

**SMITH COLLEGE
DEFINED CONTRIBUTION
RETIREMENT PLAN**

**SUMMARY
PLAN DESCRIPTION**

2016

TABLE OF CONTENTS

A. General Information About the Plan

B. Participation in the Plan

Q & A 1 How do I become eligible to become a member of the Plan?

Q & A 2 When do I become a member of the Plan?

C. Contributions to the Plan

Q & A 3 How may I contribute to the Plan?

Q & A 4 How often can I change my contribution?

Q & A 5 What effect will my contribution have on my other benefits?

Q & A 6 How much does the Employer contribute to the Plan?

Q & A 7 How are the Employer's contributions to the Plan allocated among the Plan members?

D. Vesting of Contributions

Q & A 8 How much of my account am I entitled to when I leave the Employer?

Q & A 9 What are the rules if my employment terminates prior to retirement?

E. Distribution of Benefits

Q & A 10 What happens if I become disabled?

Q & A 11 Is there a death benefit?

Q & A 12 What happens when I retire?

Q & A 13 What happens if my employment terminates for other reasons?

Q & A 14 How will my account be paid?

F. Investment of Your Accounts

Q & A 15 How do I know the total amount of my benefit?

Q & A 16 How is the Plan's money invested?

G. Your ERISA Rights and Other Important Information

Q & A 17 What are my rights under the Employee Retirement Income Security Act of 1974 (ERISA)?

Q & A 18 How do I make a claim for benefits?

Q & A 19 What happens if the Plan is amended or terminated?

Q & A 20 Is there ever a time when benefits can be lost or denied?

H. Income Tax Considerations

Q & A 21 What are the tax consequences when I am paid Plan benefits?

I. Auxiliary Features

Q & A 22 Can I make rollover contributions to the Plan?

Q & A 23 Am I allowed to borrow from the Plan?

Q & A 24 Can I make withdrawals from the Plan while I am employed?

J. Administrative Fees and Expenses

INTRODUCTION

This booklet is called a Summary Plan Description ("SPD") and is intended to be a brief description of the provisions of our **Plan**. Inside, you will find an explanation of your rights, obligations and benefits under our **Plan**.

Please read the description carefully to answer any questions you may have concerning our **Plan**. If you have questions after reading this booklet, please ask the **Plan Administrator**. You also have the right to read a copy of our **Plan** documents which are on file in the **Employer's** office.

NOTE: ***WE HAVE TRIED OUR BEST TO MAKE THIS A CLEAR AND UNDERSTANDABLE BOOKLET. HOWEVER, IF THERE IS ANY CONFLICT BETWEEN THIS BOOKLET AND THE ACTUAL PLAN DOCUMENT, OR BETWEEN THIS BOOKLET AND FEDERAL LAW, THE PLAN DOCUMENT OR FEDERAL LAW, AS APPROPRIATE, WILL CONTROL. THIS BOOKLET IS NOT INTENDED TO CHANGE OR EXTEND THE PROVISIONS OF THE PLAN.***

A. GENERAL INFORMATION ABOUT THE PLAN

As you read this booklet, you will find that some words are in **Bold Type**. These words have the special meanings that appear below:

EMPLOYER: The **Employer** is the **Plan** sponsor. Our **Employer** name, address, telephone number, and federal identification number are:

Smith College
30 Belmont Avenue
Northampton, MA 01063
Telephone: (413) 585-2275
EIN: 04-1843040

COMPENSATION: This is your pay from the **Employer** for the **Plan Year** as reported to the Internal Revenue Service on Form W-2 (excluding compensation paid prior to your entry into the **Plan**), and including any amount you defer as a pre-tax savings and/or Roth contribution to the **Plan** or under certain other salary deferral arrangements. **Compensation** includes amounts paid under the **Employer's** sick leave policy, but does not include reimbursements, expense allowances, deferred compensation, other fringe benefits and any noncash compensation.

HOOR OF SERVICE: An **Hour of Service** is any hour for which you receive pay or are entitled to receive pay from the **Employer** or any related company, including hours you are paid for vacation, holiday, illness, disability, layoff, jury or military duty, or leave of absence. However, no more than 501 **Hours of Service** are credited to an employee on account of any single continuous period during which the employee is not actually working.

NORMAL RETIREMENT DATE: This is the date on which you reach age 65. You are not required to retire on this date, of course. This is just a definition in the **Plan** which establishes when your full account is payable to you.

PLAN: The name of the **Plan** is the "Smith College Defined Contribution Retirement Plan." Its identification number is 002. The **Plan** is legally classified as a Code Section 403(b) retirement plan. The initial effective date of the **Plan** was July 1, 1926. The effective date of the recent revisions is, in general, January 1, 2016. The **Plan's** agent for service of legal process is the **Plan Administrator**. The assets of the Plan are invested in custodial accounts and annuity contracts.

PLAN ADMINISTRATOR: The **Employer** serves as the **Plan's Administrator**.

PLAN YEAR: This is the 12-month period from January 1 to December 31.

B. PARTICIPATION IN THE PLAN

Q1 *HOW DO I BECOME ELIGIBLE TO BECOME A MEMBER OF THE PLAN?*

A1 If you were a member of our **Plan** prior to its revision, you will continue as a member of the **Plan**. Other employees will become eligible for membership for purposes of making pre-tax savings and Roth contributions upon their date of hire with the **Employer**.

Other employees will become eligible for membership for purposes of **Employer** contributions when they meet the following requirements:

- (i) Minimum service -- 1 Year of Eligibility Service;
- (ii) Minimum age -- 26 years old.

Important Definition -- Year of Eligibility Service: A Year of Eligibility Service is a 12-month period measured from your date of hire in which you are credited with at least 910 **Hours of Service**. If you were paid for less than 910 hours in that period, you will be credited with a Year of Eligibility Service whenever you complete 910 hours or more in any **Plan Year** following your date of hire. You will receive credit for Years of Eligibility Service with another college or university if your employment with the other institution ended within 90 days prior to hire by the **Employer**.

However, the following employees are excluded from receiving **Employer** contributions under the Plan: (1) Employees who are regularly scheduled to work less than 5 months in a calendar year or less than 17.5 hours per week, provided the employee has not completed 1 Year of Eligibility Service; and (2) Employees who are regularly employed on less than a half-time basis (less than 910 hours per year), provided the employee has not completed 1 Year of Eligibility Service.

Students who are enrolled and attending classes with the Employer are ineligible for all purposes of the **Plan**.

Q2 *WHEN DO I BECOME A MEMBER OF THE PLAN?*

A2 You become a member of the **Plan** for purposes of making pre-tax savings and Roth contributions as of your date of hire with the **Employer**. You become a member of the **Plan** for purposes of **Employer** contributions as of the first day of the month following the date you meet the above requirements.

Once you become a member of the **Plan**, you must fill out a form specifying whether or not you wish to make a pre-tax savings and/or Roth contribution to the **Plan** and the amount of your contribution.

Reemployed Members: If you leave the **Employer** while a member of the **Plan**, and then come back to work, you will become a member again on your return, and you can begin making pre-tax savings and/or Roth contributions to the **Plan** immediately. You must fill out a form specifying the amount of your contribution.

C. CONTRIBUTIONS TO THE PLAN

Q3 HOW MAY I CONTRIBUTE TO THE PLAN?

A3 Each **Plan Year** you have the option of making pre-tax savings contributions and after-tax Roth contributions to the **Plan** through payroll deduction. These contributions are explained in greater detail below. The tax rules affecting each type of contribution are complex. You may wish to discuss the tax rules with your tax advisor.

A. Pre-Tax Savings Contributions

Pre-tax savings contributions are traditional 403(b) salary deferral contributions that you may make to the **Plan**. You do not have to pay current federal income tax on the amount of your pre-tax savings contributions at the time your pre-tax savings contribution is made. When you receive a distribution of your pre-tax savings contributions, the contributions, including investment earnings, will be subject to income taxes.

B. Roth Contributions

Roth contributions are after-tax contributions that you may elect to make to the **Plan**. If you elect to make Roth contributions, the contributions you make to the **Plan** are subject to income taxes in the year of contribution. However, the contributions and, in most cases, the earnings on the contributions are not subject to income taxes when distributed to you. In order for the earnings to be distributed tax-free, there must be a *qualified* distribution of your Roth contributions.

In order to be a *qualified* distribution, the distribution must occur after one of the following: (1) 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 is the 5-year period beginning in the calendar year in which you first make a Roth contribution to the **Plan** (or to another 403(b) plan or 401(k) plan if such amount was rolled over into the **Plan**) and ending on the last day of the calendar year that is five years later. For example, if you make your first Roth contribution under this **Plan** on November 30, 2016, your 5-year participation period will end on December 31, 2020. It is not necessary that you make a Roth contribution in each of the five years.

If a distribution of your Roth contributions is *not* a qualified distribution, the earnings distributed with the Roth contributions will be taxable to you at the time of distribution (unless you roll over the distribution to a Roth IRA or other 403(b) plan or 401(k) plan that will accept the rollover). In addition, in some cases, there may be a 10% excise tax on the earnings that are distributed.

C. Maximum Contribution

Each **Plan Year**, you may make pre-tax savings contributions and Roth contributions through payroll deduction up to the maximum amount allowed by law, but in no event can the sum of your pre-tax savings contributions and Roth contributions be more than \$18,000 for 2016. Your pre-tax savings contributions and Roth contributions are added together in determining the maximum amount you can contribute for a **Plan Year**. (The limit for later years will be announced by the IRS.) Certain limits may reduce the amounts which may be contributed. You will be notified if those limits affect you.

If you are age 50 before the end of the **Plan Year**, you will be able to make additional contributions in the amount of \$6,000 for 2016.

Q4 *HOW OFTEN CAN I CHANGE MY CONTRIBUTION?*

A4 You may stop making your contributions at any time by providing advance written notice to the **Plan Administrator**. You may not resume making contributions until the payroll period following your advance written notice to resume contributions.

You may elect to increase or decrease the amount of your contributions throughout each **Plan Year** effective on any payroll period by filing a written notice with the **Plan Administrator** prior to the effective date of such change.

Q5 *WHAT EFFECT WILL MY CONTRIBUTION HAVE ON MY OTHER BENEFITS?*

A5 If you make a contribution to the **Plan**, we will not reduce any of your **Compensation**-related benefits.

You and the **Employer** will continue to pay Social Security taxes on amounts you contribute to the **Plan** so that you will not lose your rights to any Social Security benefits.

If you make a contribution to the **Plan** or an **Employer** contribution is made to your **Plan** account, you are an "active participant" and the amount of your deductible contribution to an individual retirement account (IRA) may be limited, depending on your income. However, the amount of your contribution or **Employer** contribution will not be counted against the deductible limit for IRA contributions.

Q6 *HOW MUCH DOES THE EMPLOYER CONTRIBUTE TO THE PLAN?*

A6 Under the terms of the **Plan**, the **Employer** will make contributions on behalf of eligible members of the **Plan**.

The amount of the **Employer's** contribution will be equal to 9% of each eligible member's **Compensation**, plus 4.3% of **Compensation** that exceeds the **Plan's** integration level. The integration level for 2016 is \$60,668. The integration level is adjusted each year by the Consumer Price Index based on prices for all items and issued by the Bureau of Labor Statistics, as in effect for the prior calendar year.

Contributions continue during a paid leave of absence. Contributions continue for up to one (1) year while on short-term sick leave. Contributions continue while receiving benefits under the **Employer's** long-term disability plan, based on **Compensation** immediately prior to the disability, for up to two (2) years following the 6-month period after the date of the disability.

Q7 *HOW ARE THE EMPLOYER'S CONTRIBUTIONS TO THE PLAN ALLOCATED AMONG THE PLAN MEMBERS?*

A7 An account will be established for you under the **Plan** to which will be credited your share of the **Employer's** contributions, if any.

Example: John's **Compensation** for the 2016 **Plan Year** = \$67,000. The **Plan's** integration level for 2016 = \$60,668. For the 2016 **Plan Year**, John's allocation = 9% of his total **Compensation** plus 4.3% of his **Compensation** in excess of \$60,668.

9% (\$67,000)	=	\$6,030.00
<u>4.3% (\$67,000-60,668)</u>	=	<u>\$ 272.28</u>
His allocation	=	\$6,302.28

D. VESTING OF CONTRIBUTIONS

Q8 ***HOW MUCH OF MY ACCOUNT AM I ENTITLED TO WHEN I LEAVE THE EMPLOYER?***

A8 You are always 100% vested in your account under the **Plan**. A "vested" benefit can never be taken away from you or forfeited.

E. DISTRIBUTION OF BENEFITS

Q9 ***WHAT HAPPENS IF I BECOME DISABLED?***

A9 If your employment with the **Employer** terminates as a result of a "permanent and total disability," you may request that payment of your benefits begin after the **Plan Administrator** has determined that you are permanently and totally disabled. Payments will commence as soon as administratively feasible after your request is received by the **Plan Administrator**. You may choose to delay payment of your benefits, but not beyond the date specified under Q & A 11.

"Permanent and total disability" means a physical or mental condition that can be expected to last for at least 12 months or result in death. It must be serious enough to prevent you, in the opinion of the **Plan Administrator** and based upon appropriate medical advice and examination, from engaging in any substantial or gainful economic activity. Receipt of a Social Security disability pension will be proof of permanent and total disability.

Q10 ***IS THERE A DEATH BENEFIT?***

A10 If you die, your beneficiary will be entitled to receive the full value of your account under the **Plan** as a death benefit.

If you are married at the time of your death, your spouse will be the beneficiary of the death benefit, unless you designate another beneficiary on a form to be furnished to you by the **Plan Administrator**. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE MUST CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING AND WITNESSED BY A NOTARY PUBLIC OR A PLAN REPRESENTATIVE.

Benefits will be paid to your beneficiary as he/she chooses, unless you have elected in writing the method that benefits will be paid to your beneficiary. The methods that are available for distribution are a single sum payment or installment payments.

However, if no valid waiver signed by your spouse is in effect, the death benefit payable to your spouse will be in the form of a survivor annuity. This survivor annuity will provide monthly payments to your spouse for his/her lifetime. The amount of monthly payments will depend upon the value of your account at the time the payments begin. The **Plan Administrator** may, however, distribute the benefit in an alternative method, such as a single sum, provided your spouse agrees in writing to an alternative form.

The period during which you and your spouse may waive this survivor annuity begins as of the first day of the **Plan Year** in which you reach age 35 (or the date you terminate employment with the **Employer**, if earlier) and ends when you die. The **Plan Administrator** must provide you with a detailed explanation of the survivor annuity.

This explanation must be given to you, generally, by the first day of the **Plan Year** in which you reach age 35, or within a reasonable period of time following either your attainment of age 35 or your termination of employment if you have not attained age 35.

It is, therefore, important that you inform the **Plan Administrator** before you turn age 35 so that you may receive this information.

If, however,

- (a) your spouse has validly waived any right to the death benefit in the manner outlined above,
- (b) your spouse cannot be located, or
- (c) you are not married at the time of your death,

then your death benefit will be paid to the beneficiary of your choosing. You may designate such beneficiary on a form to be supplied to you by the **Plan Administrator**. If you do not designate a beneficiary and you are not married, the **Plan** provides that your beneficiary will be your children, including adopted children, your surviving parents in equal shares or, if none, your estate.

Because your spouse would have certain rights in the death benefit, you should immediately report any change in your marital status to the **Plan Administrator**.

Q11 *WHAT HAPPENS WHEN I RETIRE?*

A11 If you retire on or after your **Normal Retirement Date**, payments will commence as soon as administratively feasible after you retire, unless you otherwise elect in writing to defer receipt of your benefits.

If you choose, you may delay payment of your benefits. However, distribution of your **Plan** benefits must begin no later than the April 1st following the later of (1) the calendar year in which you attain age 70½ or (2) the calendar year in which you retire.

Q12 *WHAT HAPPENS IF MY EMPLOYMENT TERMINATES FOR OTHER REASONS?*

A12 If you terminate employment with the **Employer** before your **Normal Retirement Date**, for reasons other than death or disability, and elect to receive payment of your vested account, payment to you will be made as soon as administratively feasible following your date of termination.

Q13 ***HOW WILL MY ACCOUNT BE PAID?***

A13 Subject to the terms of the applicable investment vehicle, your account will be paid in a single sum payment, installments, partial distributions, or in any form permitted under the annuity contract or custodial account agreement, as you elect in writing. The availability and terms of a form of payment are subject to the terms of the applicable funding vehicle.

However, if you are married on the date your benefits are to begin, your account will automatically be paid to you in a 100% joint and survivor annuity, unless you and your spouse otherwise elect. This means that if you die and are survived by a spouse, your spouse will receive a monthly benefit for the remainder of his/her life equal to 100% of the benefit you were receiving at the time of your death. Alternatively, you can elect a 50% joint and survivor annuity that, if you die and are survived by a spouse, will provide your spouse with a monthly benefit for the remainder of his/her life equal to 50% of the benefit you were receiving at the time of your death.

If you wish to waive the joint and survivor form of payment, you may do so during the 180-day period ending on the date the annuity is to begin. However, YOUR SPOUSE MUST CONSENT IN WRITING TO THE WAIVER IN THE PRESENCE OF A PLAN OFFICIAL OR A NOTARY PUBLIC. You may revoke any waiver. The **Plan Administrator** will provide you with forms to make these elections. Because your spouse participates in these elections, you must immediately inform the **Plan Administrator** of any change in your marital status.

If you and your spouse elect not to take a joint and survivor annuity or if you are not married when your benefits are scheduled to begin, you may choose an alternative form of payment.

Also, any member who made an election prior to January 1, 1984 to receive the distribution of his/her account in accordance with the law in effect at that time shall retain the right to receive his/her distribution in that form, subject to spousal consent if he/she is married.

Regardless of the form of payment you receive, its value to you will be the same value as each alternative form of payment.

F. INVESTMENT OF YOUR ACCOUNTS

Q14 ***HOW DO I KNOW THE TOTAL AMOUNT OF MY BENEFIT?***

A14 The **Employer** contributions are not paid to you directly. If they were, you would be taxed on the money right now. Instead, they are contributed to separate individual accounts in accordance with the terms of the applicable annuity contract or custodial account. A separate bookkeeping account is maintained by the **Plan Administrator** to keep track of your share of the contributions over the years. Also, each account will be charged with its share of the **Plan's** investment gains and losses. You will receive periodic statements showing:

- (1) your share of the **Plan's** assets at the beginning of the period;
- (2) changes due to investment results during the period;
- (3) your share of **Employer** contributions, if any, for the period;
- (4) your contributions, if any, during the period;
- (5) your rollover contributions, if any, during the period; and
- (6) the ending balance.

Q15 ***HOW IS THE PLAN'S MONEY INVESTED?***

A15 The **Employer** offers you a choice of investment funds for your account. The investment funds include custodial accounts and/or annuity contracts. The **Plan Administrator** will provide you with more detailed information regarding these investment funds.

The **Plan** is intended to constitute a plan as described in Section 404(c) of ERISA and Title 29 of the Code of Federal Regulations Section 2550.404c-1, which relieves the **Plan** fiduciaries of any liability for any losses that are the direct and necessary result of investment instruction given by any member of the **Plan**.

In deciding which fund to choose, there are important factors to keep in mind. The investment objectives of each fund vary and so do the risks involved. Before selecting how you want your account to be invested, you should consider how much risk you want to take.

The **Plan Administrator** will provide you with detailed information about the available investments and the manner of making and changing your investment elections

The **Employer** reserves the right to change the number and types of funds available for investment options. You will be informed of any changes.

The **Plan's** investment company may impose restrictions on your ability to change your investment elections under the **Plan**. The restrictions, if imposed by the investment company, concern the timing and frequency of changes to your investment elections under the **Plan**. If you have any questions concerning possible restrictions on your ability to change your investment elections, please contact the investment company.

G. YOUR ERISA RIGHTS AND OTHER IMPORTANT INFORMATION

Q16 *WHAT ARE MY RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)?*

A16 As a member in the **Plan**, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all **Plan** members shall be entitled to:

- (1) Examine, without charge, at the **Plan Administrator's** office and at other specified locations, all documents governing the **Plan** 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;
- (2) Obtain, upon written request to the **Plan Administrator**, copies of documents governing the operation of the **Plan** and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The **Plan Administrator** may make a reasonable charge for the copies;
- (3) Receive a summary of the **Plan's** annual financial report. The **Plan Administrator** is required by law to furnish each member with a copy of this summary annual report;
- (4) Obtain a statement telling you (a) the amounts credited to your account under the **Plan** and (b) what your benefits would be if you stop working under the **Plan** now. This statement is not required to be given more than once a year. The **Plan** must provide the statement free of charge.

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

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a 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.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the **Plan** and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the **Plan 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 **Plan 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. In addition, if you disagree with the **Plan's** decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support 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 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, for example, if it finds your claim frivolous.

If you have any questions about your **Plan**, you should contact the **Plan 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 **Plan 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.

Q17 *HOW DO I MAKE A CLAIM FOR BENEFITS?*

A17 Be sure that any request is in writing and delivered to the **Plan Administrator**. You will be required to complete and submit a number of forms.

We hope there will never be a disagreement as to the amount owed to you under the **Plan**. However, if there is a disagreement, you must follow the **Plan's** claims procedure or you may forfeit certain legal rights to contest the decision. You must file any request for benefits in writing. You may appoint an authorized representative to act on your behalf for the purposes of filing a claim and seeking a review of a denied claim, provided that you notify the **Plan** in advance of the name, address and telephone number of the authorized representative. Before filing your request, you or your authorized representative may wish to examine any **Plan** records regarding your claim. This examination may take place only during the **Plan's** regular working hours.

If your request for benefits is denied, in whole or in part, the **Plan Administrator** will provide you a written response so notifying you, within 90 days of receipt of your request; provided, however, that an extension of time not exceeding 90 days will be available if special circumstances require an extension of time for processing your request. If so, notice of such extension, indicating what special circumstances exist and the date by which a final decision is expected to be rendered, will be furnished to you before the initial 90-day period expires.

The notice of denial will set forth in a manner reasonably expected to be understood by you: (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent **Plan** provisions on which the denial is based; (iii) a description of any additional material or information necessary for you to perfect the claim and an explanation of why such

material or information is necessary; (iv) appropriate information as to the steps to be taken if you wish to submit your claim for review; and (v) a statement explaining your rights to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination after the review (as discussed below).

Upon request and free of charge, you or your duly authorized representative will be permitted to review relevant documents and submit issues and comments in writing. A document, record or other information is "relevant" if it: (i) was relied upon in making the benefit determination; (ii) was submitted, considered or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination; or (iii) demonstrates compliance with the administrative processes and safeguards required under federal law.

Within 90 days after receipt of such notice of denial, you or your authorized representative may request, by mailing or delivery of written notice to the **Plan**, a review by the **Plan Administrator** of the decision denying your claim. Such petition for review shall state in clear and concise terms the reason or reasons for disputing the denial and shall be accompanied by any pertinent documentary material not already furnished. The review will take into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

After such review, the **Plan Administrator** will determine whether the denial of your claim was correct and will notify you in writing of its determination within a reasonable period of time, but not later than 60 days after the receipt of your request for review by the **Plan Administrator**, provided, however, that an extension of time not exceeding 60 days will be available if special circumstances require an extension of time for processing the appeal. If so, notice of such extension, indicating what special circumstances exist and the date by which a final decision is expected to be rendered, will be furnished to you before the initial 60-day period expires.

You will be advised of the **Plan Administrator's** decision in writing. The notice of denial will be set forth in a manner reasonably expected to be understood by you: (a) specific reasons for the decision and specific references to the pertinent **Plan** provisions on which the decision is based; (b) a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information "relevant" to your claim for benefits; and (c) a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

If you fail to request review within the 90-day period, it shall be conclusively determined for all purposes of this **Plan** that the denial of such claim by the **Plan Administrator** is correct.

If the **Plan Administrator's** determination is favorable to you, it shall be binding and conclusive. If such determination is adverse to you, it shall be binding and conclusive unless you or your authorized representative notifies the **Plan Administrator** within 90 days after the mailing or delivery to you by the **Plan Administrator** of its determination, that you intend to institute legal proceedings challenging the determination of the **Plan**

Administrator, and you or your authorized representative actually institutes such legal proceeding within 180 days after such mailing or delivery.

The denial of an application or claim as to which the right of review has been waived or the decision of the **Plan Administrator** with respect to a petition for review, shall be final and binding upon all parties and any person claiming under you, subject only to judicial review.

However, the best way to avoid this type of problem is to make sure you understand the **Plan** and the way it works at this time. Remember, if you have questions, the **Plan Administrator** will assist you, and will refer any questions it is unable to answer to the professional benefit consultants who assist in administering the **Plan**.

Q18 *WHAT HAPPENS IF THE PLAN IS AMENDED OR TERMINATED?*

A18 The **Employer** reserves the right, of course, to amend the **Plan**, to discontinue contributions or, when permitted by law, to terminate the **Plan**. No amendment can reduce the amount in your account or eliminate any of the benefit form options offered in the **Plan**.

If the **Plan** terminates, you are 100% vested in your account. The **Plan** is exclusively for the benefit of its members and, therefore, money cannot go back to the **Employer** because of the **Plan's** termination.

Upon termination of the **Plan**, we will either distribute your benefits to you as soon as administratively possible (with the approval of the Internal Revenue Service) or transfer your benefits to another plan sponsored by the **Employer**.

Q19 *IS THERE EVER A TIME WHEN BENEFITS CAN BE LOST OR DENIED?*

- A19**
- (1) The value of your account depends on the value of **Plan** investments. This is why your account must be invested carefully.
 - (2) Money will not be paid to you from the **Plan** while you are employed by the **Employer**, unless there is a loan to you, you take a hardship withdrawal, or you have attained age 59½.
 - (3) There are no legal guarantees that the **Employer** will make contributions each year.
 - (4) The Pension Benefit Guaranty Corporation, a federal agency which insures defined benefit plans, does not insure this type of plan. The government has exempted defined contribution plans from such insurance since all contributions to the **Plan** go directly into your account and if the **Employer** goes out of business or the **Plan** terminates you are 100% vested in your account.

- (5) Generally, your account balance cannot be assigned or alienated. This means that your account balance cannot be sold, given away or otherwise transferred. In addition, your creditors may not attach or garnish or otherwise demand payment from your account. However, there is an exception to this general rule. This exception applies to "qualified domestic relations orders." The **Plan Administrator** is required by law to recognize these orders which are defined as a decree or order issued by a court that obligates you to pay child support or alimony. In addition, a qualified domestic relations order may allocate a portion of your account balance to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by the **Plan Administrator**, all or a portion of your account balance may be used to satisfy the obligation. The **Plan Administrator**, in accordance with procedures set forth in the law, shall determine the validity of any domestic relations order it receives and shall inform you if it has received one affecting you.

H. INCOME TAX CONSIDERATIONS

Q20 ***WHAT ARE THE TAX CONSEQUENCES WHEN I AM PAID PLAN BENEFITS?***

A20 The **Employer's** contributions to your account and all investment earnings are tax deferred until actually paid to you from the **Plan**. However, Roth contributions are after-tax contributions, as described in Q & A 3 and 4.

Whenever you receive a distribution from your **Plan**, other than certain distributions of your Roth contributions (see Q & A 3), the distribution will normally be subject to income taxes. You may, however, be able to reduce or defer the tax due on your distribution.

Special Tax Rules: Federal law requires that the **Plan Administrator** provide anyone who receives a distribution from a retirement plan with a written explanation of the rules regarding the taxation of those distributions. The **Plan Administrator** will provide you with a written explanation of those rules when you receive benefit payments from the **Plan**.

The Internal Revenue Code provides several complex rules relating to the taxation of the amounts you may receive in a distribution. YOU SHOULD PROMPTLY CONSULT A TAX ADVISOR IN DECIDING WHAT YOU SHOULD DO WITH RESPECT TO ANY DISTRIBUTION.

I. AUXILIARY FEATURES

Q21 CAN I MAKE ROLLOVER CONTRIBUTIONS TO THE PLAN?

A21 The **Plan Administrator** may allow you to roll over to this **Plan** all or a portion of a distribution you have received from another qualified employer plan. However, the rollover of these amounts is subject to a complex set of rules and, therefore, you should consult with the **Plan Administrator** prior to making a rollover contribution to this **Plan**.

If you do make a rollover, the transferred money will be credited to a separate account established for you by the **Plan Administrator**. You will always be 100% vested in your "rollover account," but this amount will be affected by any gains or losses attributable to investment performance.

Q22 AM I ALLOWED TO BORROW FROM THE PLAN?

A22 Yes, subject to the terms of the applicable annuity contract or custodial account agreement, the **Plan Administrator** will allow members to borrow money from their accounts. The Loan Program which follows is a general overview of the **Plan's** rules regarding loans.

Eligibility: Loans are available only to **Plan** members who are active employees of the **Plan** sponsor.

Authorized Position/Person to administer loan program: **Plan Administrator**

Application Procedure: The member completes a loan application. If the application is approved, the member must sign a promissory note and obtain his/her spouse's written consent if applicable. The member must agree to bear the administrative expense of processing the loan.

Loan Approval Basis: All loan applications that meet all the following requirements shall be approved. Only one outstanding loan is permitted at any one time. However, the administrator shall refuse to grant loans to members who indicate intent to not repay the obligation in accordance with its proposed terms and/or to members who have other loans from the **Plan** which are in default, unless the administrator determines that renegotiation of defaulted loans is the best method for securing repayment.

Types of Loans Available: Fixed rate loans for a maximum term of 5 years. The interest rate shall be equal to regional bank rates for similar loans or such other reasonable rate as may be required under the applicable annuity contract or custodial account. The term of a loan to be used to acquire a member's principal residence may extend to 15 years.

Minimum/Maximum Loan Amount: The minimum loan is \$1,000. A member's loan cannot exceed the lesser of: (1) \$50,000, which amount is reduced by the highest outstanding balance of loans, if any, during the preceding 12-month period over the current outstanding balance of loans; or (2) 50% of the member's vested interest.

Loans may be taken only from pre-tax savings, Roth and rollover contributions that are invested with Voya. Unless the investment vehicle provides otherwise, loans will be taken from Roth only after the other available sources.

Loans from all plans of the sponsoring **Employer** are combined to determine the maximum available loan.

Loan Repayment: At least quarterly payments of principal and interest with level periodic payments. Loans will be repaid by payroll deduction from the borrower's wages or by such other method as may be required under the applicable annuity contract or custodial account. In the case of termination of employment, the entire outstanding loan balance shall be payable within 30 days of termination of employment.

If you take an unpaid leave of absence due to military service, your loan repayments may be suspended for a period of up to the lesser of five years or your period of military service. Please consult the **Plan Administrator** for further information.

If you take an authorized, unpaid leave of absence for other reasons, your loan repayments may be suspended for a period of up to the lesser of twelve months or the period of your authorized leave. Please consult the **Plan Administrator** for further information.

Loan Default Procedure: A loan to an actively employed member shall be considered in default at such time as the required payments are delinquent. A loan payment shall be deemed delinquent, and the loan will be in default, if the loan payment is not made by the end of the calendar quarter following the calendar quarter in which the payment was due. Upon default, the loan will be treated as a taxable distribution to the member and a Form 1099-R will be distributed reflecting the entire amount of the outstanding loan as a taxable distribution. A member who has terminated employment and who fails to repay the entire outstanding loan balance within 30 days of termination shall have his/her **Plan** interest reduced by the amount of the outstanding loan.

Q24 CAN I MAKE WITHDRAWALS FROM THE PLAN WHILE I AM EMPLOYED?

A24 Hardship Withdrawals: Subject to the terms of the applicable annuity contract or custodial account agreement, if you experience severe hardship for which other personal funds are not available, the **Plan** will allow you to withdraw the amount which you need for that emergency, provided that you obtain the consent of your spouse, if applicable.

The maximum hardship withdrawal is limited to the amount in your 100% vested account consisting of pre-tax savings contributions that are invested with Voya, exclusive of earnings on such contributions.

Employer contributions and Roth contributions cannot be withdrawn on account of hardship. In addition, pre-tax savings contributions that are not invested with Voya cannot be withdrawn on account of hardship.

Hardship withdrawals will be allowed for:

- (1) Costs directly related to the purchase of your primary residence (excluding mortgage payments).
- (2) Unreimbursed medical expenses for you, your spouse or your dependent or unreimbursed expenses that are necessary so that you, your spouse or your dependent could obtain medical care.
- (3) Tuition, educational fees, and room and board expenses for the next twelve months of post-secondary education for you, your spouse or your dependent.
- (4) Amounts necessary to prevent your eviction from your primary residence or to prevent foreclosure on your primary residence.
- (5) Payments for burial or funeral expenses for your deceased parent, spouse, child or other dependent.
- (6) Expenses for the repair of damage to your primary residence that would qualify for a casualty deduction under the Internal Revenue Code.

Hardship withdrawals may not be paid back to the **Plan**. You will have to pay current income taxes on amounts you withdraw, and possibly a 10% penalty tax for withdrawals prior to age 59½. To qualify for a hardship withdrawal, you will be required to:

- (a) provide documented proof of the hardship on an application form provided by the **Plan Administrator**;
- (b) suspend your right to make pre-tax savings contributions for 6 months and possibly limit, according to IRS rules, the amount which you may contribute in the future; and
- (c) borrow the maximum amount available to you under the **Plan's** loan provisions.

In-Service Distributions

Subject to the terms of the applicable annuity contract or custodial account agreement, upon attaining age 59½, you may withdraw all or a portion of your vested account derived from pre-tax savings and Roth contributions if you are still employed by the **Employer**. To do so, you must make a written request with the **Plan Administrator** before you wish to withdraw the funds and receive the consent of your spouse, if applicable.

You may withdraw all or any portion of your account attributable to rollover contributions at any time by making a written request with the **Plan Administrator** before you wish to withdraw the funds.

J. ADMINISTRATIVE FEES AND EXPENSES

The **Employer's** administrative procedures under the **Plan** permit the payment of **Plan** expenses to be made from **Plan** assets. If the **Employer** does not pay these expenses, then expenses paid from **Plan** assets will generally be allocated among the accounts of all members of the **Plan**.

However, there are certain expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. The expenses may be paid directly from your account (and not the accounts of other **Plan** members) because they are directly related to your benefit under the **Plan**.

The expenses that are paid directly from an individual **Plan** member's account will be those expenses that are set forth on the specific investment company forms. In addition, your account may be charged for expenses to process court orders that require payment to your ex-spouse or a dependent in divorce proceedings.

The **Employer** or investment company, from time to time, may change the manner in which expenses are allocated.