

**PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION**

ALTERNATIVE RETIREMENT PLAN

as amended and restated effective July 1, 2022

**PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION  
ALTERNATIVE RETIREMENT PLAN**

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**PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION**  
**ALTERNATIVE RETIREMENT PLAN**

The Pennsylvania State System of Higher Education previously established and adopted the Alternative Retirement Plan pursuant to Code Section 401(a) for the purpose of providing benefits for eligible employees and their beneficiaries effective as of July 1, 2003. The said Plan now is amended and restated in its entirety, as set forth herein, superseding all prior Plan provisions, effective as of July 1, 2022. It is intended that this Plan shall be, and remain, a governmental plan under Section 3(32) of ERISA and, therefore, shall be exempt from Title I of ERISA.

**WITNESSETH:**

**WHEREAS**, the Pennsylvania State Employees' Retirement Code, as amended by Act 35 (2001), authorizes the establishment of an alternative retirement plan for the benefit of the Employer's eligible employees; and

**WHEREAS**, the Pennsylvania State System of Higher Education previously established an alternative defined contribution plan pursuant to Code Section 401(a) for those Employees who now or may hereafter qualify for participation therein and now desires to amend and restate such plan; and

**WHEREAS**, the Pennsylvania State System of Higher Education Employer is authorized to adopt such amended and restated plan.

**NOW, THEREFORE**, in consideration of the premises, it is agreed as follows:

## ARTICLE I

### Definitions

- 1.1. **Account** or **Accounts** shall mean a Participant's Employer Contribution Account, a Participant's Mandatory Employee Contribution Account, and/or such other accounts as may be established by the Plan Administrator.
- 1.2. **Administrator** shall mean the Plan Administrator.
- 1.3. **Anniversary Date** shall mean the last day of each Plan Year.
- 1.4. **Annual Additions** shall have the meaning set forth in Code Section 415(c)(2) and shall include, for any Limitation Year, the sum of
  - (a) the amount of Employer Contributions allocated to the Participant during any Limitation Year under this Plan and any qualified defined contribution plan maintained by the Employer;
  - (b) the amount of the Participant's Mandatory Employee Contributions to this Plan and any qualified defined contribution plan maintained by the Employer, and
  - (c) any forfeitures allocated to the Participant under any qualified defined contribution plan maintained by the Employer.
- 1.5. **Annuity Starting Date** shall mean, with respect to any Participant, the first day of the first period for which an amount is paid as an annuity, or, in the case of a benefit not payable in the form of an annuity, the first day on which the Participant becomes entitled to benefits.
- 1.6. **Benefit-eligible Employee**: a permanent, full-time employee (including temporary, full-time faculty with at least an academic year contract) or a permanent, part-time employee (including temporary, part-time faculty with at least an academic year contract) who is scheduled to work every pay period for at least 50% of full-time.
- 1.7. **Code** shall mean the Internal Revenue Code of 1986, as amended, or any successor statute. Reference to a specific section of the Code shall include a reference to any successor provision.
- 1.8. **Compensation** shall have the same meaning as "Compensation" as defined in Section 5102 of Title 71 of Pennsylvania Consolidated Statutes Annotated (71 Pa.C.S.A. § 5102) relating to the State Employees' Retirement System of Pennsylvania. No Compensation in excess of the limit under Code Section 401(a)(17) (adjusted under such regulations as may be issued by the Secretary of the Treasury) shall be taken into account for any Employee. If a Plan Year consists of fewer than 12 months, the said Code Section 401(a)(17) Compensation limit will

be multiplied by a fraction, the numerator of which is the number of months in the Plan Year, and the denominator of which is 12.

- 1.9. **Effective Date** of this Plan, as amended and restated, shall be July 1, 2022.
- 1.10. **Employee** shall mean an individual actively employed by the Employer.
- 1.11. **Employer** shall mean the Pennsylvania State System of Higher Education, an instrumentality of the Commonwealth of Pennsylvania.
- 1.12. **Employer Contributions** shall mean contributions made by the Employer to the Plan pursuant to Article V.
- 1.13. **Employer Contribution Account** shall mean an account established pursuant to Section 6.2 and to which Employer Contributions made pursuant to Article V are credited.
- 1.14. **Group Annuity Contract** shall mean an arrangement entered into by the Employer with an Insurer under which assets of this Plan are held and which is treated as a qualified trust pursuant to Code Section 401(f).
- 1.15. **Insurer** shall mean an insurance company which is qualified to do business in the Commonwealth of Pennsylvania and with which the Employer has entered into a Group Annuity Contract.
- 1.16. **Limitation Year** shall mean the 12-month period commencing on July 1 and ending on the subsequent June 30.
- 1.17. **Mandatory Employee Contribution Account** shall mean an account established pursuant to Section 6.2 and to which Mandatory Employee Contributions made pursuant to Article V are credited.
- 1.18. **Non-Benefit-eligible Temporary Employee** shall mean a Temporary Employee who is not eligible for benefits under the Plan.
- 1.19. **Normal Retirement Age** shall mean age 60.
- 1.20. **Participant** shall mean each eligible Employee of the Employer who has elected to become a Participant under the Plan, as well as each former Employee of the Employer who became a Participant under the Plan and for whom an Account is held under the Plan.
- 1.21. **Permanent Employee**: An employee who is hired with the expectation of being in an active pay status for more than 12 consecutive months or who is hired with the expectation of being in an active pay status from 9 to 12 consecutive months inclusive and with the expectation of working on an annually recurring basis. The use of this term does not change or alter in any way the at-will employment relationship between the Employer and its employees.

- 1.22. **Plan** shall mean this Alternative Retirement Plan, as herein set forth, and as may be amended from time to time.
- 1.23. **Plan Administrator** shall mean the Employer or the person or persons appointed by the Employer to serve as Plan Administrator. In addition, Plan Administrator shall mean each Insurer, person or entity, designated by the Employer, to whom the Employer has delegated discretionary authority with respect to the management and administration of the Plan, pursuant to Article III, but only to the extent of such delegation.
- 1.24. **Plan Year** shall mean the 12-month period commencing on July 1 and ending on the subsequent June 30.
- 1.25. **Section 415 Compensation** shall mean all of the Participant's wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer but shall exclude (a) Employer contributions to a plan of deferred compensation which are not includable in the Participant's gross income for the taxable year in which contributed, Employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the Participant, or any distributions from a plan of deferred compensation; (b) other amounts which received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity described in Code Section 403(b), whether or not the amounts are actually excludable from the Participant's gross income, and (c) contributions for medical benefits (within the meaning of Code Section 419(f)(2)) after separation from service which are treated as annual additions under Code Section 415(1)(1) or 419A(d)(2). A Participant's compensation shall include any elective deferral, as defined in Code Section 402(g)(3), and any amount which is contributed or deferred by the Employer at the election of the participant and which is not includable in the Participant's gross income by reason of Code Section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457.

In general, amounts paid after severance from employment are excluded from compensation. For this purpose, "severance amounts" are amounts paid after severance from employment (a) except to the extent that such amounts are regular compensation for services during the Participant's regular working hours or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments and would have been paid to the Participant prior to a severance from employment, if the Participant had continued in employment with the Employer, and (b) provided that such amounts are paid by the later of (1) 2-1/2 months after severance from employment with the Employer, or (2) the end of the limitation year that includes the date of severance from employment with the Employer. Any post-severance payment not expressly included in compensation, as provided herein, are excluded from compensation, even if paid within 2-1/2 months after the Participant's severance from employment with the Employer or by the end of the

Limitation Year that includes the date of the Participant's severance from employment with the Employer.

Effective for Plan Years beginning on or after January 1, 2009, any Differential Wage Payment made by the Employer to a Participant performing qualified military service shall be treated as Code Section 415 Compensation (but not as Compensation, as defined in Section 1.7). A Differential Wage Payment shall mean any payment made by the Employer to an individual performing uniformed service while on active duty of more than 30 days and which represents all or a portion of the wages the individual would have received if the individual had been performing services for the Employer.

- 1.26. **Temporary Employee**: A non-permanent employee who is hired with the expectation of being in an active pay status for less than 12 consecutive months without the expectation of working on an annually recurring basis or who is hired with the expectation of being in an active pay status for less than 9 consecutive months on an annually recurring basis. The use of this term does not change or alter in any way the at-will employment relationship between the Employer and its employees.
- 1.27. **Trust** shall mean the trust established by a Trust Agreement to which the Employer is a party and in which plan assets are held.
- 1.28. **Trust Agreement** shall mean the agreement providing for the Trust Fund as it may be amended from time to time.
- 1.29. **Trust Fund** shall mean any trust fund established under a Trust Agreement and in which plan assets are held.
- 1.30. **Trustee** shall mean the individual, individuals, or entity designated as trustee under a Trust Agreement.
- 1.31. **Valuation Date** shall mean each Anniversary Date and such other date or dates each year as may be selected by the Plan Administrator, including daily Valuation Dates.
- 1.32. **Valuation Period** shall mean the period beginning with the first day after a Valuation Date and ending with the next Valuation Date; provided, however, that the first Valuation Period shall begin on the initial Effective Date of the Plan.

## ARTICLE II

### **Establishment of the Plan**

2.1. **Exclusive Benefit.** This Plan is created and maintained for the sole purpose of providing benefits to the Participants and their beneficiaries. Except as otherwise permitted by law, in no event shall any part of the principal or income of the Plan be paid to, or reinvested in, the Employer or be used for or diverted to any purpose whatsoever other than for the exclusive benefit of the Participants and their beneficiaries.

2.2. **Mistake of Fact.** Notwithstanding the foregoing provisions of Section 2.1, any contribution made by the Employer to this Plan by a mistake of fact may be returned to the Employer within one year after the payment of the contribution.

2.3. **Participants' Rights.** The establishment of this Plan shall not be considered as giving any Employee, Participant, or any other person any legal or equitable right against the Employer, any Insurer, or any Trustee, or the principal or the income of the Plan, except to the extent otherwise provided by law. This Plan shall neither confer upon any Participant or other Employee any right of employment nor interfere with the right of the Employer to discharge any Participant or other Employee.

2.4. **Qualified Plan.** This Plan is intended to constitute an employee pension plan and to qualify under the Code as a tax-qualified governmental plan, and the provisions of this Plan are to be interpreted accordingly.

## ARTICLE III

### **Plan Administrator**

#### 3.1. **Administration of the Plan.**

(a) The Plan Administrator shall control and manage the operation and administration of the Plan.

(b) The Employer shall appoint a committee to assist in the administration of the Plan. Such committee shall serve at the pleasure of the Employer, which, at all times, shall retain the power to alter its membership. The members of the committee initially shall include the Vice Chancellor for Human Resources and Labor Relations, the Chief Legal Counsel, and the Vice Chancellor for Administration and Finance, as well as such members as the Employer may add, change or designate, from time to time, by name and/or position. Any appointment based on position or title shall be continuing but shall apply to the individual, if any, who holds the designated position and/or title at the applicable time.

(1) All usual and reasonable expenses of the committee may be paid in whole or part by the Employer; provided, however, that in no event shall those members of the committee who are employees of the Employer receive compensation with respect to their services as members of the committee.

(2) The committee may elect one of its members as chairman, appoint a secretary, who may or may not be a committee member, and advise any affected Insurer or Trustee of its actions in writing. The secretary shall keep a record of all meetings and forward necessary communications to the Employer and, as the case may be, to the Insurer and/or Trustee. The committee may adopt such by-laws and regulations as it deems desirable for the conduct of its affairs. All decisions of the committee shall be made by a vote of the majority, including actions taken in writing without a meeting.

(3) Recognizing that the committee and the individual members thereof are acting solely in representative capacity, such committee and members shall be indemnified by the Employer against any and all liabilities arising by reason of any act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto.

### 3.2. **Powers and Duties.**

(a) The Plan Administrator shall have complete control over the administration of the Plan, with all powers necessary to enable it to carry out its duties hereunder including, but not limited to, the power and discretion to interpret or construe this Plan and to determine all questions that may arise as to the status and rights of the Participants and others hereunder.

(b) The Plan Administrator may promulgate such policies and make such rules and regulations for the proper administration of the Plan as it deems necessary.

(c) The Plan Administrator shall have full power and authority to delegate to an Insurer such of its responsibilities as it deems appropriate, including, but not limited to, responsibility for evaluation of Domestic Relations Orders and implementation of Qualified Domestic Relations Orders in accordance with Article XI, as well as administration of participant loans in accordance with Section 8.11.

3.3. **Direction of Insurer and Trustee.** It shall be the duty of the Plan Administrator to direct the Insurer or Trustee with regard to the distribution of benefits to the Participants and others hereunder.

3.4. **Conflict in Terms.** In the event of any conflict between the terms of this Plan and any Group Annuity Contract or Trust Agreement, the terms of this Plan shall control; in the event of any conflict between the terms of this Plan document, the Group Annuity Contract or Trust Agreement and the terms, as set forth in any explanatory booklet or other description, the terms of this Plan document, the Group Annuity Contract or Trust Agreement, as the case may be, shall control.

3.5. **Final Authority.** Except to the extent otherwise required by law, the decision of the Plan Administrator as to matters within its jurisdiction shall be final, binding and conclusive upon each Employee, Participant, beneficiary and other interested or concerned person or party.

3.6. **Appointment of Advisors.** The Plan Administrator may retain such accountants, legal counsel, administrators, investment advisors, and/or other specialists it deems necessary and desirable in connection with the operation and administration of this Plan.

### 3.7. **Payment of Administrative Expenses.**

(a) The Employer, at its discretion, may pay all or any part of the reasonable expenses incurred in the administration of the Plan, but shall not be obligated to do so; provided, however, that no such payment by the Employer shall be deemed to be a contribution to this Plan. To the extent not paid by the Employer, such administrative expenses shall be paid or reimbursed from the plan assets held in any Group Annuity Contract or Trust Fund and may be charged to individual accounts on a pro-rata or per capita basis. Subject to any restrictions imposed by law, the Trustee may advance such expenses and accept corresponding reimbursement from the Employer. Expenses shall include any compensation due to the Insurer, Trustee, or any investment manager, the expenses incurred by the Plan Administrator in discharging its duties, all income or other taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of any Group Annuity Contract or Trust Agreement, any interest that may be payable with respect to any loan taken by the Insurer or Trustee for purposes of the plan, and other expenses incident to the administration of the Plan, including, but not limited to, fees of accountants, actuaries, legal counsel, third party administrators, and other advisors or specialists.

(b) Subject to any restrictions imposed by law, expenses unique to, or specifically related to, a Participant, Beneficiary, putative Beneficiary, Alternate Payee or putative Alternative Payee may be charged solely to the individual account or interest of that Participant, Beneficiary or Alternate Payee, or, to the extent the Plan Administrator deems appropriate, may be charged and paid by the Participant, Beneficiary or Alternate Payee outside of the Plan, provided that such expenses are assessed in a uniform and nondiscriminatory manner.

(c) Notwithstanding anything contained herein to the contrary, no excise tax or other liability imposed upon any Insurer or Trustee, the Plan Administrator, or any other person for failure to comply with the provisions of any federal law shall be paid or reimbursed from the assets of the Plan.

(d) For its services, any Insurer or any corporate or institutional Trustee shall be entitled to receive reasonable compensation, payable by the Plan, in accordance with its rate schedule in effect from time to time.

### 3.8. **Designation and Delegation of Administrative Authority.**

(a) The Employer, as Plan Administrator, by written instrument, may designate any Insurer or other person or entity to exercise discretionary authority with respect to the administration of the Plan and allocate to such Insurer, person or entity the responsibility of exercising such administrative authority. The instrument of delegation shall delineate the scope of the authority and responsibility assigned and shall be signed by both the Employer and by the Insurer, person or entity to whom the authority is delegated. The instrument further shall include an acknowledgement that the Insurer, person or entity to whom the authority is delegated has read and understands the Plan documents, agrees to be bound by the terms of the Plan documents, and is fully cognizant of the extent of the authority and any associated fiduciary responsibility being assumed. Any such instrument of delegation shall be filed with the Plan, shall have the same force and effect as if an amendment thereof, and shall remain in effect until revoked by written instrument.

(b) If such a delegation or allocation of authority and responsibility is made by the Employer, and effected in accordance with the provisions of this Section 3.8, the Employer shall not be liable for any act or omission by the party to whom the authority or responsibility has been delegated, except to the extent that the delegation, or the continuance of the delegation, is in breach of the Employer's fiduciary duties.

(c) If any such delegation or allocation of authority and responsibility is made, and for so long as such delegation or allocation remains in effect, the Insurer, person or entity to whom or which the authority or responsibility is delegated shall be deemed to be the Plan Administrator with respect to the specific authority or responsibility delegated. Further, all references in the Plan or any related document to the Plan Administrator shall be deemed to refer to the Insurer, person or entity to whom or which the referenced authority or responsibility has been delegated or allocated.

3.9. **Funding Vehicle.** The Employer may establish one or more Group Annuity Contracts and/or Trust Funds pursuant to which Plan assets will be held, invested, and administered. Each Group Annuity Contract and/or Trust Agreement may be amended from time to time in the manner provided therein. Similarly, any Insurer or Trustee may be changed from time to time in the manner provided in the Group Annuity Contract or Trust Agreement.

## ARTICLE IV

### **Eligibility and Participation**

4.1. **Eligibility and Participation.** Permanent and Benefit-eligible Employees of the Employer are eligible to participate in the Plan immediately upon the commencement of employment. Non-Benefit-eligible Temporary employees who attain a change to Benefit-eligible Employee status ("Change in Employee Status"), will become eligible to participate in the Plan retroactive to the first day of attaining such status. Non-Benefit-eligible-Temporary employees not eligible for a Change in Employee Status will be eligible to participate upon the completion of 750 hours of service in a calendar year. The final determination of the rules for eligibility are based upon the rules established under the State Retirement Code as administered by the State Employees Retirement System ("SERS"). With respect to Non-Benefit-eligible Temporary Employees who become eligible to participate due to a Change in Employee Status, contributions shall commence retroactive to the first day of attaining such status. With respect to Non-Benefit-eligible Temporary Employees who become eligible to participate upon meeting the completion of 750 hours of service in a calendar year, such employee's contributions shall commence retroactively to the first day of the calendar year in which the temporary employee's eligibility date occurs. Notwithstanding the foregoing, no Employee who is or becomes an active participant in the State Employees Retirement System shall be eligible for participation, or continued participation, in the Plan. Furthermore, no Employee who is an active participant in the Public School Employees Retirement System shall be eligible for participation in the Plan unless they are in a Benefit-eligible Employee status or upon attaining such Benefit-eligible Employee status.

4.2. **Former Employees.** A Participant who terminates employment and later is reemployed by the Employer shall resume participation as of the date of his reemployment upon completion of the appropriate enrollment forms.

4.3. **Enrollment in Plan.** To participate in the Plan, an eligible Employee must complete and return to the Employer the appropriate enrollment forms (paper or electronic) to be provided by the Employer or Plan Administrator. If an Employee does not so enroll in the Plan, he will be eligible to participate in the State Employees' Retirement System of Pennsylvania or in the Public School Employees' Retirement System of Pennsylvania but, absent an affirmative election, will become a participant in the State Employees' Retirement System of Pennsylvania, by default.

4.4. **Qualified Military Service.** Qualified Military Service shall mean service in the uniformed services of the United States performed by an individual who is entitled to reemployment rights with respect to such service in accordance with Code Section 414(u). For purposes of entitlement to death benefits in accordance with Section 7.2, a Participant who dies while performing qualified military service shall be treated as if such Participant had resumed employment immediately preceding the Participant's death and then terminated employment on account of death.

## ARTICLE V

### **Contributions to the Plan**

#### 5.1. **Method of Contributions**

(a) **Employer Contributions.** For each Plan Year, the Employer shall contribute to the Plan on behalf of each Participant, an amount equal to 9.29% of such Participant's Compensation for the Plan Year. This contribution percentage shall be adjusted automatically to reflect any changes made to the employer contribution rate under the Pennsylvania State Employees' Retirement System Code.

(b) **Mandatory Employee Contributions.**

(1) Each Participant shall contribute to the Plan through regular payroll withholding, an amount equal to 5% of the Participant's Compensation for each Plan Year.

(2) The Mandatory Employee Contributions made by a Participant, as provided herein, shall be designated as Employer contributions pursuant to Code Section 414(h)(2). Such designation is contingent upon the contributions being excluded from the Employees' gross income for federal income tax purposes. For all other purposes of the Plan, such contributions shall be considered mandatory employee contributions.

5.2. **Form and Timing of Contributions.** All contributions shall be made in cash and shall be deposited within the time period and manner permitted by applicable law.

5.3. **No Duty to Inquire.** Neither any Insurer nor any Trustee shall have a right or duty to inquire into the amount of any contribution made by the Employer or the method used in determining the amount of any such contribution, or to collect the same, but the Insurer or Trustee shall be accountable only for funds actually received by it.

#### 5.4. **Transfers and Rollover Contributions.**

(a) With the consent of the Plan Administrator, amounts may be transferred, within the meaning of Code Section 414(1), to this Plan for the benefit of a Participant, from any other tax qualified plan described in Code Section 401(a) or 403(a), excluding after-tax employee contributions, an annuity contract described in Code Section 403(b), or an eligible plan under Code Section 457(b), provided the plan or contract from which such funds are transferred permits the transfer to be made and provided that the transfer will not jeopardize the tax exempt status of the Plan or any Trust or create adverse tax consequences for the Employer. Prior to accepting any transfers to which this Section applies, the Plan Administrator may require an opinion of counsel that the amounts to be transferred meet the requirements of this Section. All such amounts transferred for the benefit of a Participant shall be allocated to and held with a separate account herein referred to as a Participant's Transfer/Rollover Account.

(b) With the consent of the Plan Administrator, the Plan may accept a "rollover" for the benefit of a Participant from any individual retirement account or annuity described in Code Section 408(a) or 408(b), provided that such rollover will not jeopardize the tax-exempt status of the Plan or create adverse tax consequences for the Employer. Prior to accepting any rollover to which this Section applies, the Plan Administrator may require the Participant to establish (by providing opinion of counsel or otherwise) that the amounts to be rolled over to this Plan meet the requirements of this Section. All such amounts transferred, by direct rollover, for the benefit of a Participant shall be allocated to and held with a separate account herein referred to as a Participant's Transfer/Rollover Account.

(c) Amounts in a Participant's Transfer/Rollover Account shall be held by the Trustee or Insurer pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the Participant, in whole or in part, except as provided in paragraph (d) of this Section. The Trustee or Insurer shall have no duty or responsibility to inquire as to the propriety of the transfer or to conduct any due diligence, prior to such transfer, with respect to such assets.

(d) The Plan Administrator, at the election of the Participant, shall direct the Trustee or Insurer to distribute all or a portion of the amount credited to the Participant's Transfer/Rollover Account, in a manner which is consistent with, and which satisfies the provisions of Articles VII and VIII of this Plan.

## ARTICLE VI

### **Participant Accounts and Allocations**

6.1. **Investments of Accounts.** Pursuant to Article IX, the assets of the Plan shall be invested in one or more Group Annuity Contracts and/or one or more Trust Funds, as determined by the Employer, in which each Participant shall have an undivided interest to the extent of the account balance held for his benefit. Contributions may be allocated by each Participant among Insurers and/or Trustees in whole-number percentages. A Participant may change his or her allocation of Plan contributions among Insurers and/or Trustees no more frequently than twice in any calendar year. Allocations of the existing account balance of a Participant or of contributions made for the benefit of that Participant as between and among investment options offered by an Insurer or Trustee shall be made in accordance with the rules established by that Insurer or Trustee.

6.2. **Establishment of Accounts.** The Plan Administrator shall establish and maintain with respect to each Participant an account, designated as the Employer Contribution Account or Mandatory Employee Contribution Account, based upon the type of contributions being used to fund this Plan, that shall reflect the Participant's interest in each Group Annuity Contract or Trust Fund with respect to contributions made by the Employer. The Plan Administrator may establish such additional accounts as may be necessary to reflect a Participant's interest in the Group Annuity Contract or Trust Fund.

6.3. **Interests of Participants.** The interest of a Participant in any Group Annuity Contract or Trust Fund shall be based upon the value of the Employer Contribution Account or Mandatory Employee Contribution Account at the time of retirement, other separation from service, or at any other point in time, after making the adjustments required in Section 6.4. Participants shall be fully vested and have a non-forfeitable interest in their respective Accounts at all times.

6.4. **Adjustments to Accounts.** Subject to the provisions of Section 6.5, a Participant's Account shall be adjusted from time to time as follows:

(a) As of each Valuation Date, each of a Participant's Accounts shall be credited or charged, as the case may be, with a share of the earnings of each applicable Group Annuity Contract or Trust Fund for the Valuation Period ending with such current Valuation Date as follows:

(1) As of each Valuation Date, the portion of the Participant's Accounts shall be credited or charged, as the case may be, with the earnings attributable to the Participant's interest in the Group Annuity Contract or Trust Fund for the Valuation Period ending with such current Valuation Date.

(2) As of each Valuation Date that is the last day of the Plan Year, or at such other times as determined by the Employer, the Employer Contribution Account of a Participant shall be credited with his share of the contribution made by the Employer with respect to the Plan Year ending with such Valuation Date. A Participant's share of the amount of the contribution for the Plan Year shall be determined pursuant to the provisions of Article V.

(b) As of each Valuation Date, each Account of a Participant shall be charged with the amount of any distribution made to the Participant or his beneficiary from such Account during the Valuation Period ending with such Valuation Date.

(c) For purposes of all computations required by this Article VI, the cash method of accounting shall be used, and each Group Annuity Contract or Trust Fund and the assets thereof shall be valued at their fair market value as of each Valuation Date.

(d) The Plan Administrator may adopt such additional accounting procedures as are necessary to accurately reflect each Participant's interest in each Group Annuity Contract or Trust Fund, which procedures shall be effective upon approval by the Employer. All such procedures shall be applied in a consistent and nondiscriminatory manner.

(e) Accounts shall be maintained and administered in accordance with rules established by each applicable Insurer and/or Trustee.

6.5. **Limitation on Allocation of Contributions.** Notwithstanding anything contained in this Plan to the contrary, the aggregate Annual Additions to a Participant's Accounts under this Plan and under any other qualified defined contribution plans maintained by the Employer for any Limitation Year shall not exceed the lesser of \$40,000 (as adjusted under Code Section 415(d)) or 100% of the Participant's Section 415 Compensation.

## ARTICLE VII

### **Benefits Under the Plan**

#### 7.1. **Retirement and Termination Benefit.**

(a) Every Participant may terminate employment with the Employer and retire for the purposes hereof on or after attaining Normal Retirement Age. However, a Participant may postpone retirement and termination of employment with the Employer until a later date, in which event participation in the Plan shall continue until the Participant's actual retirement and termination of employment. A Participant shall be entitled to a benefit under the Plan upon such Participant's termination of employment.

(b) Upon the termination of employment of a Participant, for retirement or any other reason, such Participant shall be entitled to receive, at the time and in the manner described in Article VIII, a benefit in an amount equal to 100% of the balance in his Accounts as of the Valuation Date concurring with or preceding the date of his termination, plus the amount of any contributions allocated subsequent to such Valuation Date.

(c) Until such time as a Participant receives full distribution of his Accounts from the Plan, he shall be treated in all respects as a Participant.

7.2. **Death Benefit.** In the event of the death of a Participant, the Participant's beneficiary shall be entitled to receive, at the time and in the manner described in Article VIII, a death Benefit in an amount equal to 100% of the balance in the Participant's Accounts as of the Valuation Date concurring with or preceding the date of death, plus the amount of any contributions allocated subsequent to such Valuation Date.

7.3. **Designation of Beneficiary.** Each Participant may designate one or more primary or contingent beneficiaries to whom his benefits are to be paid in the event the Participant should die prior to receiving such benefits. Such designation shall be made in writing and shall be filed with the Plan Administrator. In the event a Participant fails to designate a beneficiary, Participant's spouse shall automatically be deemed to be a beneficiary under the Plan. In the event a Participant's spouse is designated as a beneficiary, such designation shall become null and void upon the entry of a decree in divorce by a court of competent jurisdiction, absent an order of court or a signed, written agreement between the parties to the contrary. If, at the time of the Participant's death, no such beneficiary is living, or if the Participant has failed to designate one and the Participant has no surviving spouse, the Trustee shall pay the benefits to the legal representative of the Participant's estate.

## ARTICLE VIII

### **Form and Payment of Benefits**

#### 8.1. **Timing of Distribution.**

(a) Except as otherwise provided in this Article VIII, the benefit to which a Participant is entitled under Sections 7.1 and 7.2 shall be paid as soon as practicable following the Participant's termination of employment. Notwithstanding the foregoing a Participant may elect to defer distribution until a later date by a written election made pursuant to such procedures as the Plan Administrator may adopt, provided, however, that distribution to a Participant, in all events, shall commence not later than April 1 of the year immediately following the calendar year in which the Participant reaches age 72 or, if later, April 1 of the year immediately following the calendar year in which the Participant retires, which shall be the Participant's required beginning date. In the case of a death benefit, the distribution of such benefits shall commence as set forth in paragraph 8.3(b).

(b) The Participant must be informed of the right to defer receipt of the distribution. Failure of a Participant to consent to distribution shall be deemed to be an election to defer the commencement of payment of any benefit. However, any election to defer the receipt of benefits shall not apply with respect to distributions which are required under Section 8.1(a) or 8.3.

(c) Any such distribution may commence less than thirty (30) days, after the notice required under Regulation 1.411(a)-11(c) is given, provided that: (1) the Administrator clearly informs the Participant that the Participant has a right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and (2) the Participant, after receiving the notice, affirmatively elects a distribution.

#### 8.2. **Manner of Payment.**

(a) The Plan Administrator, pursuant to the election of the Participant, shall direct the Trustee or Insurer to pay benefits to a Participant in a single lump sum cash payment or in one of the following optional forms, as selected by the Participant and as may be made available by the applicable Insurer or Trustee:

- (1) An immediate annuity for the life of the Participant only;
- (2) An immediate life annuity for the Participant with a survivor annuity for the life of the Participant's Designated Beneficiary;
- (3) An immediate annuity for the life of the Participant with payments guaranteed for a designated period of not less than 2 nor more than 30 years, or
- (4) Approximately equal annual installments over a designated period of years not to exceed the joint life expectancies of the Participant and the Participant's Designated Beneficiary on the date of payment of the first installment.

(b) Notice of the right to distribution and the available forms of distribution specified under this paragraph shall be provided no less than thirty (30) days and no more than one hundred eighty (180) days before the Annuity Starting Date.

(c) In the event a Participant dies prior to receiving his benefits, his Beneficiary (or all multiple Beneficiaries) may elect to receive the balance due in any form of benefit provided in Section 8.2(a). Such election must be made in writing and must be made prior to the date for the first post-death payment to such Beneficiary or Beneficiaries.

### **8.3. Commencement of Distributions.**

(a) Distribution of the Participant's entire interest will be made or commenced no later than the Participant's required beginning date described in Section 8.1(a).

(b) If the Participant dies before distributions begin, distribution of the Participant's entire interest will be made or commenced as follows:

(1) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 72, if later.

(2) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died and, the amount payable to each beneficiary will be distributed, at the election of that beneficiary, either (A) by December 31 of the calendar year containing the fifth anniversary of the Participant's death or (B) over the life of such beneficiary or over a period not extending beyond the life expectancy of such beneficiary.

(3) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(4) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 8.3, other than Section 8.3(b)(1), will apply as if the surviving spouse were the Participant.

For purposes of this Section 8.3(b), unless Section 8.3(b)(4) applies, distributions are considered to begin on the Participant's required beginning date (or, if Section 8.3(b)(4) applies, distributions are considered to begin to the surviving spouse under Section 8.3(b)(1)). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under section 8.3(b)(1)), the date distributions are considered to begin is the date distributions actually commence.

(c) Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 8.4, 8.5, 8.6 and 8.7. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury regulations.

#### **8.4. General Rules.**

(a) **Effective Date.** The provisions of this Article will apply for purposes of determining required minimum distributions.

(b) **Precedence.** The requirements of this Article will take precedence over any inconsistent provisions of the Plan.

(c) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Article will be determined and remain in accordance with the Treasury regulations under Section 401(a)(9) of the Internal Revenue Code.

(d) **Forms of Distribution.** Unless the Participant's interest is distributed in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 8.5 and 8.6 of this Article.

#### **8.5. Required Minimum Distributions During Participant's Lifetime.**

(a) **Amount of Required Minimum Distribution for Each Distribution Calendar Year.** During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(1) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Code Section 1.401(a)(9) 9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(2) if the Participant's sole Designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9) 9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(b) **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.** Required minimum distributions will be determined under this Section 8.5 beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

#### **8.6 Required Minimum Distributions After Participant's Death.**

(a) **Death on or After Date Distributions Begin.**

(1) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's Designated Beneficiary, determined as follows:

a) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

b) If the Participant's surviving spouse is the Participant sole Designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

c) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(2) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(b) Death Before Date Distributions Begin.

(1) Participant Survived by Designated Beneficiary. Except as provided otherwise herein, if the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's Designated Beneficiary, determined as provided in Section 8.4(a).

(2) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(3) Death of Surviving Spouse Before Distributions to Surviving Spouse are Required to Begin. If the Participant dies before the date distributions begin, the

Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 8.2(b)(1), this Section 8.6(b) will apply as if the surviving spouse were the Participant.

**8.7. Extended 2009 Required Minimum Distributions.** Notwithstanding the Plan's required minimum distribution provisions as in effect prior to the effective date of this amendment, in accordance with Code Section 401(a)(9) a Participant or beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Section 401(a)(9)(H) of the Code ("2009 RMDs") and who would have satisfied those requirements by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the participant, joint lives (or joint life expectancy) of the participant and the participant's Designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs") will receive those distributions for 2009 unless the Participant or beneficiary chooses not to receive such distributions. Participants and beneficiaries described in the preceding sentence will be given an opportunity to stop receiving the distributions described in the preceding sentence. In addition, notwithstanding anything to the contrary in the Plan, a direct rollover will be available for such distributions to the extent allowed by applicable law.

**8.8. Definitions.**

(a) Beneficiaries means anyone who is eligible for a distribution and is not a Designated Beneficiary.

(b) Designated Beneficiary. The individual who is designated as the beneficiary under Section 7.3, subject to Section 8.2 of the Plan and is the Designated Beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9) 1, Q&A 4, of the Treasury regulations.

(c) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 8.2(a). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(d) Life expectancy. Life expectancy as computed by use of the Single Life Table in Code Section 1.401(a)(9) 9 of the Treasury regulations.

(e) Participant's account balance. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased

by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(f) Required beginning date. April 1st of the year following the later of the year Participant turns 72 or the year the Participant retires.

8.9. **Periodic Adjustments.** To the extent the balance of a Participant's Accounts has not been distributed and remains in the Plan, and notwithstanding anything contained in the Plan to the contrary, the value of such remaining balance shall share in allocations of the income (or loss) under the Group Annuity Contract or Trust Fund pursuant to the provisions of Article VI.

8.10. **Location of Participant or Beneficiary Unknown.** In the event that all, or any portion of the benefit payable to a Participant or his beneficiary hereunder shall remain unpaid after five Plan Years solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address and after making all other reasonable efforts to ascertain the whereabouts of such Participant or his beneficiary, the amount so distributable shall be treated as a forfeiture. In the event a Participant or beneficiary of such Participant is located subsequent to his benefit being reallocated, such benefit shall be restored by an additional contribution by the Employer.

8.11. **Direct Rollovers.**

(a) Notwithstanding any provisions of the Plan to the contrary that otherwise would limit a distributee's election under this Section 8.11, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) For purposes of applying this Section 8.10, the following terms shall have the following meanings:

(1) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's Designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9), and the portion of any distribution that is not included in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(2) An "eligible retirement plan" is an individual retirement account described in Code Section 408(a) or, with respect to distributions made after December 31, 2007, a Roth individual retirement account described in Code Section 408A, an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a

qualified trust described in Code Section 401(a), that accepts the distributee's eligible rollover distribution. An eligible retirement plan also shall mean an annuity contract described in Code Section 403(b) and an eligible plan under Code Section 457(b) which is maintained by a state and which agrees to separately account for amounts transferred into such plan from this Plan.

(3) A "distributee" includes an Employee or former Employee. In addition, the surviving spouse of the Employee or former Employee and the former spouse of the Employee or former Employee who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse. Further, any other individual who is the Designated Beneficiary, as defined in Code Section 401(a)(9)(E), of the Employee or former Employee is a distributee; provided, however, that with respect to such a non-spouse beneficiary, an eligible retirement plan, as defined above, is limited to an individual retirement account described in Code Section 408(a) or Code Section 408A or an individual retirement annuity described on Code Section 408(b) established for such purpose.

(4) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

8.12. **Loans to Participants.** The Plan Administrator, in its discretion, may make loans to Participants, provided that loans shall be made available to all Participants on a reasonably equivalent basis; loans shall bear a reasonable rate of interest; loans shall be adequately secured; and loans shall provide for periodic repayment over a reasonable period of time.

(a) Loans made pursuant to this Section (when added to the outstanding balance of all other loans made by the Plan to the Participant from any plan maintained by the Employer) may, in accordance with a uniform and nondiscriminatory policy established by the Plan Administrator, be limited to the lesser of:

(1) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans from the Plan to the Participant during the one year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan to the Participant on the date on which such loan was made, or

(2) 1/2 of the Participant's account balance under Plan.

(b) Loans shall provide for level amortization with payments to be made not less frequently than quarterly over a period not to exceed 5 years. However, a loan secured to acquire any dwelling unit which, within a reasonable time (determined at the time the loan is made), will be used as a "principal residence" of the Participant may provide for periodic repayment over a reasonable period of time in excess of 5 years. For this purpose, a "principal residence" shall be defined as in under Code Section 1034. Loan repayments may be suspended under this Plans during a leave of absence for qualified military service as permitted under Code Section 414(u)(4).

(c) The processing of each loan application and the administration of each loan shall be in accordance with the provisions of the written Loan Policy, if any, adopted by the

Employer. Such Loan Policy, when properly executed, shall be incorporated by reference and made a part of the Plan. Furthermore, such Loan Policy may be modified or amended in writing from time to time without the necessity of amending this Section.

(d) Notwithstanding anything in this Plan to the contrary, if a Participant defaults on a loan made pursuant to this Section, then the loan default will be a distributable event only to the extent permitted by the Code and the Regulations thereunder.

(e) For Plan Years covering 2009 through 2018, with respect to loans made from a Participant's TIAA account, there is no limit to the number of outstanding loans a Participant may have at one time. Commencing in Plan Year 2019, the number of loans a Participant may have outstanding at any time shall be governed by the Employer's Loan Policy.

### 8.13 **Limited In-Service Withdrawal Election.**

(a) Effective May 15, 2019, an Eligible Faculty Participant (as defined in this Section 8.13) shall be eligible to elect to withdraw, prior to termination of employment, in a form permitted under Section 8.2, a portion of his or her Account in the manner described in this Section 8.13.

(b) "Eligible Faculty Participant" shall mean a regular full-time faculty member who has entered into an approved "Phased Retirement Arrangement" (as defined below) and who has met (or will, by the end date of the Phased Retirement Arrangement, meet the age requirement for) the majority paid annuitant healthcare eligibility under the collective bargaining agreement between regular full-time faculty and the Employer as in effect on May 15, 2019 (the "Collective Bargaining Agreement") as follows:

- (1) age 60 with 10 Years of Service if hired prior to Fall Semester 1997,
- (2) age 60 with 15 Years of Service if hired Fall Semester 1997 to June 30, 2004,
- (3) age 60 with 20 Years of Service if hired on/after July 1, 2004, or
- (4) 25 Years of Service regardless of age.

For purposes of the preceding sentence, "Years of Service" shall be determined in the same manner as for majority paid annuitant healthcare eligibility under the Collective Bargaining Agreement.

A "Phased Retirement Arrangement" shall mean a written contract entered into between the Eligible Faculty Participant and the Employer which shall describe a current reduction in hours of employment and a definite future employment termination date.

(c) An Eligible Faculty Participant may elect to withdraw an amount equal to his or her entire Account less \$25,000 and less the amount of any outstanding loan.

(d) A withdrawal pursuant to this Section 8.13 may be obtained by filing a request in the manner authorized by the Plan Administrator at any time, provided, however, that

only two such withdrawals may be requested during each calendar year prior to termination of employment.

(e) Any such withdrawal shall only be in a form of payment permitted under Section 8.2 and will be effective as soon as practicable following the receipt and approval of such request, in accordance with the procedures established by the Plan Administrator for processing withdrawals after such request is received. The Account will be valued on the Valuation Date determined in accordance with the procedures established by the Plan Administrator for processing such request.

(f) Notwithstanding the foregoing, no withdrawal may be made by an Eligible Faculty Participant under this Section 8.13 during the period in which the Plan Administrator is making a determination as to whether a Domestic Relations Order is a Qualified Domestic Relations Order. Further, if the Plan Administrator is in receipt of a Qualified Domestic Relations Order with respect to an Eligible Faculty Participant, it may prohibit such Eligible Faculty Participant from obtaining such a withdrawal until the alternate payee's rights under such Qualified Domestic Relations Order are satisfied.

8.14. **Revised Attained Age.** The above notwithstanding, with regard to any Participant who attains age 72 after December 31, 2019, the age of 72 shall be substituted for the age 70½ as required prior to that date in Article 8.

## ARTICLE IX

### Amendment and Termination

9.1. **Restrictions on Amendment and Termination of Plan.** While the Employer intends to maintain the Plan set forth herein indefinitely, the Employer specifically reserves to itself the right, at any time and from time to time, to amend or terminate this Plan in whole or in part. In no event, however, shall any such amendment:

(a) vest in the Employer, directly or indirectly, ownership or control of any of the Plan assets;

(b) cause or permit any property held subject to the terms of any Group Annuity Contract or Trust Agreement to be diverted to purposes other than the exclusive benefit of the Participants and their beneficiaries or for the administrative expenses of the Plan Administrator and the Group Annuity Contract or Trust Fund;

(c) reduce the then vested interest of a Participant;

(d) reduce the account balance of any Participant; or

(e) increase the duties or liabilities of any Insurer or Trustee without its written consent.

9.2. **Amendment of Plan.** In order to protect both Participants and the Employer against unforeseen contingencies, the Employer reserves the right to amend this Plan at any time

and in any manner that it deems desirable, except as restricted by law and subject to the limitations recited in Section 9.1.

9.3. **Termination of Plan.** The Employer, in its sole and absolute discretion, may terminate this Plan, in part or in full, at any time. Upon complete or partial termination of the Plan, each affected Participant shall be fully vested in his entire account balance and shall be entitled to receive distribution of his account balance in accordance with the form of payment prescribed by Article VIII.

## ARTICLE X

### **Miscellaneous**

10.1. **Alienation.** Except as provided by law for loans from the Plan to a Participant and otherwise, and except as provided by the terms of a Domestic Relations Order, as defined in Article XI, which is determined in accordance with the provisions of that Article to be a Qualified Domestic Relations Order, no Participant or beneficiary shall have any right to assign, transfer, appropriate, encumber, commute, anticipate, or otherwise alienate his interest in this Plan or any payment to be made thereunder; no benefit, payment, right, or interest of a Participant or beneficiary of any kind or nature shall be subject to legal process, to levy, garnishment, or attachment for payment of any claim against the Participant or beneficiary, and no Participant or beneficiary shall have any right of any kind whatsoever with respect to any Group Annuity Contract or Trust Fund, or any estate or interest therein, other than the right to receive such distributions as are lawfully made out of the Group Annuity Contract or Trust Fund, as and when the same are due and payable under the terms of this Plan.

10.2. **Governing Law.** This Plan shall be administered, construed, and enforced according to the laws of the Commonwealth of Pennsylvania, except to the extent such laws have been expressly preempted by federal law.

10.3. **Gender.** Throughout this Plan, and whenever appropriate, the masculine gender shall be deemed to include the feminine and neuter; the singular, the plural; and vice versa.

#### 10.4. **Claims Procedures.**

(a) Claims for benefits under the Plan may be made by a Participant or a beneficiary on forms supplied by the Plan Administrator. Such claims shall be governed and considered by an Insurer pursuant to the terms of the applicable Group Annuity Contract. Written notice of the disposition of a claim shall be furnished to the claimant by the Administrator within 90 days after the application is filed with the Administrator, unless special circumstances require an extension of time for processing, in which event action shall be taken as soon as possible, but not later than 180 days after the application is filed with the Administrator; in the event that no action has been taken within such 90 or 180 day period, the claim shall be deemed to be denied for the purposes of subsection 10.4(b). In the event that the claim is denied, the denial shall be written in a manner calculated to be understood by the claimant and shall include the specific reasons for the denial, specific references to pertinent Plan provisions on which the denial is based, a description of the material information, if any, necessary for the claimant to perfect the

claim, an explanation of why such material information is necessary, and an explanation of the claim review procedure.

(b) If a claim is denied (either in the form of a written denial or by the failure of the Plan Administrator, within the required time period, to notify the claimant of the action taken), a claimant or his duly authorized representative shall have 60 days from the receipt of such denial to petition the Plan Administrator in writing for a full and fair review of the denial, during which time the claimant or his duly authorized representative shall have the right to review pertinent documents and to submit issues and comments in writing. The Plan Administrator shall review the claim promptly and shall make a decision not later than 60 days after receipt of the request for review, unless special circumstances require an extension of time for processing, in which event a decision shall be rendered as soon as possible, but not later than 120 days after the receipt of the request for review. If such an extension is required because of special circumstances, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension. The decision of the review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with reference to the Plan provisions on which the decision is based.

## ARTICLE XI

### **Qualified Domestic Relations Orders**

11.1. **Definitions.** purposes of applying the provisions of this Article:

(a) "Domestic Relations Order" shall mean any judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights for a spouse, former spouse, child or other dependent of a Participant, and is made pursuant to a state domestic relations law, including community property law.

(b) "Qualified Domestic Relations Order" shall mean a Domestic Relations Order which creates or recognizes the existence of the right of an alternate payee to receive all or a portion of the benefits payable with respect to a Participant under this Plan or assigns such right to an Alternate Payee; clearly specifies the name and last known mailing addresses, if any, of the Participant and each Alternate Payee covered by the order, the amount or percentage of the Participant's benefits to be paid by the Plan to each Alternate Payee, or the manner in which such amount or percentage is to be determined, the number of payments or the period to which it applies, and each plan to which it applies; does not require the Plan to provide any type or form of benefits or any option for which the Plan does not otherwise provide; does not require the Plan to provide increased benefits, determined on the basis of actuarial value, and does not require the payment to an Alternate Payee of benefits which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(c) "Alternate Payee" shall mean any spouse, former spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all or a portion of the benefits payable under this Plan with respect to such Participant. Any person who is an Alternate Payee under a Qualified Domestic Relations Order shall be

considered to be a Beneficiary under the Plan. Unless specifically provided to the contrary by the Qualified Domestic Relations Order, by law or by regulation, the rights of an Alternate Payee hereunder shall terminate upon the death of the Alternate Payee.

11.2. **Notice.** In the event a Domestic Relations Order is received by the Plan, the Plan Administrator shall promptly notify the Participant and each Alternate Payee of the receipt of such order and of the Plan's procedures for determining the qualified status of the Order.

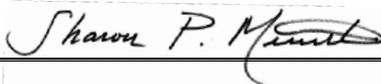
11.3. **Determination of Qualified Status.**

(a) Within a reasonable period after receipt of a Domestic Relations Order, the Plan Administrator shall determine whether such order is a Qualified Domestic Relations Order and shall notify the Participant and each Alternate Payee, or the designated representative, if any, of the Alternate Payee, or the designated representative, if any, of the Alternate Payee, of its determination. Such determination shall be made in accordance with reasonable procedures adopted in writing by the Plan Administrator.

(b) If the Domestic Relations Order provides for immediate payment to the Alternate Payee, then during such time as the determination of qualified status is pending, the Plan Administrator shall separately account for the amounts which would have been payable to the Alternate Payee during that period, if the Order had been determined to be a Qualified Domestic Relations Order. If, within eighteen months, the Order, or any modification thereof, is determined to be a Qualified Domestic Relations Order, the Plan Administrator shall direct the Trustee to pay the segregated amounts, together with any interest accrued thereon, to the person or persons entitled thereto. If, within eighteen months, it is determined that the order is not a Qualified Domestic Relations Order or the issue of qualified status is not resolved, the Plan Administrator shall direct the Trustee to pay or retain the segregated amounts, as the case may be, together with any interest accrued thereon, to or for the benefit of person or persons who would have been entitled to such amounts had there been no order. Any determination that an order is a Qualified Domestic Relations Order which is made after the close of the eighteen-month period shall be applied prospectively only.

IN WITNESS WHEREOF, this Amended and Restated Plan has been executed this  
3rd day of April, 2024.

PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION

By: 

Title: Executive Vice Chancellor

AMENDMENT  
TO THE  
PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION  
ALTERNATIVE RETIREMENT PLAN

In accordance with the authorization of Section 9.2, the Alternative Retirement Plan (the "Plan") is amended, as set forth herein, to provide that, effective for Plan Years beginning July 1, 2024, the following provision regarding the commencement of distributions from the Plan is amended as follows.

1. Section 8.3 is amended to add subsection (d) to the end thereof:

**8.3 Commencement of Distributions.**

(d) Notwithstanding the above, if upon termination of employment, the value of a Participant's Account derived from Employer and Employee contributions does not exceed \$7,000, and the Participant does not make an election to receive a distribution of their Account in accordance with the Plan's distribution procedures, the Administrator shall direct that the entire Account be paid to such Participant in a single lump-sum as soon as practical without regard to the consent of the Participant. If a mandatory distribution is made pursuant to this paragraph and such distribution is less than \$7,000 and the Participant does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the Participant in a "direct rollover" in accordance with Section 8.11 or to receive the distribution directly, then the Administrator shall transfer such amount to an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b) designated by the Administrator. However, if the Participant elects to receive or make a "direct rollover" of such amount, then the Administrator shall direct the Trustee (or Insurer) to cause the entire Account balance to be paid to such Participant in such manner elected by the Participant or make a "direct rollover" pursuant to Section 8.11 if so directed. The Administrator may establish a uniform and nondiscriminatory procedure as to whether a Participant who fails to make an Election with respect to a mandatory distribution of \$7,000 or less is treated as having made a "direct rollover" election. For purposes of determining whether the \$7,000 threshold set forth in this paragraph is met, the mandatory distribution includes amounts in a Participant's Rollover Account.

2. All other provisions of the Plan shall remain in effect as drafted or changed through amendment of the Plan.

INTENDING TO BE LEGALLY BOUND, the Employer has executed this amendment on this 16 day of April, 2024.

WITNESS

  
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PENNSYLVANIA STATE SYSTEM OF HIGHER  
EDUCATION

  
\_\_\_\_\_  
Vice Chancellor of Administration & Finance