

UNIVERSITY OF ALASKA OPTIONAL RETIREMENT PLAN II  
SUMMARY OF PLAN PROVISIONS

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UNIVERSITY OF ALASKA OPTIONAL RETIREMENT PLAN II  
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INTRODUCTION TO YOUR PLAN

University of Alaska Optional Retirement Plan II ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax advantaged basis. This Plan is a type of retirement plan known as a 403(b) plan. This Summary of Plan Provisions contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Summary to understand the features of the Plan.

This Summary addresses the most common questions you might have regarding the Plan. If this Summary does not answer all of your questions, please contact the Plan Administrator or other Plan representative. The Plan Administrator ETBT10(S7e(re)4(p)-6(re)4(se)4(p)-) ougarsp

See "Additional eligibility condition provisions" below for special provisions that might apply to eligibility conditions.

Entry Date. For purposes of mandatory employee contributions, your Entry Date will be the date on which you satisfy the eligibility requirements.

#### Additional Excluded Employee provisions

From all contributions: any Employee who, based on the Employee's primary assignment, is not an "Eligible Employee of the ORP." (a) An "Eligible Employee of the ORP" means: (i) any Employee of the Employer who is either: (A) a faculty member, (B) an administrator whose position is classified as an officer or senior administrator, or (C) covered by the collective bargaining agreement with the Fairbanks Fire Fighters Union Local 1324, for the period 7/1/2014 through 12/31/2015 (or until such agreement is superseded by a subsequent agreement that does not provide for participation in the ORP); (ii) any Employee who, on or after 7/1/2006, and before 7/1/2015, has an initial Employment Date with the Employer (i.e., was never previously employed by the Employer in any Benefit-Eligible Position), and that initial employment is in a PERS-

## ARTICLE II EMPLOYEE CONTRIBUTIONS

What are mandatory employee contributions?

The mandatory employee contribution you make is a pre-tax contribution. This means that the mandatory employee contribution is not subject to federal income taxes and might be subject to Social Security and Medicare taxes. You will always be 100% vested in any mandatory employee contributions you make to the Plan.

Mandatory employee contributions. In order to participate in the Plan, you must make an election to contribute mandatory employee contributions. This election cannot be changed and it must be made on or before the date you are first eligible to otherwise participate in the Plan.

Amount of mandatory employee contributions. You must agree to contribute the amount of the Participant's mandatory contribution to the ORP II Account which shall be equal to covered wages times the mandatory employee contribution rate as follows: (i) For a Participant who is actively participating in ORP Tier 1 or Tier 2, the rate is 8.65 percent; and (ii) for a Participant who is actively participating in ORP Tier 3, the rate is 8.00 percent. For purposes of this section: ORP Tier is determined by when the Participant first became a Participant in the ORP pursuant to an Employment or Reemployment Date : (a) before July 1, 2005, that resulted from an offer of employment from the University dated on or before June 22, 2005; ORP Tier 1 (b) on or after July 1, 2005, and before July 1, 2006, that resulted from an offer of employment from the University dated after June 22, 2005; ORP Tier 2 (c) on or after July 1, 2006: ORP Tier 3 each Plan Year to the Plan.

Additional conditions. The following additional conditions apply to mandatory employee contributions: Notwithstanding an "irrevocable" election, an Eligible Employee shall have a right to make another irrevocable election that will prospectively replace his or her prior election if and when the Participant has a Reemployment Date (or is reclassified) resulting in a change from a TRS-eligible status to a PERS-eligible status, or vice versa, but only if the Participant was originally covered under PERS or TRS. If such a Participant had originally elected ORP, there shall be no right to a second election and the Participant's reemployment (or reclassification) shall result in a resumption (or continuation) of the Participant's coverage under his or her prior Tier of the ORP. A Participant shall have no more than one opportunity to choose between TRS and ORP, or between PERS and ORP. For example, an Employee who, over a period of time, transitions from TRS-eligible to PERS-eligible and then back to TRS-eligible status shall not then have a right to a new election between ORP and TRS, but shall instead resume coverage under the Plan and Tier elected in his or her initial irrevocable election between TRS and ORP.

What are rollover contributions?

Rollover contributions. Subject to the provisions of your investment arrangements and at the discretion of the Plan Administrator, if you are a Participant in the Plan, you might be permitted to deposit into the Plan distributions you have received from other plans and certain IRAs. Such a deposit is called a "rollover" contribution and might result in tax savings to you. You may ask the Plan Administrator of the other plan or the trustee or custodian of the IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, you may elect to deposit any amount eligible to be rolled over within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is in your best interest.

Rollover account. Your rollover contribution will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this Summary entitled "Vesting"). Rollover contributions will be affected by any investment gains or losses.

Withdrawal of rollover contributions. You may withdraw the amounts in your "rollover account" at



which your Employer must pay are known as "settlor expenses." Generally, settlor expenses relate to the design, establishment or termination of the Plan. See the Plan Administrator for more details. The expenses charged to the Plan might be charged pro rata to each Participant in relation to the size of each Participant's account balance or might be charged equally to each Participant. In addition, s



procedures established by your Employer to document your spouse's consent to waive the annuity and take the payment in some other form permitted by the Plan. Your spouse must also consent to any Plan loans that you request.

## ARTICLE VI DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT

To the extent permitted in the investment arrangements, the provisions in this Article apply to distributions from the Plan following termination of employment.

When can I get money out of the Plan?

You might be able to receive a distribution of some or all of your accounts in the Plan when you terminate employment with your Employer. The rules regarding the payment of death benefits to your beneficiary are described in the Article in this Summary entitled "Distributions upon Death."

If you terminate employment, you will be entitled to a distribution within a reasonable time after fully separating from service for 45 days. Notwithstanding the foregoing, if a Participant becomes entitled to a distribution due to termination of employment and later becomes an employee before the benefit commencement date, the Participant shall no longer be eligible to receive a distribution attributable to such prior termination of employment. If such a Participant took a partial distribution, the Participant may not receive any further distribution until the Participant later satisfies a distribution event. You must consent to this distribution. (See the question "How will my benefits be paid?" for a further explanation of how benefits are paid from the Plan.)

**Military Service.** If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with your Employer. There might also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Plan Administrator for further details.

What is Normal Retirement Age and what is the significance of reaching Normal Retirement Age?

Normal Retirement Age. Your Normal Retirement Age is the date you reach age 60.

**Payment of benefits.** You will become 100% vested in all of your accounts under the Plan (assuming you are not already fully vested) if you are employed on or after your Normal Retirement Age. However, the actual payment of benefits generally will not begin until you have terminated employment. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Age, you may generally defer the receipt of benefits until you actually terminate employment. In such event, benefit payments will begin as soon as feasible at your request, but generally not later than age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949). (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

When am I considered to be disabled under the Plan?

**Definition of disability.** Under the Plan, disability is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that 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 twelve months. The permanence and degree of such impairment must be supported by medical evidence. The Plan Administrator may require that your disability be determined by a licensed physician.

How will my benefits be paid to me?

The following provisions apply to the extent permitted under the investment arrangements in which the plan assets are invested.

**Lump-sum distributions.** If you terminate employment and your vested account balance does not exceed \$5,000, then your vested account balance might only be distributed to you in a single lump-sum payment.

**Distribution methods.** If you terminate employment and your vested account balance exceeds \$5,000 (or another amount as provided in your investment arrangement), then your vested account balance might be distributed to you under the following methods provided they are permitted under your investment arrangements:

a single lump-sum payment

installments over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary)

an annuity contract that the Vendor provides or purchases with your vested account balance

ad-hoc distributions. You may request a distribution of some or all of your Plan accounts, at any time following your termination of employment, subject to any reasonable limits regarding timing and



Can I elect a rollover to reduce or defer tax on my distribution?

Rollover or Direct Transfer. You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) 60-day rollover. You may roll over all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after

determined by the Plan Administrator (rather than by a third party such as the Social Security Administration), then you must also include