plan sections on which the denial is based, and notifying you that you may have reasonable access to, and copies of, all documents, records, and other information relevant to your claim upon your request and free of charge. The decision will be in writing and will be final and binding on you and all other parties involved. If you disagree with the Administrator's or Service Provider's decision and you have followed all of these claims procedures, you have the right to bring a civil action in a court of law under ERISA Section 502(a).

You should be aware that if you do not follow the general claims procedures described above,

you will have no right to review and no right to bring action, at law or in equity, in any court, and the denial of the claim will become final and binding. For more details on the claims procedures, contact the Administrator or Service Provider.

NON ALIENATION OF BENEFITS AND DOMESTIC RELATIONS ORDERS

Nonalienation of Benefits. Except as discussed below, your Account under the Plan, prior to your actual receipt, will not be subject to any debt, liability, contract, engagement, or tort, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or other legal or equitable process.

Legal Offset. Your benefits may be reduced to the extent permitted under federal law, which, in general, provides a reduction to satisfy your liability to the Plan due to:

- your conviction of a crime involving the Plan,
- a federal tax levy,
- an overpayment of Plan benefits,
- a fine imposed as part of a criminal sentence under federal law,
- a judgment, consent order, or decree in an action for violation of fiduciary standards, or
- a settlement involving the Department of Labor.

Domestic Relations Orders. A "domestic relations order" is a court order that obligates a Participant to pay child support, alimony payments, or otherwise allocate a portion of the Participant's Account to his or her spouse, former spouse, child or other dependent (collectively known as "Alternate Payees").

If the Administrator receives a domestic relations order, the Administrator may be required by law to recognize obligations a Participant incurs as a result of the order if the order is determined to be "qualified."

If the domestic relations order is determined to be qualified, the Plan will make a distribution to an Alternate Payee under the qualified domestic relations order before the Participant's "earliest retirement age," as defined in Code Section 414(p), only if the order specifically requires the Plan to do so.

You may request written QDRO Procedures from the Office of Human Resources or Service Provider for more information regarding domestic relations orders.

AMENDMENT OR TERMINATION OF PLAN

Right to Amend or Terminate Plan. It is expected that the Plan will continue indefinitely, but the Board has reserved the right to change, modify, or discontinue the Plan. However, no change may decrease the benefits already earned by you or violate any provisions of ERISA or the Code.

Plan Benefits Not Insured by Pension Benefit Guaranty Corporation. The Pension Benefit Guaranty Corporation does not insure benefits under the Plan because the Plan is a defined contribution 403(b) plan with separate accounts for each participant, unlike a defined benefit pension plan with monthly benefits paid out of a single fund. This means that your benefit is fully funded at all times with the periodic employer contributions and any employee contributions that you make (although it may change in value from time to time due to trust gain or loss). The Pension Benefit Guaranty Corporation does not insure 403(b) plans.

Entry and Withdrawal of Employers. An Employer may participate in the Plan by delivering to the University an appropriate resolution by the governing body of the Employer. Upon acceptance of the resolution by the University, the Employer will be subject to the terms and provisions of the Plan, as amended from time to time. An Employer may withdraw from participation in the Plan by delivering to the University a resolution by the governing body of the Employer authorizing the

withdrawal with at least 30 days notice prior to the effective date of the withdrawal.

WHAT KEY DEFINITIONS DO I NEED TO KNOW?

Certain words and phrases used in this Summary have special meaning as described in this Section.

Accounts means the separate bookkeeping accounts maintained for you to reflect your benefit in the Plan, including your Pre-Tax Contribution Account, Roth Contribution Account, Employer Contribution Account, and Rollover Contribution Account.

Administrator means the University.

Alternate Payee means an individual who has a right to a benefit under the terms of a qualified domestic relations order.

Board means the Board of Trustees of the Taylor University.

Break in Service means that you are absent from service for a period of 12 consecutive months or more due to Severance from Employment, or that you are absent from service for a period of 24 consecutive months or more due to an approved leave of absence in accordance with University policy. However, you will not have a Break in Service if, prior to becoming a Participant, you are absent from service for a period of up to 12 consecutive months due to pregnancy, birth, adoption, or child care immediately following birth or adoption. To the extent required by law, you will also not incur a Break in Service on account of an absence from work qualifying as family or medical leave under the Family and Medical Leave Act of 1993 ("FMLA") or a period of qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA").

Code means the Internal Revenue Code of 1986, as amended.

Compensation means all the cash compensation for services to your Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includable in your gross income for the calendar year, plus amounts that would be cash compensation but for an election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to make Pre-Tax Contributions and/or Roth Contributions under the Plan). Compensation includes regular pay, and payments for unused sick, vacation or other leave (but only if you timely complete a salary reduction agreement agreeing to contribute this Compensation to the Plan), paid within the later of 2½ months after Severance from Employment or the end of the calendar year in which the Severance from Employment occurs. Differential wage payments that you receive while performing service in the uniformed services (as defined in USERRA) while on active duty for a period of more than 30 days, will be treated as Compensation. Federal law limits the amount of Compensation in each Plan Year for purposes of the Plan to \$200,000, as adjusted for cost-of-living increases (the limit is \$270,000 for 2017).

Contract means a contract issued by an insurance company authorized in the State of Indiana that includes payment in the form of an annuity. A Contract may also mean a custodial account held by a bank or an approved non-bank trustee or custodian, the assets of which are invested exclusively in regulated investment company stock. Contracts must satisfy the requirements of Code Section 403(b) and provide that each Participant's rights under the Contract are nonforfeitable and nontransferable at all times.

Disabled means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.

Eligible Employee means an Employee, but shall not include (i) an adjunct faculty member, (ii) a student employee, or (iii) an individual employed pursuant to an agreement that

provides that the individual is not eligible to participate in the University's retirement or benefit plans (provided, however, that such an Employee cannot be excluded by agreement from making Pre-Tax Contributions and/or Roth Contributions to this Plan).

Employee means any common law employee of an Employer excluding (i) a student employee performing services exempt from FICA, (ii) a nonresident alien with no U.S. earned income, or (iii) an independent contractor, regardless of whether later determined to be a common law employee.

Employer means the University, William Taylor Foundation, and Taylor University Broadcasting, Inc.

Employer Contribution means a contribution made to the Plan by the Employer on your behalf.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Former Service Provider means any service provider that was approved to offer annuity contracts or custodial accounts under the Plan, but that is no longer approved as a Service Provider under the Plan; provided, however, that a Former Service Provider does not include any service provider that has not received contributions under the Plan since prior to January 1, 2005.

Highly Compensated Employee means an Employee whose Compensation exceeds the limit under Code Section 414(q) for the Plan Year.

Hour of Service means, generally, each hour for which you are paid by your Employer for the performance of duties, and for each hour of paid absence from work for certain reasons required by law.

Immediate Family Member means the Participant's brother, sister, mother, father, son, daughter, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandmother, grandfather,

son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, grandchildren, step-grandchildren, step-grandparents, and grandparents-in-law.

Participant means an Employee or former Employee, who is participating in the Plan and who is eligible or may become eligible to receive a benefit of any type under the Plan.

Plan means the Taylor University Retirement Plan.

Plan Year means the 12-month period beginning on June 1 and ending on May 31.

Pre-Tax Contribution means a contribution made to the Plan by your Employer by pre-tax payroll deduction based on your salary reduction election.

Qualifying Employer means a regionally accredited college, university or seminary.

Qualified Distribution a distribution from a Roth Contribution Account after the Participant has satisfied a five year tax holding period and has attained age 59½, died, or become Disabled. The five year tax holding period is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the Plan, or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

Regular Salary means for Employees who are faculty members employed pursuant to a written employment contract, the basic contract amount, and for all other Employees, their base salary. Regular Salary does not include supplemental remuneration over and above base salary, including but not limited to overload compensation, summer school compensation, stipends, bonus, reimbursements, grant and research pay that exceeds base salary, or overtime. The maximum amount of Regular Salary is limited under Code Section 401(a)(17) for each year. In 2017, the maximum amount of Regular Salary is \$270,000.

Rollover Contribution means an amount contributed to the Plan by you from another eligible retirement plan.

Roth Contribution means a contribution made to the Plan by your Employer at your election under a salary reduction agreement that has been (i) designated irrevocably by you as a Roth Contribution being made in lieu of all or a portion of the Pre-Tax Contributions you are otherwise eligible to make under the Plan, and (ii) treated by your Employer as includible in your gross income at the time you would have received that amount in cash if you had not made such an election.

Service Provider means an entity selected by the Administrator to offer Contracts to Participants under the Plan. The current Service Provider under the Plan is TIAA.

Severance from Employment means a complete termination of the employment relationship between you and your Employer and any related employer.

Special Leave of Absence means a leave of absence granted by an Employee's Employer pursuant to a fellowship, scholarship or grant under the (i) Fulbright Program or (ii) other national or international recognized program of comparable prestige and reputation, as determined in the sole and absolute discretion of the Administrator.

University means the Taylor University.

USERRA means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

Vested means that your interest in your Accounts is unconditional, legally enforceable, and nonforfeitable.

Year of Service generally means a 12 month period beginning on your date of employment (or anniversary date of such employment) or your date of reemployment (or anniversary date of such reemployment) during which you complete 1,000 or more Hours of Service.

If you have at least one but less than two consecutive years of employment in any full-time position at one or more Qualifying Employers with no break in employment at any such Qualifying Employers greater than three months, one year shall be recognized as a Year of Service. Further, if you have two or more consecutive years of employment in any full-time position at one or more Qualifying Employers with no break in employment at any such Qualifying Employers greater than three months, two Years of Service shall be recognized as Years of Service.

Notwithstanding the above, (i) any period of paid or unpaid leave (excluding sabbatical leaves) at a Qualifying Employer shall not apply for purposes of counting years of employment at such Qualifying Employer and (ii) continuous employment (with no more than a three month break in employment) at one or more Qualifying Employers is required, with no other intervening employment, for purposes of meeting the consecutive one to two years of employment requirement at a Qualifying Employer.

WHAT GENERAL INFORMATION ABOUT THE PLAN SHOULD I KNOW?

Name of Plan. The legal name of the Plan is the "Taylor University Retirement Plan."

Type of Plan. The Plan is a defined contribution plan designed to satisfy the requirements of and have tax favored status under Code Section 403(b).

Effective Date. The Plan was originally effective July 1, 1986. The Plan was most recently amended and restated in its entirety effective June 1, 2017.

Administrator and Plan Sponsor. The Administrator and Plan Sponsor for the Plan is:

Taylor University
236 West Reade Avenue
Upland, IN 46989
(765) 998-5118

Service of legal process may be made on the Administrator at the above address.

Employer Identification Number and Plan Number. The employer identification number assigned by the Internal Revenue Service to the University is 35-0868181. The University has assigned Plan Number 001 to the Plan.

Plan Year. Records of the Plan are maintained on the 12-month period from June 1 to May 31.

Source of Financing. The Plan is financed through contributions made by the Employer and Participants in amounts determined by the Employer in accordance with the Plan. Certain Participant contributions will be treated as Employer contributions under the Code. Contributions are invested in Contracts with the Service Provider.

Service Provider. The current Service Provider under the Plan is Teachers Insurance and Annuity Association (TIAA). The contact information for TIAA is:

TIAA
730 Third Avenue
New York, NY 10017
1-800-842-2252
www.tiaa.org

You are entitled to certain information regarding the Plan on written request to the Service Provider. Information available includes:

- a description of the annual operating expenses of each investment option;
- copies of any prospectuses, financial statements and reports or other materials relating to an investment option that are provided to the Plan;
- a list of the assets in each investment option and the value of those assets, the name of the provider, the term of the contract and the rate of return for any fixed rate investment contract issued by an insurance institution or bank;
- the value of shares or units in each investment option and the past and current

- investment performance for each investment alternative, net of expenses; and
- information concerning the value of shares or units of investment options held in your Accounts under the Plan.

WHAT ARE MY RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 ("ERISA")?

Your Rights Under the Plan. As a Participant in the Plan you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants will be entitled to:

- examine, without charge, at the Administrator's office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance Contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;
- obtain upon written request to the Administrator copies of documents governing the operation of the Plan, including insurance Contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 series) and updated summary plan description (the Administrator may make a reasonable charge for the copies);
- receive a summary of the Plan's annual financial report (the Administrator is required by law to furnish each Participant with a copy of this summary annual report); and
- obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (age 65) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. (This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.)

Fiduciary Duties Owed To Participants. In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including the University, your Employer, your union, or any other person, may terminate you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Written Explanation For Denial Of Benefits.

If your claim for a benefit is denied or ignored, in whole or in part, you have the right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Enforcement Of Your Rights. Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. However, before you file suit, you must first complete all of the claims procedures outlined in the Summary. If you do not follow these claims procedures accordingly, you will have no right to review and no right to bring action, at law or in equity, in any court, and the denial of the claim will become final and binding.

In addition, if you disagree with the Administrator's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor,

or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, the court finds your claim is frivolous.

Questions. If you have any questions about your Plan, you should contact the Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need

assistance in obtaining documents from the Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

APPENDIX A

CURRENT APPROVED SERVICE PROVIDER AND INVESTMENT OPTIONS

I. Approved Vendors

Teachers Insurance and Annuity Association (TIAA)

II. Approved Investment Options

A. Guaranteed Annuity

TIAA Traditional Annuity

B. TIAA-CREF Variable Annuities

TIAA Real Estate Account

CREF Stock Account

CREF Money Market Account

CREF Social Choice Account

CREF Bond Market Account¹

CREF Global Equities Account²

CREF Growth Account

CREF Equity Index Account

CREF Inflation Linked Bond Account

C. TIAA-CREF Mutual Funds

TIAA-CREF International Equity Index Fund

TIAA-CREF Lifecycle Retirement Income Fund

TIAA-CREF S&P 500 Index Fund

TIAA-CREF Institutional Lifecycle Fund 2010

TIAA-CREF Institutional Lifecycle Fund 2015

TIAA-CREF Institutional Lifecycle Fund 2020

TIAA-CREF Institutional Lifecycle Fund 2025

TIAA-CREF Institutional Lifecycle Fund 2030

TIAA-CREF Institutional Lifecycle Fund 2035

TIAA-CREF Institutional Lifecycle Fund 2040

TIAA-CREF Institutional Lifecycle Fund 2045

TIAA-CREF Institutional Lifecycle Fund 2050

TIAA-CREF Institutional Lifecycle Fund 2055

TIAA-CREF Institutional Lifecycle Fund 2060

D. Non-Proprietary Mutual Funds

American Funds EuroPacific Growth Fund R5

Columbia Mid Cap Index R5

Goldman Sachs Small Cap Value Fund Institutional Class

Northern Small Cap Value Fund

Oppenheimer Developing Markets Y

PIMCO Total Return Fund Admin

Pioneer Bond Fund Y

Prudential Short-Term Corporate Bond Fund Z

Templeton Global Bond Fund Advisor Class

Voya Real Estate Institutional (formerly, ING Real Estate Institutional)

¹ This variable annuity is closed to new contributions effective June 1, 2015.

² This variable annuity is closed to new contributions effective July 31, 2013.