

**University of Vermont and State Agricultural College  
Retirement Savings Plan**

**Effective as of January 1, 2017**

# TABLE OF CONTENTS

PAGE

## ARTICLE I

DECLARATION .....	1
1.1 Establishment of Plan .....	1
1.2 Plan Programs .....	1
1.3 2017 Amendment and Restatement of Plan.....	1
1.4 Collective Bargaining Agreements .....	1
1.5 Applicability .....	1

## ARTICLE II

DEFINITIONS.....	2
2.1 Account.....	2
2.2 Alternate Payee .....	2
2.3 Base Salary.....	2
2.4 Beneficiary .....	3
2.5 Code .....	3
2.6 Continuous Employment .....	3
2.7 Contract.....	3
2.8 Date of Employment or Date of Reemployment .....	3
2.9 Direct Rollover.....	3
2.10 Disabled Participant.....	3
2.11 Effective Date .....	4
2.12 Eligible Employee.....	4
2.13 Eligible Faculty Member .....	4
2.14 Eligible Retirement Plan .....	4
2.15 Eligible Rollover Distribution.....	5
2.16 Eligible Staff Member.....	5
2.17 Employee .....	6
2.18 Employee Contribution Program .....	6
2.19 Employee Contributions .....	6
2.20 Employee Pre-Tax Contributions .....	6
2.21 Employee Roth Contributions.....	6
2.22 Gross Compensation .....	7
2.23 Hour of Service .....	7
2.24 Investment Funds .....	8
2.25 Leave of Absence or Leave.....	8
2.26 Limitation Year .....	8
2.27 Officer of Administration.....	8
2.28 Participant .....	8
2.29 Plan .....	8
2.30 Plan Administrator .....	8
2.31 Plan Contributions .....	8
2.32 Plan Year.....	8

TABLE OF CONTENTS

PAGE

2.33 Qualified Domestic Relations Order.....8  
2.34 Recordkeeper .....8  
2.35 Related Employer.....8  
2.36 Rollover Contributions.....9  
2.37 Salary Reduction Election.....9  
2.38 Severance .....9  
2.39 Severance Date.....9  
2.40 University .....9  
2.41 University Contribution Program .....9  
2.42 University Contributions.....9  
2.43 University Matching Contributions .....9  
2.44 University Non-Elective Contributions .....9

ARTICLE III

EMPLOYEE CONTRIBUTION PROGRAM .....10

3.1 Enrollment in Employee Contribution Program .....10  
3.2 Salary Reduction Election.....10  
3.3 Contributions During Leave of Absence .....11  
3.4 Contributions Upon Return From Qualified Military Service .....11  
3.5 Rollover Contributions.....11  
3.6 When Contributions Are Made .....12  
3.7 Application of Contributions .....12  
3.8 Contributions by Mistake of Fact .....13  
3.9 Vesting of Employee Contributions and Rollover Contributions .....13  
3.10 Limitations on Employee Contributions .....13

ARTICLE IV

UNIVERSITY CONTRIBUTION PROGRAM.....14

4.1 Participation in University Contribution Program .....14  
4.2 Waiver of Participation Requirements.....15  
4.3 Computation of Continuous Employment .....16  
4.4 Contributions During Leave of Absence .....17  
4.5 Contributions Following Hardship .....18  
4.6 Contributions Upon Return From Qualified Military Service .....18  
4.7 Contributions During Long-Term Disability .....18  
4.8 When Contributions Are Made .....18  
4.9 Application of Contributions .....18  
4.10 Contributions by Mistake of Fact .....18  
4.11 Vesting of University Contributions .....19  
4.12 Limitations on Plan Contributions .....19

TABLE OF CONTENTS

PAGE

ARTICLE V

CONTRIBUTION LIMITATIONS .....20

5.1 Limitations on Employee Contributions .....20

5.2 415 Contribution Limitation .....21

ARTICLE VI

PLAN FUNDING .....24

6.1 Contracts .....24

6.2 Investment of Contributions and Accounts.....24

6.3 Plan-to-Plan Transfers .....25

6.4 Records and Reporting.....25

6.5 Contracts Incorporation by Reference .....25

ARTICLE VII

DISTRIBUTIONS FROM ACCOUNTS .....26

7.1 Withdrawals During Employment .....26

7.2 Distribution after Severance Date .....26

7.3 Hardship Withdrawals .....26

7.4 Form of Payment.....28

7.5 Mandatory Payment of Small Accounts .....28

7.6 Minimum Distribution Requirements .....29

7.7 Distributions Pursuant to Qualified Domestic Relations Orders .....29

7.8 Lost Participants.....29

ARTICLE VIII

DEATH BENEFITS .....30

8.1 Amount of Death Benefit.....30

8.2 Designation of Beneficiary .....30

8.3 Minimum Distribution Requirements.....30

ARTICLE IX

MINIMUM DISTRIBUTION REQUIREMENTS.....31

9.1 Minimum Distribution Requirements .....31

9.2 Distributions Before Death – Account Balances .....31

9.3 Distributions Before Death – Annuities.....32

9.4 Distributions After Death – Account Balances.....32

9.5 Distributions After Death – Annuities .....34

9.6 Special Rule for pre-1987 Accumulations.....35

## ARTICLE I DECLARATION

1.1 Establishment of Plan. The University of Vermont and State Agricultural College (hereinafter called the “University”), previously established the University of Vermont and State Agricultural College Retirement Savings Plan (the “Plan”). The Plan is an employee benefit plan that is intended to meet the requirements of Code Section 403(b) and its purpose is to provide retirement income benefits to Participants in the Plan and their Beneficiaries as more fully provided herein. The Plan has been amended from time to time since its establishment to reflect changes in the Plan’s operations and applicable law.

1.2 Plan Programs. The Plan contains two programs: (i) the Employee Contribution Program pursuant to which Eligible Employees may make Employee Contributions and Rollover Contribution and (ii) the University Contribution Program pursuant to which the University makes University Contributions on behalf of Eligible Faculty Members and Eligible Staff Employees.

1.3 2017 Amendment and Restatement of Plan. This Plan document, made and entered into by the University, evidences the terms of the Plan effective as of January 1, 2017. It is intended that this Plan document meet the written plan requirement of Treasury Regulation § 1.403(b)-3(b)(3) and it is to be construed in accordance with Code Section 403(b) and the Treasury Regulations and any guidance issued thereunder. The Plan document is also intended to reflect all law changes made by the Pension Protection Act of 2006 (PPA `06), the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery and Iraq Accountability Appropriations Act, 2007, the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act), the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA), the Small Business Jobs Act of 2010 (SBJA), the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (PRA 2010), the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), the American Taxpayer Relief Act of 2012 (ATRA), the Highway and Transportation Funding Act of 2014 (HATFA), and the Cooperative and Small Employer Charity Pension Flexibility Act (CSEC Act).

1.4 Collective Bargaining Agreements. The Plan is maintained in part, pursuant to collective bargaining agreements, between the University and the (i) United Academics Full-Time Bargaining Unit, (ii) United Academics Part-Time Unit, (iii) Chauffeurs, Teamsters, Warehousemen and Helpers Union No. 597, and (iv) United Electrical, Radio and Machine Workers of America, Local 267, under which retirement benefits are the subject of good faith bargaining between the University and the collective bargaining units. If there is any ambiguity or inconsistency between the retirement plan provisions contained in the collective bargaining agreements with respect to this Plan and the Plan document, the terms of the collective bargaining agreements will control and such terms are hereby incorporated into the Plan document by this reference to the extent such terms are not inconsistent with the Code.

1.5 Applicability. The provisions of this plan document apply only to Employees and Participants who have completed at least one (1) Hour of Service for the University on or after January 1, 2017. The rights and benefits, if any, of Employees or Participants whose employment with the University terminated prior to January 1, 2017 or their Beneficiaries (unless he or she is later reemployed by the University) shall be determined in accordance with the provisions of the Plan then in effect.

## ARTICLE II DEFINITIONS

As used in the Plan, the following terms shall have the meanings set forth below:

2.1 “Account” means, collectively, the separate subaccounts (including a subaccount that is treated as a separate contract to which Code Section 403(c) or other applicable Code Section applies) established for each Participant by the Recordkeepers to record a Participant’s total interest in the Plan. The current value of a Participant’s Account includes all Plan Contributions, less expense charges, and credited investment experience.

2.2 “Alternate Payee” means any spouse, former spouse, child, or other dependent of a Participant who is recognized by a Qualified Domestic Relations Order as having a right to receive all or a portion of such Participant’s Account.

2.3 “Base Salary” means regular salary or base pay and, therefore, excludes earnings such as (i) imputed earnings (ii) bonuses, (iii) overtime, (iv) shift differentials, (v) any amounts paid by the University for accrued but unused vacation or holiday pay, and (vi) any amounts paid by the University for other fringe benefits, *e.g.*, such as health and welfare, hospitalization and group life insurance benefits, or prerequisites (*e.g.*, automobile or moving allowances) but may include certain forms of additional or supplementary earnings. In addition to the foregoing:

(a) *Additional or Supplementary Earnings.* Base Salary may include earnings that are paid for the performance of additional academic or administrative duties. The amount of additional or supplementary earnings that is treated as Base Salary shall be that amount of additional or supplementary earnings that is reflected as eligible for University Contributions in the internal payroll system of the University which shall be binding and conclusive for all purposes of the Plan. No reclassification by the University of additional or supplementary earnings as Base Salary shall be applied to grant retroactive University Contributions to any Participant under the Plan.

(b) *Post-Severance Payments.* Base Salary paid after a Participant’s Severance Date shall not be treated as Base Salary unless the amount is paid by the later of 2½ months after the Participant’s Severance Date or the end of the Limitation Year that includes the Participant’s Severance Date and such amounts represent payment for regular compensation within the meaning of Treasury Regulation § 1.415(c)-2(e)(3)(ii) for services performed during the Participant’s regular working hours but only if such payment would have been paid to the Participant if his or her employment had continued and such payment would have been included in Base Salary had the payment been made prior to the Employee’s Severance Date. For purposes of this subsection (b), regular compensation does not include severance pay.

(c) *Dollar Limitation.* Base Salary for a Plan Year shall not include amounts in excess of the compensation limit of Code Section 401(a)(17) as adjusted annually by the Secretary of the Treasury for cost of living increases under Code Section 401(a)(17)(B). Notwithstanding the foregoing, a Participant may make Employee Contributions with respect to Base Salary that exceeds the compensation limitation described herein; provided,

that such Employee Contributions otherwise satisfy the elective deferral limit of Code Section 402(g) as described in Section 5.1(a) and any other applicable contribution limitation. In applying any contribution limitation on the amount of University Contributions or any Plan limit on Employee Contributions which are subject to University Contributions, where such limits are expressed as a percentage of Base Salary, the compensation limitation described herein shall be applied annually, even if the University Contribution formula is applied on a per pay period basis or is applied over any other time interval which is less than the full Plan Year.

2.4 “Beneficiary” means the individual, institution, trustee, or estate designated by the Participant to receive the Participant’s Account after the death of the Participant, subject to such additional rules as may be set forth in the Contracts or by the Plan Administrator.

2.5 “Code” means the Internal Revenue Code of 1986, as amended from time to time. “Treasury Regulations” means the regulations issued under the Code by the Secretary of Treasury. All references to any section of the Code or Treasury Regulation shall be deemed to refer not only to such section but also to any amendment thereof and any successor statutory or regulatory provision.

2.6 “Continuous Employment” means credits used to measure an Eligible Faculty Member’s or Eligible Staff Member’s period(s) of employment as described in Article IV for purposes of determining his or her eligibility to participate in the University Contribution Program.

2.7 “Contract” means (i) any non-transferable contract as defined in Code Sections 403(b)(1) and 401(g) that includes payment in the form of an annuity that is approved by the Plan Administrator and issued to a Participant or the Plan by an insurance company qualified to issue annuities in the State and (ii) any group or individual custodial account as defined in Code Section 403(b)(7) that is approved by the Plan Administrator and established for a Participant or the Plan to hold assets of the Plan.

2.8 “Date of Employment” or “Date of Reemployment” means, in the case of an Employee who is a faculty member, his or her “appointment date” as such term is used in personnel records maintained by the University or, in the case of an Employee who is a staff member, the first day on which completes an Hour of Service for the University. “Date of Reemployment” means, in the case of an Employee who is a faculty member, his or her “appointment date” as such term is used in personnel records maintained by the University or, in the case of an Employee who is a staff member, the first day on which he or she completes an Hour of Service for the University, in each case, following his or her most recent Severance Date from the University.

2.9 “Direct Rollover” means an Eligible Rollover Distribution payable by the Plan to an Eligible Retirement Plan.

2.10 “Disabled Participant” means a Participant who, while an Employee, becomes unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

2.11 “Effective Date” means January 1, 2017 for purposes of this amended and restated Plan document.

2.12 “Eligible Employee” means, for purposes of the Employee Contribution Program, any Employee except an Employee while he or she is a student performing services described in Code Section 3121(b)(10), *i.e.*, earning wages that are FICA exempt below.

2.13 “Eligible Faculty Member” means, for purposes of the University Contribution Program, an Employee described below:

- (a) An Assistant Professor, Associate Professor or Full Professor employed in benefit-eligible groups A, B, C or D
- (b) An Instructor, Lecturer or other faculty member who is not an Assistant Professor, Associate Professor or Full Professor employed in benefit-eligible groups A, B, C or D.
- c) A dual employee of UVM and UVM Medical Group, or
- d) An extension faculty member who is not eligible for Federal benefits.

Notwithstanding the foregoing, an Eligible Faculty Member shall not include a faculty member who is classified as a part-time faculty member (whether non-represented or represented), *i.e.*, employed at less than .75 FTE. An Employee’s classification as a “faculty member” and such faculty member’s tenure or non-tenured status, FTE status, appointment status, work schedule or classification shall be determined by the payroll or personnel records maintained by the University at the time services are performed and shall be binding and conclusive for all purposes of the Plan. Moreover, any judicial or administrative reclassification or reclassification by the University of an individual as an Eligible Faculty Member shall not be applied to grant any individual retroactive status as an Eligible Faculty Member under the Plan.

2.14 “Eligible Retirement Plan” means (i) an individual retirement account or annuity described in Code Section 408(a) or (b), (ii) a Roth individual retirement account or annuity described in Code Section 408A, (iii) an annuity contract described in Code Section 403(b), (iv) a qualified retirement plan or an annuity plan described in Code Section 401(a) or 403(a), respectively, and (v) an eligible plan described in Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that agrees to separately account for amounts distributed from this Plan. A contract or plan described in clause (iii), (iv), or (v) shall be an Eligible Retirement Plan only if such contract or plan accepts Eligible Rollover Distributions. Notwithstanding the foregoing, in the case of (i) a non-spouse Beneficiary, an Eligible Retirement Plan means an individual retirement account or annuity described in Code Sections 408(a) or 408(b) that is treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11) and (ii) an Eligible Rollover

Distribution consisting of Roth Contributions, an Eligible Retirement Plan means a Roth individual retirement account or annuity described in Code Section 408A or a “designated Roth account” established for the Participant under an annuity contract described in Code Section 403(b) or a qualified retirement plan or an annuity plan described in Code Section 401(a) or 403(a), respectively; provided, such contract or plan accepts Eligible Rollover Distributions consisting of Roth Contributions.

2.15 “Eligible Rollover Distribution” means any distribution of all or any portion of the balance to the credit of a Distributee under the Plan; provided, that:

(a) An Eligible Rollover Distribution shall not include: (i) 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 Beneficiary, or for a specified period of ten years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) any amount that is distributed from the Plan or any other plan on account of hardship; and (iv) any distribution(s) that is reasonably expected to total less than \$200 during the calendar year or any lower minimum amounts specified by the Recordkeeper. In applying the \$200 minimum described in clause (iv), an Eligible Rollover Distribution from that portion of a Participant’s Account consisting of Pre-Tax Contributions shall be considered separately from an Eligible Rollover Distribution from that portion of a Participant’s Account consisting of Roth Contributions.

(b) A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after tax employee contributions; provided, that in the case of a rollover to an annuity contract described in Code Section 403(b) or a qualified retirement plan described in Code Section 401(a) or 403(a), (i) the rollover is accomplished by a Direct Rollover and (ii) the contract or plan separately accounts for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(c) A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of Roth Contributions; provided, that in the case of a rollover of a qualified distribution described in Code Section 402A to an annuity contract described in Code Section 403(b), a qualified retirement plan described in Code Section 401(a) or 403(a), or a governmental plan described in Code Section 457(b), the rollover is accomplished by a Direct Rollover.

For purposes of this Section, “Distributee” means a Participant, and such Participant’s surviving spouse, spouse or former spouse who is an Alternate Payee under a Qualified Domestic Relations Order, and/or non-spouse Beneficiary receiving a distribution from the Plan.

2.16 “Eligible Staff Member” means, for purposes of the University Contribution Program, an Employee described below:

(a) *Non-Represented Staff Member.* An Employee who is classified as a staff member and who is (i) employed at regular capacity at 75% FTE or greater and (ii) in benefits groups A-C. For purposes of this subsection (a), “regular capacity” means employment that is (i) not temporary, as determined by the University’s electronic payroll systems for temporary employees or time sheets that are designated as temporary or (ii) within a position that appears on the University’s position inventory or is an approved hourly position included in a University department’s wage budget.

(b) *Represented Staff Member.* An Employee whose employment is covered by collective bargaining agreements between the University and the Chauffeurs, Teamsters, Warehousemen and Helpers Union No. 597 or the United Electrical, Radio and Machine Workers of America, Local 267 and who is in benefits groups A-C.

(c) *Officers of Administration.* An Employee who is classified as an “Officer of Administration,” as defined in the University and University Officer’s Manual, as amended from time to time, and who is (i) employed at 75% FTE or greater and (ii) in benefits groups A-C.

Notwithstanding the foregoing, an Eligible Staff Employee shall not include an Employee who is classified as a (i) student regardless of whether he or she is paid wages reported on a Form W-2, (ii) postdoctoral associate, or (iii) postdoctoral fellow/trainee. An Employee’s classification as a staff member or Officer of Administration, collective bargaining membership, FTE status, or work schedule shall be determined by the payroll or personnel records maintained by the University at the time services are performed and shall be binding and conclusive for all purposes of the Plan. Moreover, any judicial or administrative reclassification or reclassification by the University of an individual as an Eligible Staff Member shall not be applied to grant any individual retroactive status as an Eligible Staff Member under the Plan.

2.17 “Employee” means any individual who is a common-law employee of the University or a Related Employer, performing services as an employee of the University as determined by the payroll or personnel records maintained by the University or a Related Employer at the time the services are performed.

2.18 “Employee Contribution Program” means the program described in Article III pursuant to which Eligible Employees may be required to or elect to make Employee Contributions and Rollover Contributions under the Plan.

2.19 “Employee Contributions” means Employee Pre-Tax Contributions and/or Employee Roth Contributions made by a Participant to the Employee Contribution Program.

2.20 “Employee Pre-Tax Contributions” means contributions made by a Participant pursuant to a Salary Reduction Election to the Employee Contribution Program that are (i) excludable from the Participant’s gross income and otherwise satisfy the elective deferral limit of Code Section 402(g) as described in Section 5.1(a) and (ii) not irrevocably designated as Employee Roth Contributions by the Participant.

2.21 “Employee Roth Contributions” means contributions made by a Participant pursuant to a Salary Reduction Election to the Employee Contribution Program that are (i) includible in the

Participant's gross income and otherwise satisfy the elective deferral limit of Code Section 402(g) as described in Section 5.1(a) and (ii) designated irrevocably by the Participant as in lieu of all or a portion of the Employee Pre-Tax Contributions that the Participant is otherwise eligible to make.

2.22 "Gross Compensation" means salary or hourly wages, paid as cash compensation, for services provided to the University that is includible in the Employee's gross income for the Plan Year. Notwithstanding the foregoing:

(a) *Post-Severance Payments.* Gross Compensation paid after an Eligible Employee's Severance Date shall not be treated as Gross Compensation unless the amount is paid by the later of 2½ months after the Eligible Employee's Severance Date or the end of the Limitation Year that includes the Eligible Employee's Severance Date and such amounts represent payment for:

(i) *Regular Pay.* Gross Compensation that is payment for regular compensation within the meaning of Treasury Regulation § 1.415(c)-2(e)(3)(ii) for services performed during the Eligible Employee's regular working hours, or compensation for services outside the Eligible Employee's regular working hours (such as overtime or shift differential), or other similar payments but only if such payment would have been paid to the Eligible Employee if his or her employment had continued and such payment would have been included in Gross Compensation had the payment been made prior to the Eligible Employee's Severance Date.

(ii) *Leave Cashouts.* Gross Compensation that is payment for unused accrued bona fide vacation, or other leave within the meaning of Treasury Regulation § 1.415(c)-2(e)(3)(iii)(A) but only if the Eligible Employee would have been able to use the leave if his or her employment had continued and such payment would have been included in Gross Compensation had the payment been made prior to the Eligible Employee's Severance Date.

(b) *Severance Pay.* Gross Compensation shall not include severance pay regardless of whether the severance pay is paid by the later of 2½ months after the Eligible Employee's Severance Date or the end of the Limitation Year that includes the Eligible Employee's Severance Date.

(c) *Dollar Limitation.* Gross Compensation for a Plan Year shall not include amounts in excess of the compensation limit of Code Section 401(a)(17) as adjusted annually by the Secretary of the Treasury for cost of living increases under Code Section 401(a)(17)(B). Gross Compensation for a Plan Year shall not include amounts in excess of the compensation limit of Code Section 401(a)(17) as adjusted annually by the Secretary of the Treasury for cost of living increases under Code Section 401(a)(17)(B). Notwithstanding the foregoing, an Eligible Employee may make Employee Contributions with respect to Gross Compensation that exceeds the compensation limitation described herein; provided, that such Employee Contributions otherwise satisfy the elective deferral limit of Code Section 402(g) as described in Section 5.1(a) and any other applicable contribution limitation.

2.23 “Hour of Service” means an hour for which an Employee is directly paid or entitled to payment by the University as defined under Code Section 410(a)(3)(C).

2.24 “Investment Funds” means the investment funds that are approved by the Plan Administrator as investment options under a Contract.

2.25 “Leave of Absence or Leave” means any paid or unpaid leave from active employment duly authorized by the University or under a collective bargaining agreement pursuant to which the Plan, in part, is maintained.

2.26 “Limitation Year” means with respect to a Participant who is not in control of any employer within the meaning of Treasury Regulation § 1.415(f)-1(f)(2), the calendar year. If a Participant is in control of an employer within the meaning of Treasury Regulation § 1.415(f)-1(f)(2), the Limitation Year is the limitation year of the defined contribution plan controlled by the Participant.

2.27 “Officer of Administration” means, for purposes of the University Contribution Program, an Employee who is designated as an Officer of Administration (or such successor title that may be used to designate such Employee) in the University and University Officers’ Manual, as amended from time to time.

2.28 “Participant” means (i) any Eligible Employee and (ii) any former Eligible Employee on whose behalf an Account is maintained under the Plan.

2.29 “Plan” means the University of Vermont and State Agricultural College Retirement Savings Plan.

2.30 “Plan Administrator” means the University or its designee.

2.31 “Plan Contributions” means, collectively, Employee Contributions, Rollover Contributions, and University Contributions.

2.32 “Plan Year” means the calendar year.

2.33 “Qualified Domestic Relations Order” means a Domestic Relations Order that has been determined to meet the requirements of Code Section 414(p). A “Domestic Relations Order” means a judgment, decree, or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a Participant and is made pursuant to a State domestic relations law (including a community property law).

2.34 “Recordkeeper” means the entities approved by the Plan Administrator to perform recordkeeping service for the Plan.

2.35 “Related Employer” means any entity which is under common control with the University using reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23, 1989-1 C.B. 654.

2.36 “Rollover Contributions” means the contributions made by a Participant to the Employee Contribution Program.

2.37 “Salary Reduction Election” means an election by a Participant to reduce his or her (i) Base Salary by a fixed percentage as set forth in Article IV and have such amounts contributed to the Employee Contribution Program as Employee Pre-Tax Contributions or (ii) Gross Compensation by a fixed percentage (or, if so permitted by the Plan Administrator, a flat dollar amount) and have such amounts contributed to the Employee Contribution Program as Employee Pre-Tax Contributions, Employee Roth Contributions, or a combination of both.

2.38 “Severance” means the termination of an Employee’s employment with the University and any Related Employer by reason of such Employee’s discharge (for any reason) by the University or his or her resignation, retirement or death unless otherwise provided herein.

2.39 “Severance Date” means the day on which an Employee incurs a Severance. If an Employee is entitled to a subsequent payment of compensation after his or her Severance Date for reasons other than future services (*e.g.*, as back pay for past services rendered or as payments in the nature of severance pay), the Severance Date of such Employee shall be as of the effective date of Severance (*e.g.*, effective date of discharge, resignation, retirement or the date of his or her death), and the subsequent payment of the aforementioned type of post-severance compensation shall not operate to postpone the timing of the Employee’s Severance Date for purposes of the Plan.

2.40 “University” means the University of Vermont and State Agricultural College.

2.41 “University Contribution Program” means the program described in Article IV pursuant to which the University shall make University Contributions under the Plan.

2.42 “University Contributions” means, together, University Matching Contributions and University Non-Elective Contributions.

2.43 “University Matching Contributions” means contributions made by the University to the University Contribution Program on behalf of an Eligible Faculty Member or Eligible Staff Member other than an Eligible Staff Member described in Section 4.1(a)(iii) pertaining to represented Eligible Staff Employees earning \$12.00 or less per hour.

2.44 “University Non-Elective Contributions” means contributions made by the University to the University Contribution Program on behalf of (i) an Eligible Staff Member described in Section 4.1(a)(iii) pertaining to represented Eligible Staff Employees earning \$12.00 or less per hour and (ii) an Eligible Faculty Member or Eligible Staff Member described in Section 4.5 pertaining to continued contributions made by the University following a hardship.

ARTICLE III  
EMPLOYEE CONTRIBUTION PROGRAM

3.1 Enrollment in Employee Contribution Program. An Eligible Employee may voluntarily elect to enroll in the Employee Contribution Program and may make Employee Pre-Tax Contributions, Employee Roth Contributions, or any combination thereof, upon the later of (i) his or her Date of Employment (or, if applicable, Date of Reemployment) or (ii) as of the first pay date in the month following the day he or she becomes an Eligible Employee by submitting enrollment forms, including a Salary Reduction Election, as may be required by the University. An Eligible Employee who does not elect to enroll in the Employee Contribution Program when initially eligible may enroll at any time by submitting the required enrollment forms. An Eligible Employee's voluntary enrollment in the Employee Contribution Program shall continue until the earliest of the date (i) he or she terminates his or her Salary Reduction Election, (ii) he or she ceases to be an Eligible Employee, or (iii) the Employee Contribution Program is terminated.

3.2 Salary Reduction Election. An Eligible Employee shall make his or her Employee Pre-Tax Contributions, Employee Roth Contributions, or any combination thereof, by means of a Salary Reduction Election under procedures established by the University from time to time. Such procedures shall include but shall not be limited to:

(a) *Contribution Threshold Amounts.* An Eligible Employee's Salary Reduction Election shall not be put into effect unless his or her Employee Pre-Tax Contributions, Employee Roth Contributions, or any combination thereof, for a Plan Year is no less than \$200 (or such lower threshold that may be established by the University from time to time) and no greater than 100% of his or her Gross Compensation (or such lower threshold that may be established by the University to take into account required tax withholding, medical premiums, etc.).

(b) *Enrollment Forms.* An Eligible Employee's Salary Reduction Election shall not be put into effect until he or she properly completes, signs, and submits the required enrollment forms, including a Salary Reduction Election, at such times and in such manner as the University or the Recordkeeper may prescribe and furnishes such other data as the University or the Recordkeeper deems necessary. An Eligible Employee's Salary Reduction Election shall be implemented under uniform procedures established by the University.

(c) *Modifications to Salary Reduction Elections.* An Eligible Employee may change or terminate his or her Employee Pre-Tax Contributions and/or Employee Roth Contributions, or may re-designate his or her contributions as Employee Pre-Tax Contributions, Employee Roth Contributions, or any combination thereof, with respect to amounts not yet payable at such times as may be established by the University from time to time; provided, that an Eligible Employee shall be permitted to terminate his or her Employee Pre-Tax Contributions and/or Employee Roth Contributions at any time and shall be permitted to change his or her Employee Pre-Tax Contributions and/or Employee Roth Contributions at least once each Plan Year.

The University may establish procedures pursuant to which a Salary Reduction Election may be automatically suspended, *e.g.*, upon a hardship withdrawal as described in Section 8.2 or upon reaching the contribution limits of Article V, or may be automatically reinstated.

3.3 Contributions During Leave of Absence. Employee Contributions shall continue or cease during a Leave of Absence as follows:

(a) *Leave With Salary.* During a Leave with salary, Employee Contributions shall continue to be made for an Eligible Employee on the basis of his or her Base Salary and Gross Compensation then being paid by the University so long as he or she remains an Eligible Employee throughout such Leave.

(b) *Leave Without Salary.* During a Leave without salary, Employee Contributions shall cease and upon the Participant's return from such Leave, Employee Contributions shall automatically resume at the rate last in effect; provided, that he or she returns as an Eligible Employee.

3.4 Contributions Upon Return From Qualified Military Service. An Employee who returns from Qualified Military Service and who would have been an Eligible Employee but for his or her Qualified Military Service shall be permitted to make retroactive Employee Pre-Tax Contributions, Employee Roth Contributions, or any combination thereof, to the extent permitted under Code Section 414(u).

3.5 Rollover Contributions. To the extent accepted by a Recordkeeper and, in accordance with procedures established by the Recordkeeper, a Participant who is entitled to receive or received an eligible rollover distribution as defined in Code Section 402(c)(4) and Treasury Regulations issued thereunder, including an eligible rollover distribution received by such Participant as a surviving spouse or as a spouse or former spouse who is an alternate payee under a Qualified Domestic Relations Order may elect to contribute all or any portion of such distribution by a "direct rollover" from such eligible retirement plan to the Plan or by a "60-day rollover" if the Participant deposits all or any portion of such distribution with the Recordkeeper within 60 days of his or her receipt of such distribution. The 60-day rollover requirement shall not apply if the Participant substantiates that the 60-day rollover requirement has been waived by the Secretary of the Treasury. Notwithstanding the foregoing:

(a) A Recordkeeper may accept as Rollover Contributions, amounts consisting of after-tax employee contributions (other than distributions of Roth contributions as defined in Code Section 402A) distributed from an annuity contract described in Code Section 403(b) or a qualified retirement plan described in Code Section 401(a) or 403(a); only if (i) the rollover is accomplished by a direct rollover and (ii) the Recordkeeper agrees to separately account for such amounts, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(b) A Recordkeeper may accept as Rollover Contributions, amounts consisting of Roth contributions as defined in Code Section 402A distributed from a designated Roth account (an account held under an annuity contract described in Code Section 403(b) or a

qualified retirement plan or an annuity plan described in Code Section 401(a) or 403(a), respectively) subject to the following:

(i) *Qualified Distributions.* In the case of a qualified distribution, the rollover must be accomplished by a direct rollover from the distributing plan to the Plan. A qualified distribution is a distribution from a designated Roth account made after the Participant's attainment of age 59½ (or disability) and after the date the designated Roth account was in the distributing plan for a 5-year taxable period.

(ii) *Non-Qualified Distributions - Direct Rollover.* In the case of a distribution that is not a qualified distribution as defined in paragraph (i), the Recordkeeper must agree to separately account for such amounts, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. The Recordkeeper shall be entitled to rely on a statement from the distributing plan identifying (1) the Participant's basis in the rolled over amounts and (2) the date on which the Participant's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for qualified distributions) started under the distributing plan; provided, that the rollover is accomplished by a direct rollover from the distributing plan to the Plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Participant's 5- taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Rollover Contribution.

(iii) *Non-Qualified Distributions - 60-Day Rollover.* A Recordkeeper may not accept as Rollover Contributions, a 60-day rollover of a distribution from a Participant that is not qualified distributions as defined in paragraph (i).

(c) A Recordkeeper may not accept as Rollover Contributions, amounts (i) distributed from an individual retirement account or annuity described in Code Section 408(a), (ii) consisting of after-tax employee contributions or nondeductible individual retirement account or annuity contributions, or (iii) distributed from a Roth individual retirement account or annuity described in Code Section 408A.

3.6 When Contributions Are Made. Contributions shall be made as follows:

(a) Employee Contributions shall be forwarded by the University to the Recordkeepers at such times as determined by the University.

(b) Rollover Contributions shall be forwarded to the Recordkeepers directly by the Participant or his or her designee.

3.7 Application of Contributions. The Recordkeepers shall apply all Employee Contributions and Rollover Contributions made by a Participant to the Account established on behalf of such Participant. The Recordkeepers shall maintain separate accounting if required by the Code and applicable Treasury Regulations thereunder, including but not limited to separate accounting for Employee Roth Contributions and that part of a Participant's Account that is treated

as a separate contract to which Code Section 403(c) or other applicable Code Section applies. Separate accounting includes but is not limited to, separately accounting for gains, losses, and other credits or charges, including contributions and withdrawals, on a reasonable and consistent basis.

3.8 Contributions by Mistake of Fact. If any Employee Contribution (or any portion of an Employee Contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator, to the University.

3.9 Vesting of Employee Contributions and Rollover Contributions. A Participant's interest in his or her Employee Contributions and, if any, Rollover Contributions and the earnings thereon shall be at all times non-forfeitable. The foregoing shall in no way limit the deduction from a Participant's Account of such fees and charges as may be imposed by a Recordkeeper, such other Plan expense charges which may be charged to the Account under applicable law, the removal of Employee Contributions made under a mistake of fact pursuant to Section 3.8, or the University's right to reallocate contributions or earnings allocated incorrectly to any Account.

3.10 Limitations on Employee Contributions. Notwithstanding anything in this Article to the contrary, Employee Contributions shall not exceed the applicable dollar amounts of Code Sections 402(g) and 415 as set forth in Article V.

ARTICLE IV  
UNIVERSITY CONTRIBUTION PROGRAM

4.1 Participation in University Contribution Program. An Employee shall participate in the University Contribution Program only while he or she is an Eligible Faculty Member or Eligible Staff Employee and only in accordance with this Section 4.1.

(a) *Participation Requirements.* Any Employee who satisfied the participation requirement of the University Contribution Program as in effect on December 31, 2016 shall continue to participate in the University Contribution Program on January 1, 2017; provided, he or she is an Eligible Faculty Member or Eligible Staff Employee on that date. On or after January 1, 2017, an Eligible Faculty Member or Eligible Staff Employee shall participate in the University Contribution Program as follows:

(i) *Eligible Faculty Members - Immediate Participation.* An Eligible Faculty Member who is an Assistant Professor, Associate Professor or Full Professor or a dual employee of the University and UVM Medical Group shall participate in the University Contribution Program and shall receive a University Contribution equal to ten percent (10%) of Base Salary on a pay date basis upon the later of (1) his or her Date of Employment (or, if applicable, Date of Reemployment) or (2) as of the first pay date in the month following the day he or she becomes an Eligible Faculty Member described in this paragraph (1); provided that he or she makes Employee Pre-Tax Contributions in an amount equal to three percent (3%) of Base Salary to the Employee Contribution Program.

(ii) *Other Eligible Faculty Members - 2-Year Participation Requirement.* An Eligible Faculty Member, other than an Eligible Faculty Member described in paragraph (i) above, shall participate in the University Contribution Program and shall receive a University Contribution equal to ten percent (10%) of Base Salary on a pay date basis upon the earlier of the first pay date in the month following the day (1) he or she completes four semesters of Continuous Employment (as described in Section 4.3(a)) as an Eligible Faculty Member or, if earlier, two (2) years of Continuous Employment (as described in Section 4.3(b)), or (2) his or her participation requirement is waived as provided in Section 4.2 below; provided, that he or she makes Employee Pre-Tax Contributions in an amount equal to three percent (3%) of Base Salary to the Employee Contribution Program.

(iii) *Represented Eligible Staff Employees Earning \$12.00 or Less per Hour.* An Eligible Staff Employee shall participate in the University Contribution Program and shall receive a University Contribution equal to ten percent (10%) of Base Salary upon the later of the first pay date in the month following the day (1) he or she completes three (3) years of Continuous Employment (as described in Section 4.3(b)) as an Eligible Staff Employee or, if earlier, his or her participation requirement is waived as provided in Section 4.2 below, or (2) he or she becomes an Eligible Staff Employee described in Section 2.16(b) who earns \$12.00 or less per hour.

(iv) *Other Eligible Staff Employees.* An Eligible Staff Employee, other than an Eligible Staff Employee described in paragraph (iii) above, shall participate in the University Contribution Program and shall receive a University Contribution equal to ten percent (10%) of Base Salary on a pay date basis upon the later of the first pay date in the month following the day (1) he or she completes three (3) years of Continuous Employment (as described in Section 4.3(b)) as an Eligible Staff Employee or Eligible Faculty Member or, if earlier, his or her participation requirement is waived as provided in Section 4.2 below, or (2) he or she becomes an Eligible Staff Employee other than an Eligible Staff Employee described in paragraph (iii) above; provided, that he or she makes Employee Pre-Tax Contributions in an amount equal to two percent (2%) of Base Salary to the Employee Contribution Program.

For purposes of this subsection (a), University Contributions shall only be made for an Eligible Faculty Member or Eligible Staff Employee who makes the required Employee Pre-Tax Contributions at such intervals, *e.g.*, pay dates, as determined by the University in its sole discretion.

(b) *Termination of Participation.* An Eligible Faculty Member or Eligible Staff Employee shall continue to be eligible to participate in the University Contribution Program until (i) he or she ceases to be an Eligible Faculty Member or Eligible Staff Employee or (ii) the University Contribution Program is terminated. In the case of an Employee who ceases to be an Eligible Faculty Member or Eligible Staff Employee, his or her participation in the University Contribution Program shall cease on the last day of the pay period in which he or she ceases to be Eligible Faculty Member or Eligible Staff Employee.

(c) *Participation upon Rehire.* A former Eligible Faculty Member or Eligible Staff Employee upon rehire to an Eligible Faculty Member or Eligible Staff Employee position shall again become eligible to participate in the University Contribution Program upon meeting the applicable participation requirements described in subsection (a) above or satisfying the waiver of participation requirements described in Section 4.2.

(d) *Participation upon Reclassification Without Severance.* A former Eligible Faculty Member or Eligible Staff Employee who is reclassified as an Eligible Faculty Member or Eligible Staff Employee without a Severance shall be eligible to participate in the University Contribution Program upon his or her reclassification date if he or she was participating in the University Contribution Program immediately prior to his or her reclassification date.

4.2 Waiver of Participation Requirements. The participation requirement relating to Continuous Employment described in Section 4.1 shall be waived as follows:

(a) *Eligible Faculty Members.* The participation requirement relating to Continuous Employment shall be waived for an Eligible Faculty Member described in Section 4.1(a)(ii) who (i) substantiates in such manner as prescribed by the University that he or she has a vested interest in the retirement plan of their immediate past employer and

that employer was a nonprofit or governmental employer or, (ii) incurs a Severance without cause after completing three (3) years of Continuous Employment as an Eligible Faculty Member and is rehired as an Eligible Faculty Member within the 2-year period commencing on the day following his or her Severance Date. For purposes of this subsection (a), “Severance without cause” shall be determined by the University, in its sole discretion, and shall be binding and conclusive for all purposes of this subsection.

(b) *Eligible Staff Employees.* The participation requirement relating to Continuous Employment shall be waived for an Eligible Staff Employee who (i) substantiates in such manner as prescribed by the University that he or she has a vested interest in the retirement plan of their immediate past employer and that employer was a nonprofit or governmental employer or, (ii) incurs a Severance without cause after completing three (3) years of Continuous Employment as an Eligible Staff Employee and is rehired as an Eligible Staff Employee within the 2-year period commencing on the day following his or her Severance Date. For purposes of this subsection (b), “Severance without cause” shall be determined by the University, in its sole discretion, and shall be binding and conclusive for all purposes of this subsection.

(c) *Critical Skill New Hires.* The participation requirement relating to Continuous Employment shall be waived for an Eligible Faculty Member or Eligible Staff Employee who is a critical skill new-hire as determined by the University, in its sole discretion. Such determination shall be (i) made in accordance with criteria (that among other things, takes into account previous experience with issues directly related to University operations or higher education) established (and as amended from time to time) and applied uniformly by the University and (ii) binding and conclusive for all purposes of the Plan.

(d) *Officers of Administration.* The participation requirement relating to Continuous Employment shall be waived for an Eligible Employee hired as an Officer of Administration.

4.3 Computation of Continuous Employment. Continuous Employment shall be credited as follows:

(a) *Consecutive Semesters.* A semester of Continuous Employment shall be credited for each consecutive full semester worked by an Employee as an Eligible Faculty Member (*i.e.*, as a non-represented or represented Eligible Faculty Member, or any combination thereof), during his or her most recent period of employment with the University commencing on his or her Date of Employment or, if later, his or her Date of Reemployment; provided, that:

(i) A semester shall not fail to be consecutive if such semester follows (i) a summer semester and the Eligible Faculty Member returns to work during the immediately following fall semester; or

(ii) Semester(s) shall not fail to be consecutive during which a Leave of Absence has been granted and the Eligible Faculty Member timely returns to work following the end of such Leave.

(b) *Years of Continuous Employment.* Years of Continuous Employment, rounded down to nearest whole year, shall be credited equal to 1/365 multiplied by the number of days an Employee worked as an Eligible Faculty Member or Eligible Staff Employee during his or her most recent period of employment with the University commencing on his or her Date of Employment or, if later, his or her Date of Reemployment; provided that:

(i) *Leaves of Absence.* Leaves of Absence, including a Qualified Military Leave, shall be included in an Employee's most recent period of employment to the extent required under a collective bargaining agreement pursuant to which the Plan, in part, is maintained; provided, that the Employee furnishes the University with such timely information as the University may reasonably require to establish that all or portion of a period of absence is a Leave of Absence.

(ii) *Non-Duplicative Credit.* There shall be no duplication of credit for any periods of employment or periods of absence taken into account under the paragraphs above.

(iii) *Collective Bargaining Agreements.* If there is any ambiguity or inconsistency between this subsection and any applicable provisions contained in a collective bargaining agreement with respect to this Plan and the Plan document, the terms of the collective bargaining agreement shall control for Employees whose employment is subject to that collective bargaining agreement and such terms are hereby incorporated into the Plan document by this reference.

4.4 Contributions During Leave of Absence. University Contributions shall continue or cease during a Leave of Absence as follows:

(a) *Leave With Salary.* During a Leave with salary, University Contributions shall continue to be made for a Participant on the basis of his or her Base Salary then being paid by the University so long as he or she remains an Eligible Faculty Member or Eligible Staff Employee throughout such Leave and, to the extent required under Section 4.1, such Participant continues to make his or her Employee Pre-Tax Contributions and/or Employee Roth Contributions to the Employee Contribution Program.

(b) *Leave Without Salary.* During a Leave without salary, University Contributions shall cease and upon the Participant's return from such Leave, University Contributions shall automatically resume; provided, that he or she returns as an Eligible Faculty Member or Eligible Staff Employee and, to the extent required under Section 4.1, such Participant resumes making his or her Employee Pre-Tax Contributions and/or Employee Roth Contributions to the Employee Contribution Program.

4.5 Contributions Following Hardship. In the case of a Participant, other than a represented Eligible Staff Employees earning \$12.00 or less per hour described in Section 4.1(a)(iii), whose Employee Pre-Tax Contributions are suspended due to a hardship withdrawal described in Section 7.1(c), University Non-Elective Contributions shall be made for such Participant so long as he or she remains an Eligible Faculty Member or Eligible Staff Employee throughout such suspension. Following the close of the suspension period, University Non-Elective Contributions shall cease and University Matching Contributions shall resume only if the Participant resumes making his or her Employee Pre-Tax Contributions to the Employee Contribution Program in such amounts as required under Section 4.1(a).

4.6 Contributions Upon Return From Qualified Military Service. The University shall make retroactive University Contributions as required under Code Section 414(u) following a Participant's return from Qualified Military Service; provided, that the Participant makes retroactive Employee Pre-Tax Contributions to the Employee Contribution Program as provided in Section 3.4 in such amounts, if any, that would have been required but for his or her Qualified Military Service in order to receive University Contributions as provided in Section 4.1(a).

4.7 Contributions During Long-Term Disability. University Non-Elective Contributions shall be made for a Participant to the extent provided under the University's long-term disability policy, the terms of which, including but not limited to, the amount of the University Non-Elective Contributions and period during which such University Non-Elective Contributions shall be made, are incorporated herein by this reference. To the extent permitted under Code Section 415 and Treasury Regulations issued thereunder, a Participant shall be deemed to have Includible Compensation (as defined in Section 5.2) for a Limitation Year equal to the amount of compensation such Participant would have received for the Limitation Year if the Participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled (as defined in Code Section 22(e)(3)).

4.8 When Contributions Are Made. University Contributions shall be forwarded by the University to the Recordkeepers at such times as determined by the University.

4.9 Application of Contributions. The Recordkeepers shall apply all University Contributions to the Account established on behalf of such Participant. The Recordkeepers shall maintain separate accounting if required by the Code and applicable Treasury Regulations thereunder, including but not limited to separate accounting for that part of a Participant's Account that is treated as a separate contract to which Code Section 403(c) or other applicable Code Section applies. Separate accounting includes but is not limited to, separately accounting for gains, losses, and other credits or charges, including contributions and withdrawals, on a reasonable and consistent basis.

4.10 Contributions by Mistake of Fact. If any University Contribution (or any portion of a University Contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall, to the extent required or permitted by the Plan Administrator, to the University.

4.11 Vesting of University Contributions. A Participant's interest in his or her University Contributions and the earnings thereon shall be at all times non-forfeitable. The foregoing shall in no way limit the deduction from a Participant's Account of such fees and charges as may be imposed by a Recordkeeper, such other Plan expense charges which may be charged to the Account under applicable law, the removal of University Contributions made under a mistake of fact pursuant to Section 4.10, or the University's right to reallocate contributions or earnings allocated incorrectly to any Account.

4.12 Limitations on University Contributions. Notwithstanding anything in this Article to the contrary, University Contributions when added to Employee Contributions shall not exceed the applicable dollar amounts of Code Section 415 as set forth in Article V.

ARTICLE V  
CONTRIBUTION LIMITATIONS

5.1 Limitations on Employee Contributions. For each calendar year, a Participant's Employee Contributions, i.e., his or her Employee Pre-Tax Contributions and/or Employee Roth Contributions, shall be subject to the following:

(a) *Contribution Limit.* For each calendar year, a Participant's Employee Contributions shall not exceed the greater of:

(i) *General Limit- Code Section 402(g)(1).* The applicable dollar limit in effect for the calendar year, as adjusted by the Secretary of the Treasury in accordance with Code Section 402(g)(4); or

(ii) *15-Year Catch-Up Limit - Code Section 402(g)(7).* The amount permitted under paragraph (i) as increased by the amount permitted under Code Section 402(g)(7), if any, in the case of a Participant who has completed or will complete 15 years of service (within the meaning of Code Section 403(b)(4)) with the Employer (or such other organization as permitted under Treasury Regulations) before the close of the calendar year; or

(iii) *Age 50+ Catch-Up Limit - Code Section 414(v).* The amount permitted under paragraph (i) and, if applicable, paragraph (ii) as increased by the amount permitted under Code Section 414(v) in the case of a Participant who has attained or will attain age 50 before the close of the calendar year.

Amounts in excess of the limitation set forth in paragraph (i) shall be allocated first to the 15-year catch-up limit under paragraph (ii) and next as an age 50+ catch-up under paragraph (iii).

(b) *Excess Employee Contributions.* In the event a Participant's Employee Contributions when added to elective deferrals (within the meaning of Code Section 402(g)(3)) and Roth contributions (within the meaning of Code Section 402A) made to any other employer plan on his or her behalf exceed the contribution limitation described in subsection (a):

(i) The Participant may designate such excess as an "Excess Employee Pre-Tax Contribution" or "Excess Employee Roth Contribution" by notifying the University in writing by March 1 of the following calendar year of the amount of the Excess Employee Pre-Tax Contribution and/or Excess Employee Roth Contribution. A Participant shall be deemed to have notified the University of any Excess Employee Pre-Tax Contribution and/or Excess Employee Roth Contribution that arises for a calendar year made to the Plan and any other plan maintained by the University or a Related Employer.

(ii) The Recordkeeper shall distribute to the Participant the amount designated as an Excess Employee Pre-Tax Contribution and/or Excess Employee

Roth Contribution and any income or loss allocable through the end of the taxable year (determined in accordance with Code Section 402(g) and the Treasury Regulations thereunder) no later than the April 15 of the following calendar year. An Excess Employee Pre-Tax Contribution and/or Excess Employee Roth Contribution shall be treated as an Annual Addition under Section 5.1 if not distributed by April 15 of the following calendar year.

## 5.2 415 Contribution Limitation.

(a) *Contribution Limit.* For each Limitation Year, Annual Additions credited to a Participant's Account under this Plan shall not exceed the limits of Code Section 415 (the "415 Limit"). A Participant's 415 Limit for a Limitation Year shall be the lesser of:

(i) The applicable dollar limit in effect for the Limitation Year under Code Section 415(c)(1) as adjusted from time to time for cost-of-living increases in accordance with Code Section 415(d).

(ii) 100 percent of the Participant's Includible Compensation for the Limitation Year.

(b) *Definitions.* For purposes of this Section, the following capitalized terms shall have the respective meanings set forth below:

(i) "Annual Additions" means the sum of the following amounts allocated to a Participant's Account for the Limitation Year under this Plan and under any other annuity contract or custodial account described in Code Section 403(b) or defined contribution plan which is deemed to be maintained by the Participant under subsection (d): (1) employer contributions, (2) employee contributions including elective deferrals (within the meaning of Code Section 402(g)(3)), Roth contributions (within the meaning of Code Section 402A), and after-tax employee contributions but excluding age 50+ catch-up contributions (within the meaning of Code Section 414(v)), (3) forfeitures, and (4) any other amounts required by Code Section 415, Treasury Regulations and other guidance issued thereunder which are hereby incorporated by reference.

(ii) "Excess Annual Additions" means Annual Additions that exceed the limits of Code Section 415 for a Limitation Year.

(iii) "Includible Compensation" means the amount of compensation from the University or a Related Employer that is includable in the Participant's gross income for Federal income tax purposes (computed without regard to the exclusion allowed by Code Section 911) for the most recent period that constitutes a "year of service" as defined in Code Section 403(b) and Treasury Regulations thereunder. Includible Compensation shall include (1) elective deferrals within the meaning of Code Section 402(g)(3) and any amount which is contributed or deferred by the University or an Affiliated Employer at the election of the Participant and which is not includable in the gross income of the Participant by reason of Code Sections 125, 132(f), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b) and

(2) any salary continuation payments, including any differential wage payments (as defined in Code Section 3401(h)(2)), paid to a Participant during Qualified Military Service but only to the extent such payments do not exceed the amount the Participant would have received if he or she had continued to perform services for the University or a Related Employer rather than entering qualified military service but shall exclude (1) any compensation received during a period when the University or a Related Employer is not an eligible employer within the meaning of Code Section 403(b) and (2) any compensation in excess of the compensation limit of Code Section 401(a)(17) as adjusted annually by the Secretary of the Treasury for cost of living increases under Code Section 401(a)(17)(B).

(c) *Aggregation of Code Section 403(b) Contracts.* Annual Additions credited to a Participant's Account under this Plan shall be aggregated with Annual Additions credited to a Participant under any other annuity contract or custodial account described in Code Section 403(b) issued or established under any other plan maintained by the University or a Related Employer.

(d) *Aggregation where Participant is in Control of an Employer.* If a Participant is in control of any other employer (determined under Code Section 414(b) and 414(c) as each are modified by Code Section 415(h)) for a Limitation Year, the Account maintained for the Participant under this Plan is aggregated with all defined contribution plans maintained by employers controlled by the Participant and the 415 Limit is applied in the aggregate to all Annual Additions allocated to the Participant under this Plan and all defined contribution plans of the employers controlled by the Participant. If the Plan Administrator receives sufficient information from the Participant concerning his or her participation in a defined contribution plan maintained by an employer that is controlled by the Participant, the Annual Additions allocated to a Participant under this Plan for the Limitation Year shall not exceed the 415 Limit reduced by the Annual Additions allocated to the Participant under any defined contribution plans maintained by an employer that is controlled by the Participant.

(e) *Excess Annual Additions.* Excess Annual Additions shall be deemed to consist of the Annual Additions last allocated except that Annual Additions to a defined contribution plan maintained by an employer controlled by the Participant shall be deemed to have been allocated first. Excess Annual Additions shall be included in the Participant's gross income and the Recordkeeper shall maintain a separate account for such Excess Annual Additions for the year of the excess and for each year thereafter. In the case where a Participant is in control of an employer and the Excess Annual Additions need to be maintained in a separate account under this Plan, the Recordkeeper shall only be required to establish such separate account if the Plan Administrator receives sufficient information from the Participant concerning his or her participation in such other defined contribution plan controlled by the Participant. Alternatively, the Plan Administrator may apply any method available under the Employee Plans Compliance Resolution System ("EPCRS") or any successor program to EPCRS for correcting Code Section 415 errors under the Plan. The Plan Administrator may direct that Excess Annual Additions be distributed by the Recordkeeper pursuant to Treasury Regulation § 1.403(b)-4(f).

(f) *Incorporation by Reference.* Notwithstanding the foregoing, Code Section 415 and the Treasury Regulations issued thereunder are hereby incorporated by reference and to the extent there is an inconsistency between this Section and Code Section 415 and the Treasury Regulations issued thereunder, the latter shall control. In addition, it is intended that this Section shall be construed in accordance with Code Section 415, Treasury Regulations and other guidance issued thereunder.

## ARTICLE VI PLAN FUNDING

6.1 Contracts. All benefits under the Plan are provided solely through the Contracts issued or established by the Recordkeeper. The Plan Administrator shall from time to time select the number of Contracts and the underlying Investment Funds in which Plan Contributions may be invested and has the right to establish alternative Contracts or offer alternative Investment Funds or, to the extent permitted under the Contract, eliminate any previously established Contract or previously offered Investment Fund by transferring amounts held thereunder to a successor Contract or Investment Fund. The Plan Administrator shall from time to time select the Recordkeeper and retains the right to select an alternative Recordkeeper or eliminate or cease forwarding future Plan Contributions to any previously selected Recordkeeper. If a Recordkeeper ceases to be eligible to receive Plan Contributions after December 31, 2008, the Plan Administrator shall enter into an information sharing agreement with such Recordkeeper to the extent another agreement with the Recordkeeper does not provide for the exchange of information as required by Code Section 403(b) and the Treasury Regulations thereunder. The Recordkeeper has the exclusive responsibility for investing Plan Contributions as directed by Participants, Alternate Payees, and Beneficiaries. Benefits under the Plan are not insured or guaranteed by the Pension Benefit Guaranty Corporation, the University, the Plan Administrator, or by any other person or corporation.

6.2 Investment of Contributions and Accounts. Subject to the administrative rules of the Plan Administrator and such conditions as may reasonably be imposed by the Recordkeeper, a Participant (or Beneficiary or Alternate Payee) has the sole responsibility to direct the investment of his or her Plan Contributions and Account among the Investment Funds as the Participant shall elect as provided below:

(a) Upon enrollment in the Plan, a Participant shall designate the Investment Fund(s) in which his or her Plan Contributions are to be invested. A Participant may change his or her election of designated Investment Funds with regard to future Plan Contributions in such manner, at such time and with such effective date as permitted by the Plan Administrator.

(b) A Participant may reallocate the balance of his or her Account among the Investment Funds by transferring all or part of his or her Account from one Investment Fund to another Investment Fund; provided, that:

(i) Such transfers shall be made in such manner, at such time and with such effective date as permitted by the Recordkeeper including setting minimum or maximum amounts that may be transferred and when transfers are permitted.

(ii) Any transfer shall be subject to such charges, including but not limited to market value adjustments, as established from time to time by the Recordkeeper with regard to the applicable Investment Fund.

(iii) To the extent a reallocation results in a contract exchange as defined in Treasury Regulation § 1.403(b)-10(b)(1), such contract exchange shall be

permitted only to the extent the contract exchange occurs between Recordkeepers selected by the Plan Administrator for the Plan and the exchange meets the requirements of Treasury Regulation § 1.403(b)-10(b)(2).

(c) If an Investment Fund is closed, the Participant shall redirect the investment of amounts held in a closing Investment Fund to a new or remaining Investment Fund. If a Participant does not provide timely affirmative investment instructions, the Plan Administrator may establish other procedures under which amounts invested in a closing Investment Fund shall be transferred to a new or remaining Investment Fund.

(d) If a Participant fails to direct the investment of his or her Plan Contributions, such Plan Contributions shall be invested in an Investment Fund selected by the Plan Administrator until superseded by a subsequent election by the Participant.

Neither the Plan Administrator nor the University (including its Employees) shall be under any duty to question any direction of a Participant, Beneficiary, or Alternate Payee or shall be responsible or liable for any loss or the lack of gains that may arise from or result from compliance with any directions from the Participant, Beneficiary, or Alternate Payee.

6.3 Plan-to-Plan Transfers. Plan-to-plan transfers as defined in Treasury Regulation § 1.403(b)-10(b)(3) shall be permitted.

6.4 Records and Reporting. The Recordkeeper may maintain records on the basis of the Plan Year and Limitation Year (as defined in Article V) with respect to each Participant in accordance with its customary practices. The Recordkeeper may periodically distribute or cause to be distributed to each Participant or his or her Beneficiary a report summarizing the status of his or her Account which shall be prepared in accordance with the Recordkeeper's customary practices. Similar reports or illustrations may be obtained by a Participant upon termination of employment or at any other time by writing directly to the Recordkeeper.

6.5 Contracts - Incorporation by Reference. The terms of each Contract are a part of the Plan as if fully set forth in the plan document and the provisions of each are incorporated by reference into the Plan; provided, however, if there is any inconsistency or ambiguity between the terms of the Plan and the terms of the Contracts, the terms of the Plan shall control unless such terms would violate any applicable requirements under the Code or unless the terms of the Contracts shall control as specifically provided herein.

ARTICLE VII  
DISTRIBUTIONS FROM ACCOUNTS

7.1 Withdrawals During Employment. A Participant may, upon making an election for benefits in accordance with Section 7.5, withdraw all or a portion of his or her Account while employed by the University as follows:

(a) A Participant may elect to withdraw all or a portion of his or her Employee Contributions at any time on or after attaining age 59½.

(b) A Participant may elect to withdraw all or a portion of his or her Rollover Contributions and any earnings thereon at any time.

(c) A Participant may elect to withdraw all or a portion of his or her Employee Contributions on account of hardship to the extent provided in Section 7.3.

(d) A Participant may elect to withdraw all or a portion of his or her Employee Contributions and any earnings thereon if, by reason of being a member of a reserve component (as defined in Section 101 of Title 37, United States Code), he or she is ordered or called to active duty for a period in excess of 179 days or for an indefinite period; provided, that such withdrawal is made during the period beginning on the date of such order or call and ending at the close of the active duty period. A withdrawal made under this subsection (b) shall be treated as “qualified reservist distribution” within the meaning of Code Section 72(t).

(e) A Participant may elect to withdraw all or a portion of his or her Account upon becoming a Disabled Participant.

Except as provided in this Section, a Participant may not request a withdrawal from his or her Account prior to his or her Severance Date for any other reason unless the Participant has a contractual right under a specific Contract to do so. A Participant shall initiate a withdrawal pursuant to this Section by requesting a withdrawal form from the Recordkeeper and completing and returning such form to the Recordkeeper and furnishing to the Recordkeeper such other information as the Recordkeeper deems necessary.

7.2 Distribution after Severance Date. A Participant may, by making an election for benefits, request a distribution of all or portion of his or her Account, at any time following his or her Severance Date but in no event later than required under Article IX (relating to required minimum distributions). To the extent a Participant’s Account is comprised of multiple Contracts, he or she may elect to commence payment at different times and under such optional forms of benefit payment as permitted under the different Contracts. A Participant shall initiate distributions from all or a portion of his or her Account by requesting distribution forms from the Recordkeeper and completing and returning such forms to the Recordkeeper and furnishing to the Recordkeeper such other information as the Recordkeeper deems necessary.

7.3 Hardship Withdrawals. The Plan Administrator or its delegate shall administer hardship withdrawals in accordance with the “safe harbor” rules of Treasury Regulation § 1.401(k)-1(d)(3). A hardship withdrawal shall be subject to the rule of subsection (a) below and a hardship

withdrawal shall be made to a Participant only if the Plan Administrator or its delegate determines that the Participant has an immediate and heavy financial need and that a withdrawal from the Plan is necessary to satisfy such need as set forth in subsections (b) and (c) below.

(a) The maximum amount that may be withdrawn under Section 7.1(c) is that amount which is equal to the sum of the Participant's Employee Contributions as of the date of withdrawal as decreased by the amount of any previous withdrawals of his or her Employee Contributions and increased for any earnings thereon credited through December 31, 1988, subject to any distribution restrictions imposed by the Participant's Investment Funds.

(b) A Participant shall be deemed to have a hardship (an immediate and heavy financial need), if and only if, it is determined that the requested withdrawal is on the account of:

(i) The purchase (excluding mortgage payments) of a principal residence for the Participant only;

(ii) The need to prevent the eviction of the Participant from his or her principal residence or foreclosure on the mortgage of the Participant's principal residence;

(iii) The payment of medical expenses described in Code Section 213(d) incurred by the Participant or the Participant's spouse, primary beneficiary, or dependents;

(iv) The payment of tuition, related educational fees, and room and board expenses, for the next twelve (12) months of post-secondary education for the Participant or the Participant's spouse, primary beneficiary, children, or dependents;

(v) The payment of burial or funeral expenses for the Participant's parents, spouse, primary beneficiary, children, or dependents;

(vi) The payment of expenses to repair damage to the Participant's principal residence that qualify as a casualty loss under Code Section 165 (determined without regard to whether the loss exceeds 10% of the Participant's adjusted gross income); or

(vii) Any other situation deemed an immediate and heavy financial need by the Internal Revenue Service through the publication of revenue rulings, notices, and other documents of general applicability.

For purposes of this subsection, (i) a "primary beneficiary" is an individual who is named as a Beneficiary and has an unconditional right to all or a portion of the Participant's Account upon the death of the Participant and (ii) a "dependent" for purposes of clause (iii) and (iv) above is an individual who meets the requirements of Code Section 152 without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B) and for purposes of clause (v) above

is an individual who meets the requirements of Code Section 152 without regard to Code Section 152(d)(1)(B).

(c) A hardship withdrawal shall be authorized only if it is determined that all of the following conditions are or will be satisfied:

(i) The amount of the withdrawal is not in excess of the amount required to relieve the financial need (including amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the withdrawal);

(ii) The Participant has obtained all distributions and withdrawals, other than hardship withdrawals, and all nontaxable (at the time of the loan) loans from the Plan or any other plan maintained by the University or a Related Employer unless, to the extent approved by the Plan Administrator, the effect of such loans would be to increase the amount of the need; and

(iii) The Participant is prohibited during the 6-month period beginning as soon as administratively feasible following the date of a hardship withdrawal from the Plan from making Employee Pre-Tax Contributions and/or Employee Roth Contributions to this Plan and voluntary contributions to any other qualified or non-qualified plan maintained by the University (excluding salary reduction contributions to any University health or welfare benefit plan).

7.4 Form of Payment. The Account of a Participant may elect to receive benefits under any form of benefit payment offered under the Investment Funds, the terms of which are incorporated by reference into the Plan and include: (i) single life annuities with or without periods certain, (ii) joint and survivor annuities (including an annuity that provides payments at regular intervals for the life of a spouse that are equal to 75% of the amount paid to the Participant during his or her lifetime) with or without periods certain, (iii) installment payments, (iv) minimum distribution payments, and (v) lump sum payments. A Participant may elect a lump sum distribution only to the extent permitted under the Investment Funds and, in the case of certain Investment Funds, subject to the requirement that a lump sum distribution election be made within 120 days following his or her Severance Date. A Participant may also elect to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan; provided, that the Recordkeeper is permitted to require that, if a Participant elects to have only a portion of an Eligible Rollover Distribution paid to an Eligible Retirement Plan, that such portion be equal to at least \$500 (or any greater amount as prescribed by the Commissioner in revenue rulings, notices, and other guidance published in the Internal Revenue Bulletin) or any lower minimum amounts specified by the Recordkeeper. In applying the \$500 minimum, an Eligible Rollover Distribution from that portion of a Participant's Account consisting of Employee Pre-Tax Contributions shall be considered separately from an Eligible Rollover Distribution from that portion of a Participant's Account consisting of Employee Roth Contributions.

7.5 Mandatory Payment of Small Accounts. To the extent permitted under the Investment Funds, if a Participant's Account is \$1,000 or less, his or her Account shall be paid in

a lump sum as soon as administratively practicable following his or her Severance Date without the consent of the Participant.

7.6 Minimum Distribution Requirements. Notwithstanding anything in the Plan to the contrary, the distributions under the Plan shall be made in accordance with Code Section 401(a)(9) and Treasury Regulations thereunder and the provisions of Article IX shall override any distribution option in the Plan inconsistent with Code Section 401(a)(9).

7.7 Distributions Pursuant to Qualified Domestic Relations Orders. Notwithstanding anything in this Plan to the contrary, it shall be permissible for the Plan to pay an Alternate Payee's benefit as determined under the terms of a qualified domestic relations order as soon as administratively feasible and prior to the Participant's Severance Date. The process by which the amount awarded is paid to the Alternate Payee shall be determined by the Recordkeeper including, but not limited to, the issuance or establishment of separate Contracts on behalf the Alternate Payee.

7.8 Lost Participants. If a Participant fails to file a claim for the distribution of his or her Account on or after his or her Normal Retirement Age and, after reasonable efforts by the Plan Administrator or its delegate, the Participant cannot be located, the Participant shall be presumed dead and the Plan Administrator shall use reasonable efforts to locate the Participant's Beneficiary or, as provided in Section 8.2, deemed Beneficiary. If, after reasonable efforts by the Plan Administrator or its delegate, the Participant's Beneficiary cannot be located then the Participant's Account shall be forfeited, to the extent permitted by the Contract, subject to the following:

(a) Amounts forfeited under this Section shall be first used to restore any Account reinstated under subsection (b) and then, as determined by the Plan Administrator, may be allocated as University Contributions or used to pay plan expenses in accordance with Section 11.3 and shall not be used to increase the benefits otherwise payable to Participants or Beneficiaries. If amounts forfeited under this Section are insufficient to restore a reinstated Account, the University shall be obligated to contribute to the Plan any amounts necessary to restore any reinstated Account after it has been forfeited pursuant to the provisions of this Section.

(b) If, after such a forfeiture, the Participant or his or her surviving spouse or Beneficiary (the "claimant") claims the forfeited Account, the amount forfeited shall be reinstated, unadjusted for earnings and losses, and paid to the claimant as soon as practical following the claimant's production of reasonable proof of his or her identity and entitlement to the Account.

(c) For purposes of this Section, the Plan Administrator or its delegate may use any reasonable measures to locate a Participant or his or her surviving spouse or Beneficiary, including using certified mail or internet search tools or commercial locator services, and may consider the cost of the measures relative to the benefit when determining which measures to use.

ARTICLE VIII  
DEATH BENEFITS

8.1 Amount of Death Benefit. Upon the death of a Participant, all or the remaining portion of his or her Account shall be paid to the Beneficiary or Beneficiaries of the Participant in such proportions as designated by the Participant. Distribution to each such Beneficiary shall be payable under any optional form of payment offered under Section 7.4 as elected by the Beneficiary; provided, that the elected form of payment is permitted by law and permitted under the terms of the applicable Contract. The foregoing shall not apply if the Participant, prior to his or her death, designated the form of payment (or limited the forms of payment that may be elected by the Beneficiary) in accordance with the provisions of the applicable Contract and in a manner acceptable to the Recordkeeper. If a Beneficiary dies after the Participant but before receiving his or her entire interest in the Participant's Account or before commencing distributions under an optional form of payment, the remaining interest shall be paid to the beneficiary or beneficiaries designated by the Beneficiary or if no proper designation is made by the Beneficiary, to the Beneficiary's estate. The foregoing shall not apply if the Participant, prior to his or her death, designated a contingent Beneficiary in accordance with the provisions of the applicable Contract and in a manner acceptable to the Recordkeeper. A Beneficiary shall initiate the distribution of death benefits by requesting distribution forms from the Recordkeeper and completing and returning them to the Recordkeeper and furnishing to the Recordkeeper such other data as the Recordkeeper deems necessary.

8.2 Designation of Beneficiary. A Participant shall designate a Beneficiary to receive all or the remaining portion of his or her Account upon his or her death by executing and filing with the Recordkeeper a designation of beneficiary in such form and in such manner as may be prescribed by the Recordkeeper and shall have the right to change a designated Beneficiary at any time by executing and filing with the Recordkeeper a new designation of beneficiary in such form and in such manner as may be prescribed by the Recordkeeper. If a Participant fails to designate a Beneficiary, improperly designates a Beneficiary, or if no Beneficiary survives the Participant, all or the remaining portion of the Participant's Account shall be distributed to his or her estate unless the Plan Administrator determines and the underlying Contract so permit that the Participant's Account be distributed to the Participant's heirs at law (determined in accordance with the laws of the State of Vermont as they existed at the date of the Participant's death) in lieu of making payment to a Participant's estate. If a representative of the Participant's estate or, if so determined by the Plan Administrator, heirs at law cannot be located after reasonable efforts, then the Participant's benefit shall be forfeited in accordance with Section 7.8.

8.3 Minimum Distribution Requirements. Notwithstanding anything in the Plan to the contrary, distributions to a surviving spouse or Beneficiary shall be made in accordance with Code Section 401(a)(9) and Treasury Regulations thereunder and the provisions of Article IX shall override any distribution option in the Plan or Contracts inconsistent with Code Section 401(a)(9).

ARTICLE IX  
MINIMUM DISTRIBUTION REQUIREMENTS

9.1 Minimum Distribution Requirements. Subject to a Participant's right to elect to apply the aggregation rules as described in Treasury Regulation §1.403(b)-6(e)(7) and Treasury Regulation §1.408-8 for purposes of satisfying his or her minimum distribution requirement, all distributions under the Plan shall be made in accordance with Code Section 401(a)(9) and the Treasury Regulations promulgated thereunder as modified by Treasury Regulation §1.403(b)-6(e) and the provisions of this Article IX shall override any distribution option in the Plan or Contracts inconsistent with Code Section 401(a)(9) and Treasury Regulations.

9.2 Distributions Before Death – Account Balances. A Participant's entire interest in his or her Account Balance shall commence to be distributed no later than the Participant's Required Beginning Date over the life of such Participant or the lives of such Participant and his or her designated Beneficiary. For purposes of this Section, the minimum amount that shall be distributed for each Distribution Calendar Year shall not be less than the quotient obtained by dividing the value of the Participant's Account Balance, taking into account outstanding contributions, rollovers, or transfers, as of the end of the preceding calendar year by the distribution period in the Uniform Lifetime Table in Treasury Regulation §1.401(a)(9)-9, Q&A-2, using the Participant's age as of his or her birthday in the Distribution Calendar Year. However, if the Participant's sole designated Beneficiary is his or her surviving spouse and such spouse is more than 10 years younger than the Participant, then the distribution period shall be determined under the Joint and Last Survivor Table in Treasury Regulation §1.401(a)(9)-9, Q&A-3, using the ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year. For purposes of this Section:

(a) "Required Beginning Date" means, with respect to a Participant, April 1st of the calendar year following the later of (i) the calendar year in which the Participant attains age 70½, or (ii) the calendar year in which the Participant's Severance Date occurs.

(b) "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. The first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date and the last Distribution Calendar Year is the calendar year that contains the Participant's date of death. The required minimum distribution for the Participant's first Distribution Calendar Year shall 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, shall be made on or before December 31 of that Distribution Calendar Year.

(c) "Account Balance" means that portion of a Participant's Account that the Participant has not elected to be paid in the form of an annuity but excluding the undistributed portion of a Participant's Account Balance valued as of December 31, 1986, exclusive of subsequent earning, if such amounts are accounted for separately.

9.3 Distributions Before Death – Annuities. A Participant’s entire interest in a Contract shall commence to be distributed no later than the Participant’s Required Beginning Date (as defined in Section 9.2(a) above) over (i) the life of such Participant or the lives of such Participant and his or her designated Beneficiary or (ii) a period certain not extending beyond the life expectancy of such Participant or the joint and last survivor expectancy of such Participant and his designated Beneficiary. Payments shall be made in periodic payments at intervals of no longer than one year and shall be either non-increasing or may increase only as provided in Treasury Regulation §1.401(a)(9)-6, Q&A-1 and Q&A-4. In addition, any distribution shall satisfy the incidental benefit requirements specified in Treasury Regulation §1.401(a)(9)-6, Q&A-2. For purposes of this Section:

(a) “Contract” means, for purposes of this Article, that portion of a Participant’s Account that the Participant has elected to be paid in the form of an annuity.

(b) The distribution periods described in this Section 9.3 shall not exceed the periods specified in Treasury Regulation §1.401(a)(9)-6.

(c) The first required payment may be made as late as the Required Beginning Date and must be the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval.

9.4 Distributions After Death – Account Balances.

(a) *Death On or After Required Beginning Date.* If a Participant dies on or after his or her Required Beginning Date (as defined in Section 9.2(a) above), the remaining portion of his or her Account Balance (as defined in Section 9.2(c) above), taking into account outstanding rollovers, or transfers, shall be distributed at least as rapidly as follows:

(i) If the designated Beneficiary is someone other than the Participant’s surviving spouse, the remaining interest shall be distributed over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the Beneficiary’s age as of his or her birthday in the year following the year of the Participant’s death, or over the period described in paragraph (ii) below if longer.

(ii) If the Participant’s sole designated Beneficiary is the Participant’s surviving spouse, the remaining interest shall be distributed over such spouse’s life or over the period described in paragraph (iii) below if longer. Any interest remaining after such spouse’s death shall be distributed over such spouse’s remaining life expectancy determined using the spouse’s age as of his or her birthday in the year of the spouse’s death, or, if the distributions are being made over the period described in paragraph (iii) below, over such period.

(iii) If there is no designated Beneficiary, or if applicable by operation of paragraph (i) or (ii) above, the remaining interest shall be distributed over the Participant’s remaining life expectancy determined in the year of the Participant’s death.

(iv) The amount to be distributed each year under paragraph (i), (ii), or (iii), beginning with the calendar year following the calendar year of the Participant's death, shall not be less than the quotient obtained by dividing the value of the Participant's Account Balance as of the end of the preceding year by the remaining life expectancy specified in such subparagraph. Life expectancy shall be determined using the Single Life Table in Treasury Regulation §1.401(a)(9)-9, Q&A-1. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year shall be the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year shall be the number in the Single Life Table corresponding to the Beneficiary's or Participant's age in the year specified in paragraph (i), (ii), or (iii) and reduced by one for each subsequent year.

(b) *Death Before Required Beginning Date.* If a Participant dies before his or her Required Beginning Date, the entire interest of his or her Account Balance, taking into account outstanding rollovers, or transfers, shall be distributed at least as rapidly as follows:

(i) If the designated Beneficiary is someone other than the Participant's surviving spouse, the entire interest shall be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his birthday in the year following the year of the Participant's death, or, if elected, in accordance with paragraph (iii) below.

(ii) If the Participant's sole designated Beneficiary is the Participant's surviving spouse, the entire interest shall be distributed, starting by the end of the calendar year following the calendar year of the Participant's death (or by the end of the calendar year in which the Participant would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph (iii) below. If the surviving spouse dies before distributions are required to begin, the remaining interest shall be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his birthday in the year following the death of the spouse, or, if elected, shall be distributed in accordance with paragraph (iii) below. If the surviving spouse dies after distributions are required to begin, any remaining interest shall be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.

(iii) If there is no designated Beneficiary, or if applicable by operation of paragraph (i) or (ii) above, the entire interest shall be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (ii) above).

(iv) The amount to be distributed each year under paragraph (i) or (ii) shall be the quotient obtained by dividing the value of the Account Balance as of the end of the preceding year by the remaining life expectancy specified in such subparagraph. Life expectancy shall be determined using the Single Life Table Treasury Regulation §1.401(a)(9)-9, Q&A-1. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year shall be the number in the Single Life Table corresponding to such spouse's age in such year. In all other cases, remaining life expectancy for a year shall be the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph (i) or (ii) and reduced by one for each subsequent year.

#### 9.5 Distributions After Death – Annuities.

(a) *Death On or After Required Distributions Commence.* If a Participant dies on or after required distributions commence, the remaining portion of his or her Contract (as defined in Section 9.3(a) above) shall continue to be distributed under the annuity option chosen.

(b) *Death Before Required Distributions Commence.* If a Participant dies before required distributions commence, the entire interest in his or her Contract shall be distributed at least as rapidly as follows:

(i) If the designated Beneficiary is someone other than the Participant's surviving spouse, the entire interest shall be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the individual's death, or, if elected, in accordance with paragraph (iii) below.

(ii) If the Participant's sole designated Beneficiary is the Participant's surviving spouse, the entire interest shall be distributed, starting by the end of the calendar year following the calendar year of the Participant's death (or by the end of the calendar year in which the Participant would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph (iii) below. If the surviving spouse dies before required distributions commence to him or her, the entire interest shall be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, shall be distributed in accordance with paragraph (iii) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest shall continue to be distributed under the annuity option chosen.

(iii) If there is no designated Beneficiary, or if applicable by operation of paragraph (i) or (ii) above, the entire interest shall be distributed by the end of

the calendar year containing the fifth anniversary of the Participant's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (ii) above).

(iv) Life expectancy shall be determined using the Single Life Table in Treasury Regulation §1.401(a)(9)-9, Q&A-1. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year shall be the number in the Single Life Table corresponding to such spouse's age in such year. In all other cases, remaining life expectancy for a year shall be the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph (i) or (ii) and reduced by one for each subsequent year.

(c) The "interest" in a Contract shall include the amount of any outstanding rollover and transfer and the actuarial value of any other benefits provided under the annuity such as guaranteed death benefits.

(d) For purposes of subsections (a) and (b) above, required distributions are considered to commence on the Participant's Required Beginning Date (as defined in Section 9.2(a) above) or, if applicable, on the date distributions are required to begin to the surviving spouse under subsection (b)(ii) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under a Contract meeting the requirements of Treasury Regulation §1.401(a)(9)-6, then required distributions shall be considered to commence on the annuity starting date.

9.6 Special Rule for pre-1987 Accumulations. If accounted for separately, the undistributed portion of a Participant's Account Balance (as defined in Section 9.2(c) above) valued as of December 31, 1986, exclusive of subsequent earnings, shall not be subject to the required minimum distribution rules of this Section but instead shall be distributed in accordance with Treasury Regulation §1.403(b)-6(e)(6), the provisions of which are incorporated by reference and, include among other things, that distribution of pre-1987 accumulations shall be distributed in accordance with the incidental benefit requirements of Treasury Regulation §1.401-1(b)(i).

9.7 Elections under TEFRA Section 242(b)(2). Distributions may be made under a designation made before January 1, 1984 in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act.

9.8 2009 Waiver of Required Minimum Distributions. Notwithstanding anything in the Plan to the contrary, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2009 RMDs or (ii) 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, the 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"), shall receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions (with respect to Contracts established by Fidelity Investments,

shall not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions or the Participant or Beneficiary had previously initiated systematic withdrawal payments). Participants and Beneficiaries described in the preceding sentence shall be given the opportunity to elect to stop receiving the distributions (with respect to Contracts established by Fidelity Investments, shall be given the opportunity to elect to receive the distributions unless the Participant or Beneficiary had previously initiated systematic withdrawal payments) described in the preceding sentence. In addition, notwithstanding anything in the Plan to the contrary, and solely for purposes of applying the direct rollover provisions of the Plan, a direct rollover shall be offered only for distributions that are Eligible Rollover Distributions without regard to Code Section 401(a)(9)(H); provided, however, in the case of distributions from Contracts established by Fidelity Investments, a direct rollover shall be offered with respect to 2009 RMDs unless the Participant or Beneficiary had previously initiated systematic withdrawal payments.

## ARTICLE X LOANS

The Plan shall permit participant loans in accordance with the Plan's Participant Loan Program, the terms of which shall be governed by Participants' Contracts and are incorporated in their entirety by this reference. The Plan's Participant Loan Program shall be administered by the Recordkeeper under rules and procedures approved by the Plan Administrator. Such rules and procedures shall include, but shall not be limited to, (i) the maximum loan limit, as determined under Code Section 72(p) or such lower limit that may be established under the Plan's Participant Loan Program, shall be based only on the value of a Participant's Employee Contributions and Rollover Contributions and earnings thereon, (ii) any fees or charges associated with such loan and imposed by the Recordkeeper shall be charged directly to the Participant's Account unless the Recordkeeper permits and the Participant pays any such fees or charges directly to the Recordkeeper, (iii) loans shall be evidenced in written form or in any other form permitted under the Code and any guidance issued thereunder, and (iv) the tax treatment of that portion of any defaulted loan that is secured by a Participant's Employee Roth Contributions shall be determined in accordance with Code Section 402A and guidance issued thereunder.

ARTICLE XI  
PLAN ADMINISTRATION

11.1 Allocation of Plan Administration Responsibilities. The University, Plan Administrator, and Recordkeepers shall have only those specific powers, duties, responsibilities and obligations as are specifically given them under the Plan, the Contracts, or any other agreements relating to the administration of the Plan.

11.2 Administrative Responsibilities. The Plan Administrator or its delegate, has all authority and powers necessary to administer the Plan (other than discretionary authority and powers to control and manage the assets of the Plan), including, without limitation, the authority and power to:

(a) Determine all questions involving the construction and interpretation of the terms of the Plan (including any uncertain terms) and to coordinate the provisions of the various documents that comprise the written plan document in a manner consistent with Code Section 403(b) subject to such general rules and interpretations of the Plan as may be made by the University or, if so authorized, a committee, and to the extent applicable, the terms of the Contracts;

(b) Resolve all questions regarding the administration of the Plan, including all questions concerning eligibility to participate in the Plan, the amounts of Plan Contributions due under the Plan and whether Plan Contributions comply with applicable limitations, and whether the requirements of Code Section 403(b) are properly applied in the administration of the Plan and, as he or she deems necessary to carry out the terms of the Plan;

(c) Maintain all necessary records for the administration of the Plan other than those maintained by other Employees of the University or the Recordkeeper;

(d) Give such instructions and notices, provide such information and make such certifications to the Recordkeeper as shall be necessary or appropriate in the administration of the Plan;

(e) Approve, from time to time, the list of individuals or entities authorized to carry out administrative procedures established hereunder by the Plan Administrator and to perform administrative functions requested by the Plan Administrator and to monitor, from time to time, the effectiveness of established general administrative procedures and the effectiveness of those authorized to carry out plan administration to ensure that they are performing the requested administrative functions in accordance with Plan provisions and as directed by the Plan Administrator;

(f) Review and approve contracts or other documents that relate to the administration of the Plan and to execute such contracts or other documents (or authorize the execution of such contracts or other documents) on behalf of the University or the Plan;

(g) Appoint, employ or change, when appropriate, legal, accounting, clerical, or other consultants to assist in carrying out the administration of the Plan;

(h) To correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as he or she deems necessary or advisable to carry out the purpose of the Plan; and

Any action taken or any determination made in good faith by the University or the Plan Administrator in the exercise of authority conferred upon it or him or her by the Plan shall be final, conclusive and binding upon all parties, the University, the Participants, and all other persons concerned.

11.3 Payment of Expenses. All expenses of administration shall be paid by the Plan unless the University pays such expenses without expectation of reimbursement by the Plan. Such expenses shall include any expenses incident to the functioning of the Plan Administrator, including, but not limited to, fees of accountants, legal counsel, and other specialists and their agents, and other costs of administering the Plan. All expenses of administration or any loans or extensions of credit (the proceeds of which were used to pay expenses of administration) shall constitute a liability of the Plan until paid. The University may reimburse the Plan for any administration expense incurred and any administration expense paid to the Plan as a reimbursement shall not be considered a University contribution.

11.4 Indemnification by University. In accordance with and subject to the University's indemnification policy as amended from time to time, the University shall indemnify each member of its Board of Trustees, the Plan Administrator, and any Employee approved and authorized by the Plan Administrator to carry out Plan administration or perform such other administrative functions on behalf of the Plan in accordance with Section 11.2(e), against all liabilities and expenses reasonably incurred by any such person, including expenses, attorneys' fees, judgment, fines, and amounts paid in settlement, in connection with any threatened, pending, or completed action, suit, or proceeding which is related to the exercise or failure to exercise by the person of any of the powers, authority, responsibilities, or discretion provided under the Plan, or reasonably believed by the person to be provided thereunder, or any action taken by the person in connection with it.

ARTICLE XII  
AMENDMENT AND TERMINATION

12.1 Amendment of Plan. The University or its designee reserves the right to amend at any time or times and for any or no reason to amend, or modify, to any extent the provisions of the Plan.

12.2 Termination of Plan. The Plan is purely voluntary on the part of the University, and the University reserves the right to terminate the Plan and discontinue contributions completely at any time by action of the University's Board of Trustees. The University also reserves the right to distribute, upon termination of the Plan, the balance of Participants' Accounts in a lump sum, if permitted under the terms of the Contracts, or by delivery of a fully paid annuity contract as permitted under Treasury Regulation § 1.403(b)-10(a). However, in the case of Contracts that are custodial accounts satisfying the requirements of Code Section 403(b)(7) or that hold Participant Contributions, distribution of balances is permitted only if the University (including any Related Employer as determined on the date of the termination) does not make contributions to any annuity contract or custodial account described in Code Section 403(b) that is not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after distribution of all assets from the Plan.

12.3 Merger, Consolidation or Transfer of Assets. In the event of any merger or consolidation of the Plan with, or transfer of assets or liabilities of the Plan to, any other employee benefit plan, each Participant shall (if such other plan had then terminated) be entitled to receive a benefit immediately after such merger, consolidation or transfer which is equal to or greater than the benefit he or she would have been entitled to receive immediately before such merger, consolidation or transfer (if the Plan had then terminated).

ARTICLE XIII  
GENERAL PROVISIONS

13.1 No Right of Employment. Nothing contained herein shall be deemed to give any Employee the right to be retained in employment or to interfere with the rights of the University to discharge him or her at any time.

13.2 Inalienability of Benefits. The rights or interests of any person under the Plan may not be assigned or alienated, and, to the extent permitted by law, no benefit payments under the Plan shall be subject to legal process or attachment for the payment of any claims against any person entitled to receive the same.

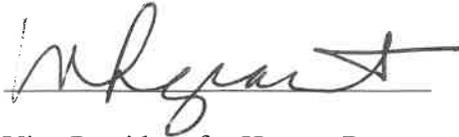
13.3 Construction and Headings. Where appropriate, words used in the singular include the plural and the plural includes the singular. The words “hereof,” “herein,” “hereunder” and other similar compounds of the word “here” shall mean and refer to this entire Plan, not to any particular provision or section. The headings of the Plan are inserted for convenience of reference only and shall have no effect upon the meaning of the provisions hereof.

13.4 Facility of Payment. If the Plan Administrator deems any person incapable of receiving benefits to which he or she is entitled by reason of minority, illness, infirmity, or other incapacity, the Plan Administrator may direct that payment be made to the legal guardian or custodian, or if none, to a parent or a responsible adult with whom a minor maintains his or her residence, if such is permitted by the laws of the state in which such person resides. Such a payment to the legal guardian, custodian or parent of a minor shall fully discharge the University and Plan from further liability on account thereof. Notwithstanding the foregoing, if there is a conflict between this Section and the contractual terms of a Contract, the terms of the Contract shall control.

13.5 Law Applicable. The Plan shall be governed and construed in accordance with the laws of Vermont. Anything in the Plan or any amendment hereof to the contrary notwithstanding, no provision of the Plan shall be construed so as to violate the requirements of the Code or any other applicable law.

IN WITNESS WHEREOF, the University has caused this instrument to be executed on this 30 day of MARCH, 2017.

THE UNIVERSITY OF VERMONT

By: 

Vice President for Human Resources, Diversity and Multicultural Affairs