

**UNIVERSITY OF CENTRAL ARKANSAS
DEFINED CONTRIBUTION RETIREMENT PLAN**

Summary Plan Description

January 1, 2021

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**PART 1: INFORMATION ABOUT THE PLAN:
ENROLLMENT, CONTRIBUTIONS, VESTING**

1. What Is the University of Central Arkansas Defined Contribution Retirement Plan?

The University of Central Arkansas Defined Contribution Retirement Plan (the “Plan”) is a Defined Contribution Plan under 403(b) Plan of the Internal Revenue Code of 1986 (“Code”). It was originally established by the Board of Trustees effective July 1, 1967. This is a summary of the plan as in existence January 1, 2021.

Pursuant to University Board policies, the President of the University of Central Arkansas has appointed a Retirement Committee, which is charged with the selection of a recordkeeper and investment alternatives. All amounts must be invested in annuities and mutual funds.

You will be provided information concerning the Vendor/Recordkeeper, including contact information, upon enrollment. You can also obtain this information from Human Resources at any time. You can also receive information about the plan, and in particular about the investments, loans and distributions under the plan, by contacting the Vendor/Recordkeeper.

The Plan operates under Section 403(b) of the Code. The Administrator of the Plan is the University of Central Arkansas. The Plan Year begins January 1 and ends December 31.

Section 403(b) of the Code permits tax deferred and Roth 403(b) contributions to an annuity contract or mutual fund held under custodian agreement.

2. Who Is Eligible To Make Voluntary Elective Employee Contributions under the Plan?

All employees are eligible to make voluntary elective employee contributions under the plan except for (1) student employees and (2) employees regularly scheduled to work fewer than 20 hours per week. However, if an employee regularly scheduled to work fewer than 20 hours per week does work 1,000 or more hours in a calendar year, the employee becomes eligible to make voluntary elective employee contributions on the following January 1. Once an employee becomes eligible to make voluntary elective contributions, the employee is always eligible to make voluntary elective contributions.

If eligible, you may begin making elective employee contributions immediately upon hire, provided you complete appropriate enrollment forms to participate in the Plan. An employee who is eligible to make voluntary elective employee contribution may do so even if such employee is not eligible for employer contributions, and even if the employee has previously elected to participate in a plan other than this plan for employer contributions (see Q & A 3).

3. Who is required to make Required Employee contributions and eligible to Participate In Employer Contributions under the Plan?

The following employees must make required employee contributions, and are eligible to participate in employer contributions under the plan:

- 12 month nonclassified, classified and faculty appointments-employees appointed on an appointment period of 10 months or more at a minimum of 75% time
- 9 month faculty appointments-faculty appointed on a 9-month appointment period at a minimum of 75% time
- Part-time faculty appointments-faculty appointed on a semester by semester appointment period if the semester appointment period is at least 75% time

All other employees are not required to make required contributions and are not eligible for employer contributions. Employees who previously elected to be covered under ATRS or APERS are not eligible for employer contributions under the Plan and are not required to make employee contributions under this Plan.

If you are eligible for Employer contributions, Required Employee contributions (see Q & A 4) and Employer contributions will begin immediately upon hire.

When you begin participation in the Plan, all contributions on your behalf will be made automatically to the funding vehicle that you've chosen.

4. What Required Employee Contributions must I make to the Plan?

An eligible employee participating in employer contributions under the Retirement Plan is required as a condition of employment to make required employee contributions of 6% of Compensation.

Required contributions are not subject to federal or state income tax, but are subject to FICA and Medicare tax, as applicable.

5. How are Voluntary Elective Contributions made to the Plan, and How Often can I make Changes to my Salary Deferral Election?

In addition to the required contributions described above, you may also elect to make voluntary elective contributions. Voluntary elective contributions may be before-tax 403(b) contributions or Roth 403(b) contribution.

Your contributions will be made to the 403(b) plan to the extent of the annual 402(g) limit (\$19,500 for 2020). These contributions may be designated by you as either before-tax contributions or Roth 403(b) contributions.

To contribute to the University of Central Arkansas Defined Contribution Retirement Plan by salary reduction, you must enter into a salary reduction agreement with the University. Under a salary reduction agreement, you agree to a reduction in salary and

the University of Central Arkansas agrees to make a contribution equal to the amount of the reduction to your Retirement Account(s).

You may enter into a salary reduction agreement at any time during the year, but only to the extent that the amount of the reduction is allowed under the Code or the amount payable to you for the remainder of the year. You may make changes to your salary deferral election under the 403(b) plan at any time before the payroll processing date, subject to reasonable notice. The total amount of contributions must not exceed the limitation established by the IRS.

6. What Is The Maximum Voluntary Elective Contribution I Can Make To The Plan?

The maximum voluntary elective contribution which can be made under a salary reduction agreement to the Section 403(b) Plan is the limit provided by the IRS. The limit for 2020 is \$19,500. These amounts may be adjusted for inflation. Required employee contributions do not count towards the voluntary elective contribution limit.

If your adjusted gross income is below certain levels, you may be eligible for a nonrefundable income tax credit of up to \$1,000 (the "Saver's Credit"). The Saver's Credit is equal to a specified percentage of your contributions to certain employer-sponsored plans and to certain IRAs. You are eligible for the credit only if you are age 18 or over, are not a full-time student, and are not claimed as a dependent on another person's tax return. The Saver's Credit is subject to other restrictions. Please consult your tax advisor for more information.

7. What Is The Special Catch-Up Elective Contribution Amount For Over-50 Employees?

Employees who will have attained at least age 50 by the end of the year may make additional voluntary elective contributions to the 403(b) Plan in an amount determined by the IRS. The additional amount is \$6,500 for 2020.

8. How do I make Roth 403(b) contributions and what are the tax consequences of Roth 403(b) contributions?

An employee may designate all or a portion of the employee's voluntary elective 403(b) contributions (up to the 402(g) annual limit) as Roth 403(b) contributions. The election is made to designate contributions as Roth 403(b) contributions on the salary reduction election form. Roth 403(b) contributions, unlike regular before-tax 403(b) contributions, are subject to federal and Arkansas income taxes when made. However, provided that distribution is made after age 59 ½, and provided that Roth 403(b) contributions were first made at least five years before distribution, distributions from the Roth 403(b) account, including earnings thereon, are not subject to federal or Arkansas income tax. Roth 403(b) contributions are allocated to a separate recordkeeping account. Designation of a contribution as a Roth 403(b) is irrevocable once the contribution is made to the account.

9. May I Make After-Tax Contributions?

No, after-tax contributions (other than Roth 403(b) contributions) may not be made to the Plan.

10. What Contributions will my Employer make to the Plan?

For employees eligible for an employer contribution to the Retirement Plan, the University will make a contribution of 10% of Compensation. All employer contributions are made on a before-tax basis.

11. What is the Definition of Plan Compensation for purposes of the Plan?

Employee and employer contributions are made on Compensation as defined in the Plan. Compensation means a Participant's W-2 compensation, plus any elective contributions to the 403(b) plan, 125 cafeteria plan, 457(b) plan, and plus any required contributions to the Plan, but not including the following:

- Terminal Vacation, Sick, Holiday and Severance Pay
- Expense reimbursements and allowances, student loan repayments, fringe benefits (cash and non-cash), moving expenses and welfare benefits
- Deferred Compensation
- Bonuses for athletic department employees

In no event will the compensation taken into account under the Plan exceed a federally mandated limit. The federally mandated limit is \$285,000 for 2020. This may be indexed for inflation.

12. Is There A Limitation On Total Contributions?

Yes. The total amount of contributions made by employee (required and voluntary elective) and employer to the 403(b) plan (not including over 50 catch-up contribution) cannot exceed 100% of your compensation (minus required and elected deductions, plus employee retirement contributions), not to exceed an annually adjusted limit. The total cannot exceed \$57,000 for 2020. Over-50 catchup contributions to the 403(b) plan do not count towards this limit.

13. Is There a Limit on Total Contributions When I Am a Participant In a Plan of Another Employer?

Yes, a limit could arise in two situations. First, if you are a participant in another 403(b) or 401(k) plan of another employer, or in the Federal Thrift Savings Plan, the total employee voluntary elective contributions to both plans for a calendar year may not exceed the limit described for the 403(b) Plan described in Q & A 6 and 7 above. If deferrals exceed that limit, you have until March 1 after the year in question to request a refund of excess deferrals. If distribution is made by April 15 after the year in question,

such amount is taxable in the year the deferral was made, but the distribution is not taxable in the year distributed. Income attributable to any excess deferral is taxable in the year distributed. If distribution is not timely made, you will owe taxes on the excess both in the year of the deferral and the year in which it is distributed.

Second, if you are a participant in a plan sponsored by a business in which you have more than a 50% ownership interest, contributions to such a plan are aggregated with contributions to the 403(b) plan for purposes of the total contributions limit described in Q & A 12. You should advise your Human Resources office if this situation exists so that appropriate adjustments may be made.

14. When Do My Benefits Become Vested?

When contributions become vested, they cannot be forfeited for any reason.

All of an employee's contributions are immediately vested. Employees become vested according to the following vesting schedule:

Years of Service	Vested %
Less than 1	0%
1	25%
2	50%
3	75%
4 Or more	100%

In any event, an employee shall be 100% vested in his account in the event of death while employed or while on military leave, Disability (as defined in Plan documents) or attainment of normal retirement age. Normal retirement age is age 65 and 5 years of participation in the plan for employees hired July 1, 2013 and later, and age 59 ½ for employees hired before July 1, 2013.

Any portion of the participant's account which is not vested upon termination will be forfeited.

For 9 month faculty employees, a year of service is a completed academic year; for all other employees, a year of service is the 12 month period beginning on date of hire, or any anniversary thereof, during which a participant is continuously employed by the employer.

If a participant terminates employment, incurs a forfeiture and is rehired: (a) Upon rehire years of service after rehire shall not be counted in determining the participant's pre-break vested balance; (b) Upon rehire, years of service before the break shall be counted in determining the participant's post-rehire vested balance (but only whole years).

15. What Happens When I Return To Work After Military Leave Of Absence?

A participant who is in qualified military service, as defined in Code §414(u)(5) and who is re-employed within the time required by law after the expiration of the participant's qualified military service, may make-up employee contributions for the period of the participant's qualified military service as defined in Code §414(u). Such make-up employee contributions may be made in either a single payment or in installments and must be made during the period beginning with the date of the participant's reemployment after his military leave equal to the lesser of (i) three times the period of his military leave and (ii) five years. As soon as reasonably practicable after any such participant make-up contributions are made, the Employer shall make the Employer Contributions to the 403(b) Plan that would have been made during the participant's military leave.

16. What is a Roth in-plan rollover and may I make one?

Effective January 1, 2020, if you have money in a fully vested non-Roth Account, you may transfer the Account balance to a Roth (after-tax) Account under the Retirement Plan, even if you are not otherwise entitled to a distribution from the Plan. If you elect to transfer to a designated Roth account in the Plan, the amount rolled over (reduced by any after-tax amounts directly rolled over) will be currently taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the in-plan rollover). Completing a Roth in-plan rollover does not permit a distribution from the Retirement Plan if a distribution would not otherwise be available. Moreover, no taxes are withheld when you complete an in-Plan Roth rollover. Thus, you must make arrangements to pay the taxes on the in-plan Roth rollover. But provided that you do not receive distribution from the designated account until after age 59 ½ and such 5-year period, the earnings on such account after the rollover are not taxed upon distribution. Please note that once made, an in-plan Roth rollover is irrevocable. To complete a Roth in-plan rollover, contact the recordkeeper/vendor.

17. Can I rollover amounts into the Plan from another employer's plan or IRA?

Yes, the plan permits a participant to rollover from another employer's qualified plan, 403(b) plan, governmental 457(b) plan or from the participant's Individual Retirement plan. You may also rollover from a Roth elective account under another employer's plan. To implement a rollover or ask questions about rollovers, contact the recordkeeper/vendor.

PART 2: INVESTMENT ALLOCATIONS AND TRANSFERS BETWEEN INVESTMENT OPTIONS

18. How do the investment options work in the Retirement Plan?

The Retirement Plan is a defined contribution plan. Upon your retirement, the retirement income you receive is dependent on the accumulated amounts in your retirement account.

Upon becoming eligible for the Retirement Plan, you select from the investment options available under the Plan. Any income, gains or losses from the choices a participant makes will be allocated to such participant's account. There is also a default investment option in the event that you do not make an investment decision. Because you select the investment options for your contributions, neither the Retirement Committee, the plan administrator nor the employer is responsible for the allocations made by a participant among the investment options. Contact the recordkeeper/vendor for questions or to change your allocation for future contributions. See the Recordkeeper/Vendor Addendum for recordkeeper/vendor contact information.

19. May I Transfer My Accumulations?

You may transfer accumulations among investment options, subject to limitations and restrictions of the recordkeeper/vendor and as limited by the specific investment option. Contact the recordkeeper/vendor for such limitations and restrictions, or to complete such a transfer.

There is generally no limitation on how often you may transfer amounts.

You may not transfer accumulations from an approved recordkeeper/vendor to a recordkeeper/vendor which is not approved to receive current contributions.

PART 3: BENEFITS

20. Do I Participate During An Approved Leave of Absence?

During a paid leave of absence, the University will continue its Plan Contributions on your behalf, and required employee contributions will continue. The Plan Contributions will be based on your salary being paid by the University during your leave of absence.

21. Can I Withdraw Any Money Prior To Termination Of Employment?

Generally, withdrawals may not be made prior to termination of employment. However, in-service withdrawals may be made under the following circumstances:

--If an employee is over age 59½ and enters into an early retirement agreement, and provided the employee is 100% vested, distribution may begin from 403(b) Employee and Employer accumulations even though the employee is still employed, and even though contributions are being made to the Plan on the employee's behalf.

--If an employee is over age 59½, the employee may receive a distribution of the employee's elective deferrals and earnings thereon, even though the employee has not separated from service with the University.

--An employee may withdraw from the employee's elective deferrals and earnings thereon in the event of a financial hardship.

- (a) The payment of medical expenses (described in Section 213(d) of the Internal Revenue Code) incurred by you, your dependent or primary beneficiary;
- (b) The purchase (excluding mortgage payments) of your principal residence;
- (c) The payment of tuition, books, fees, and room and board, for 12 months of post-secondary education for yourself, your spouse, dependent or primary beneficiary;
- (d) The need to prevent eviction from your principal residence or foreclosure on the mortgage on your principal residence;
- (e) The need to pay funeral expenses of your spouse, child, parent, dependent or primary beneficiary;
- (f) Expenses for the repair of damage to your principal residence due to fire, storm, flood, etc. that would qualify for the casualty deduction under §165 of the Code but for limitations under this Code section; or
- (g) Expenses and losses (including loss of income) incurred by you on account of a disaster declared by FEMA provided that your principal place of residence or principal place of employment at the time of the disaster was located within the disaster area declared by FEMA.

For purposes of the above, a primary beneficiary is any person who is named as a primary beneficiary (not a contingent beneficiary) to receive all or a portion of your account upon your death.

You must withdraw all amounts otherwise available to you under the Plan prior to obtaining a hardship distribution from your Employee 401(k) Account or Employee Roth 401(k) Account. The distribution is limited to the amount of the financial need, although you may withdraw an amount (up to 30% of the expense amount) to pay income taxes and penalties, if any, on the distribution.

You are NOT required to obtain all nontaxable loans available to you under the Plan before obtaining a hardship distribution. You may, of course, take a loan at your own discretion, subject to the Plan's loan policies.

If you take a hardship distribution, you may continue to make elective contributions.

In order to take a hardship distribution, you must, in such manner as determined by the Recordkeeper/Vendor, represent that you have insufficient cash or other liquid assets to satisfy such immediate financial need in order to receive a hardship distribution. The Plan Administrator may rely on such representation unless the Plan Administrator has actual knowledge to the contrary.

The Recordkeeper/Vendor administers hardship distributions; there may be a charge for processing hardship distributions which will be deducted from your Plan account.

--The Plan also permits qualified reservist distributions of elective contributions. A qualified reservist distribution is a distribution while you are serving active military duty of more than 179 days.

22. May I Take A Loan From The Plan?

Yes, a participant may borrow from 403(b) amounts contributed by the participant and accumulated earnings, subject to any limitations or requirements of the recordkeeper/vendor. Loans are not available from employer contributions and earnings on employer contributions. Loans are obtained by completing an application which may be obtained from the recordkeeper/vendor. The loan will be administered by the recordkeeper/vendor. You can obtain information concerning loans from the recordkeeper/vendors.

The minimum loan is \$1,000. The maximum aggregate loan can never exceed the lesser of (1) 50% of your vested Account; (2) your employee contributions and earnings or (3) \$50,000. The maximum loan currently available is offset by the highest loan balance outstanding during the preceding 12 months.

The maximum pay back period is five (5) years, unless the loan is used to acquire a principal residence, in which case a longer pay back period is allowed. Payments must be made at least quarterly in equal payments and are made by bank draft or check as required by the recordkeeper/vendor. Loans are not made by payroll deduction.

Effective July 1, 2020, a participant may have only two (2) outstanding loans from the Plan. A Participant with more than 2 outstanding loans at July 1, 2020, may not obtain another loan until the number of outstanding loans drops below 2.

Additional information concerning loans can be obtained from the loan policies for the plan, which are attached to this Summary.

If you are interested in a loan from the Plan, please contact the recordkeeper/vendor.

23. When Does My Retirement Income Begin?

You may begin to receive income at any time after termination of employment, or you may defer distribution until a later time. However, retirement benefits must normally begin no later than April 1 of the calendar year following the later of (1) the year in which you attain age 72 (70 ½ for participants who turned age 70½ before 12-31-2019) or (2) the year you retire.

The payment of benefits according to the above rules is extremely important. Federal tax law imposes a 50 percent excise tax on the participant for the difference between the

amount of benefits required by law to be distributed and the amount actually distributed if it is less than the required minimum amount.

You should notify the recordkeeper/vendor several months in advance of the date you plan to begin receiving income.

24. What Options Are Available For Receiving Retirement Income?

You may choose from among several types of distribution options when you retire. Available distribution options depend on the distribution options with the recordkeeper/vendor. You may begin receiving a portion of retirement accumulations at a different time than another portion of your retirement accumulation, or you may receive a portion of your retirement accumulation in a different form than another portion of your retirement accumulation. Contact the recordkeeper/vendor for the available forms of distribution.

25. What Happens If I Terminate Employment Before Retirement?

If you are “vested” you may leave your money in your retirement contracts or begin receiving distributions under any of the available distribution options with the recordkeeper/vendor, or roll your vested account to another employer’s plan or to a rollover IRA. You don’t forfeit any of the vested benefits that have already been set aside for you. If you are not vested, your accumulation attributable to the employer’s contributions are returned to the employer. Distribution may be made to you without your consent for small vested balances.

26. May I Rollover My Accumulations?

If you are entitled to receive a distribution which is an “eligible rollover distribution,” you may rollover all or a portion of it either directly or within 60 days after receipt into another 403(b) plan, 401(a) Plan, governmental 457(b) Plan or an IRA. A distribution of your Roth elective deferrals may be rolled to another employer’s plan which accepts Roth amounts, or to a Roth IRA. An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment or a payment which is part of a fixed period payment over ten or more years. The distribution will be subject to a 20 percent federal withholding tax *unless* it is rolled over directly into another eligible retirement plan -- this process is called a “direct” rollover. State withholding may also apply.

If you have the distribution paid to you, then the plan must withhold 20 percent even if you intend to roll over the money into another eligible retirement plan within 60 days. State income tax withholding may also be required. To avoid withholding, instruct the recordkeeper/vendor to directly roll over the money for you.

To determine if you qualify for an “eligible rollover distribution”, please contact the appropriate recordkeeper/vendor for additional information.

27. What If I Die Before Starting To Receive Benefits?

If you die while employed before beginning retirement benefits, the full current value of your accumulation is payable as a death benefit. You should review your beneficiary designation periodically to make sure that the person you want to receive the benefits is properly designated. You may change your beneficiary by completing the “Designation of Beneficiary” form available from the recordkeeper/vendor. If you die without having named a beneficiary, your account will be paid as provided in the investment arrangement with the Recordkeeper/Vendor.

If you die before the distribution of benefits has begun, your entire interest must normally be distributed within five years after your death. Under a special rule, death benefits may be payable over the life or life expectancy of a designated beneficiary, for a beneficiary who is the spouse, minor child or disabled adult child, and over 10 years for other designated beneficiaries. If the sole designated beneficiary is your spouse, the commencement of benefits may be deferred until you would have attained age 72 had you continued to live.

Alternatively, a spouse beneficiary may receive a lump sum distribution of your account, subject to any restrictions by the recordkeeper/vendor, and roll to a spousal IRA. A non-spouse beneficiary may roll to an inherited IRA, subject to any restrictions by the recordkeeper/vendor.

Federal tax law puts limitations on when and how beneficiaries receive their death benefits. Your vendor will notify your beneficiary of the applicable requirements at the time he or she applies for benefits.

28. How Are My Benefits Taxed?

To the extent that you make Roth 403(b) contributions and the distribution constitutes a “qualified distribution,” (generally, if distributions are made after age 59 ½ and if Roth 403(b) contributions were first made to the plan at least five years before distribution), distributions from the Roth 403(b) account, including earnings thereon, are not subject to federal or Arkansas income tax.

The rest of your retirement income (the portion that represents all investment earnings and previously untaxed contributions, including employer and any of your own contributions by salary reduction) is taxed as ordinary income when you receive it.

Additional Federal Taxation of “Early Distributions”

If you receive benefits from your 403(b) accumulation before reaching age 59½ and do not roll such distribution to an eligible retirement plan, generally you must pay an additional 10% tax on the taxable amounts, unless you meet one of the following conditions:

- You begin a lifetime annuity income option.

- You leave employment at age 55 or older and begin receiving benefits then.
- You are disabled (as defined by federal tax law).
- The payment is made to a spouse under a Qualified Domestic Relations Order (e.g., a divorce settlement).

Depending on your personal situation (for example, your age, work status, your spouse's work) taxation could seriously diminish the value of your benefits.

More information about taxes and federal withholdings is in the retirement benefits package you receive before your scheduled retirement date.

PART 4: GENERAL INFORMATION

29. How Is The Plan Administered?

The Retirement Plan is available through the University of Central Arkansas. The benefits are provided by retirement annuity contracts and custodial accounts issued by the recordkeeper/vendor. The Human Resources Department is responsible for enrolling Participants, forwarding Plan Contributions for each Participant to the recordkeeper/vendor, and performing other duties required for operating the Plan. The President of the University or the President's delegate is given authority to issue additional rules and regulations concerning plan administration. Pursuant to Board policy, the Retirement Committee appointed by the President advises the President regarding the selection of the recordkeeper/vendor and investment options within such recordkeeper vendors, and makes recommendations with respect to plan design.

30. May The Terms Of The Retirement Plan Be Changed?

While it is expected that the Plan will continue indefinitely, the Board of Trustees of the University or the President reserves the right to modify or discontinue the Plan at any time.

31. How May I Get More Information About My Accumulations in The Plan?

Requests for information concerning the Plan should be directed to the recordkeeper/vendors.

32. Assignment/Divorce.

No Participant in the Plan may assign, pledge or encumber his or her interest other than as collateral for a loan from the Plan. The Participant's benefits are not subject to legal process, levy or garnishment for the payment of any claim. However, payment can be made to a former spouse or other "alternate payee" under a qualified domestic relations order, subject to certain rules.

If you divorce from your spouse, any beneficiary in favor of your former spouse will be automatically revoked.

33. What Information Do I Regularly Receive About My Accumulations?

You will receive quarterly statements of your account from the recordkeeper/vendor, and confirmation of investment option changes, in the format as you have elected with such recordkeeper/vendor. You will also receive an annual report from the recordkeeper/vendor regarding the fees charged by the various investment options and fees applicable to the plan. The recordkeeper/vendor may periodically provide additional information.

UNIVERSITY OF CENTRAL ARKANSAS
DEFINED CONTRIBUTION RETIREMENT PLAN
PARTICIPANT LOAN POLICIES

The following outline the policies of the University of Central Arkansas Defined Contribution Retirement Plan regarding Participant loans. It is the intent of these loan policies to include certain restrictions imposed by the Recordkeeper/Vendors for the Plan; however, in the event that a restriction imposed by a Recordkeeper/Vendor is not consistent with the provisions below, to the extent such provision is a contractual or systemic restriction, the restriction of the Recordkeeper/Vendor shall control. The procedures for applying for a loan from each Recordkeeper/Vendor may be obtained by contacting such Recordkeeper/Vendor. By submitting a request for a Plan loan, the Participant is agreeing to the terms and conditions as set forth in these policies and the Recordkeeper/Vendor's restrictions.

1. Availability/Maximum Loan. Loans are available only from the participant's employee 403(b) account (including the required employee contribution account and Roth 403(b) account). Loans are not available from the participant's employer account. The maximum of all aggregated loans under the Plan is the least of:
 - (a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Plan Administrator (not taking into account any payments made during such one-year period); or
 - (b) the Participant's Employee contribution accounts (Required Employee Contributions, Before-tax Elective Contributions, Roth 403(b) Contributions (if any), After-tax (non-Roth) Contributions and Rollover Contributions) and earnings thereon.

In no event shall a Participant borrow an amount greater than 50% of the Participant's total vested account under the Plan. A Recordkeeper/Vendor might not permit loans from the Participant's Roth 403(b) account. Contact your Recordkeeper/Vendor to see if you can borrow from your Roth 403(b) Account.

2. Aggregation of Recordkeeper/Vendors. For purposes of the above limitation, and for all purposes of these loan policies, (number of loans, loans after a default, etc.) all loans from all Recordkeeper/Vendors (if more than one) under the Plan are aggregated.
3. Spousal Consent. Spousal consent is not required for participant loans.
4. Active participants. At this time, loans are not limited to active participants only. Therefore a terminated participant or a beneficiary may obtain a participant loan, subject to the policies for the plan.

5. Reason for loans. There is no limitation on the purpose for obtaining a participant loan.
6. Number of loans. Effective January 1, 2021, a participant may have only two (2) outstanding loans from the Plan. A Participant with more than 2 outstanding loans at January 1, 2021 may not obtain another loan until the number of outstanding loans drops below 2.
7. New loans while there is a loan in default. Beginning January 1, 2021, a participant may not obtain a new loan from any Recordkeeper/Vendor under the Plan if the Participant has a previous loan which is in default from any Recordkeeper/Vendor under the Plan. If a Participant had defaulted on a previous loan from any Recordkeeper/Vendor, this would prevent the Participant from obtaining another loan from any Recordkeeper/Vendor.
8. Minimum Loan. There is a minimum loan of \$1,000.
9. Term of loans. The minimum term is one year. The maximum term is 5 years, except that a loan which is used, based on documentation provided to the Recordkeeper/Vendor, for the downpayment on the Participant's primary residence may not exceed 10 years.
10. Repayment of Loans. Loans are not paid by payroll deduction. Loans are repaid from the participant directly to the applicable Recordkeeper/Vendor in such manner as proscribed by such Recordkeeper/Vendor. Loans must provide for equal periodic payments over the life of the loan, payable at least quarterly. A Participant may repay the balance of the loan at any time. Partial prepayments are accepted.
11. Recordkeeper/Vendors from which Loans may be Obtained. After October 31, 2018, loans are available only from TIAA. No new loans may be obtained from VALIC after October 31, 2018.
12. Interest Rate. A Participant should contact TIAA for the interest rate it charges on plan loans. The interest rate will not change for the life of the loan. The interest rate will be set at the time of the loan, so it is possible that it may be different than the one used for modeling of the loan.
13. Leaves of absence. If a Participant with an outstanding loan has an unpaid military leave of absence, payments will not be required during the military leave of absence. Participants are required to advise the Recordkeeper/Vendor whether they are on leave for active military duty. Upon returning from the military leave of absence, payments will recommence. The unpaid principal and accrued interest will be reamortized and payments will recommence; in no event may the payments be less than the original note payments, and in no event may the last payment be extended beyond five years from the date of the original loan, plus the period of military leave.

Example: On July 1, 2021, a participant \$25,000 to be repaid in level monthly installments of \$466.08 over five years. On July 1, 2023, the participant commences a military leave of absence which lasts for 12 months. The participant then resumes

active employment and resumes making repayments on the loan of \$487.48 per month for the duration of the loan; which may now extend to July 1, 2027.

For non-military leaves of absence, there is no extension of the time for making loan payments. The reason for this is that campuses do not advise the Recordkeeper/Vendors concerning leaves of absence, and therefore the Recordkeeper/Vendor does not know when a participant goes on non-military leave of absence.

14. Repayment upon Termination of Employment. If, at the time benefits are to be distributed (or to commence being distributed) to a Participant with respect to a severance from employment, there remains any unpaid balance of a loan hereunder, the Participant shall have the option of (1) paying such loan in full or (2) having the participant's distribution offset by the amount of the loan (which would be a taxable event) or (3) continuing payments on such loan.
15. Default. A loan will be in default if any scheduled repayment remains unpaid at the end of the calendar quarter following the calendar quarter in which the scheduled repayment was due (unless payment is not made due to a waiver of the amortization schedule for an Employee who is on a leave of absence). Upon default, a deemed distribution will occur, and a Form 1099-R will report the entire outstanding balance, including accrued interest to the date of default, as taxable. If the participant has had a distributable event under the Plan (attained age 59½, terminated, or hardship), such amount will reduce the participant's account. If no distributable event has occurred, no offset will occur until a distributable event occurs under the Plan. Even if no offset occurs, the unpaid balance must be reported as taxable. If a distributable event occurs, interest ceases to accrue. If no distributable event occurs, interest continues to accrue until a distributable event does occur. A participant may repay a defaulted loan, even after a deemed distribution has occurred, in which case the participant will receive basis for the amount paid. With a collateralized TIAA loan (any loan prior to January 1, 2021), since the loan interest rate is 2 percentage points more than the crediting rate on the loan amount, the participant will continue to incur a net interest cost even after default, until the loan is repaid or a distributable event occurs. With a non-collateralized TIAA loan (loans after December 31, 2020), since all loan payments are credited to the participant's account, this has no effect on the participant. A participant may repay a defaulted loan, even after a deemed distribution has occurred, in which case the participant will receive basis for the amount paid.
16. Loan fees. The Recordkeeper/Vendor may charge loan fees for loans, which will be charged to the Participant. These fees will be disclosed to participants both prior to taking a loan and in annual fee disclosure notices distributed to the Participants.
17. Funds from which loan is taken. For loans after December 31, 2020, loans will be deducted prorata from each of the participant's investment accounts other than TIAA Traditional. Although TIAA Traditional balances are included in the calculation of maximum loan available, TIAA Traditional balances cannot be borrowed.
18. Funds into which Payments deposited. Repayments on non-collateralized TIAA loans (loans after December 31, 2020) will be credited to the Participant's account, and will be reinvested according to the investment options for new contributions in effect

at the time the loan payment is received. Interest payments on collateralized TIAA loans (loans prior to January 1, 2021) do not go to the Participant's account; instead, such interest inures to TIAA; however, the Participant will continue to receive the credited interest rate on loan collateral invested in TIAA traditional.

19. Security for Loan. The loan will be secured with a pledge of that portion of the participant's account equal to the outstanding principal and interest on any loan, but not to exceed 50% of the participant's vested account, determined at the time the loan is made.