UNIVERSITY OF PITTSBURGH

403(b) PLAN

and

401(a) RETIREMENT PLAN

SUMMARY PLAN DESCRIPTION

Revised: June 2017

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INTRODUCTION

The University of Pittsburgh retirement program consists of three plans:

1. The University of Pittsburgh 403(b) Plan (the "403(b) Plan")[1],

2. The University of Pittsburgh 401(a) Retirement Plan (the "401(a) Plan"), and

3. The University of Pittsburgh Noncontributory Defined Benefit Pension Plan (the "Pension Plan").

This summary plan description ("SPD") covers the 403(b) Plan and the 401(a) Plan. There is a separate summary plan description for the Pension Plan.

Most full-time and (non-student) part-time employees of the University (including employees who are not generally eligible for benefits) are eligible to make contributions under the 403(b) Plan**.** Benefits-Eligible Employees who contribute at least three (3%) percent of "Compensation" to the 403(b) Plan will receive a match under the 401(a) Plan.

You need to check the eligibility provisions of each plan in order to know whether you are eligible to participate. (See Chapter III below.)

Effective as of February 9, 2015 TIAA became the sole record keeper.

If you make contributions to the 403(b) Plan (or are thinking about making contributions to the 403(b) Plan), please read this SPD carefully.

If there is a conflict between the SPD and the plan document, the plan document governs.

If you have any questions, feel free to contact the University's Office of Human Resources, Benefits Department at 412-624-8160 and ask for a Retirement Analyst.

YOU SHOULD NOT RELY ON THIS SPD FOR LEGAL OR TAX ADVICE and should see your attorney or tax advisor if you need advice with regard to a particular situation.

Tax information is presented merely to help you understand how the plans operate and your options under the plans. Tax rules change frequently, and the tax information contained in this SPD may be obsolete before the University is able to issue a new SPD.

[1] The 403(b) Plan was formerly known as the University of Pittsburgh Contributory Tax-Deferred Annuity Plan.

I. HOW DO I....?

A. Find Enrollment/Election Change Forms

1. Log into the University's Portal at www.my.pitt.edu.
2. Enter Username and Password.
3. Click on "My Resources" tab on the "My Pitt" portal home page.
4. Select "Human Resources" from the drop down list.
5. Select "Retirement Savings Plan Access - Manage Your Retirement Plan Elections" located on the Human Resources landing page.

If you make an election to change: (i) the amount of your contributions, or (ii) the type of your contributions (403(b) v. Roth 403(b)), the change becomes effective for the following month. However, if you are paid on a biweekly basis, the change becomes effective as of the first pay date in a month.

Having Trouble Logging On?

- Call the Help Desk at 412-624-HELP (4357).

Need Internet Access?

- You can access a computer in the Benefits Department or contact your regional HR office.

Want to Change Your Password?

- Go to: http://accounts.pitt.edu

B. Get Help with My Elections?

Call the University of Pittsburgh Retirement Plan Call Center at 800-682-9139 if:

1. You are already online and need help using the online system, or

2. You want to change the amount of future contributions or how future contributions are invested.

If you want to change how prior contributions are invested, go to my.pitt.edu using the steps in Section A above.

C. **Check My Account Balances, Change Investments, or Move Prior Contributions from one Fund to Another**? (See instructions in Section A above to log on)

Active Employees' Website: www.my.pitt.edu
Former Employees' Website: www.tiaa.org.

Automated Phone Service: 800-842-2252 (available 24/7)

University of Pittsburgh Retirement Plan Call Center: **800-682-9139**
Representatives available Monday to Friday, 8 a.m. to 10 p.m.
Saturday, 9 a.m. to 6 p.m. (ET)

On-Campus Appointments
Consultants from the Pittsburgh office and other Regional offices are available for on-campus appointments to assist you with your retirement planning. To schedule an appointment, please sign up online at www.tiaa.org/schedule now

Web seminars: www.tiaa.org/financialeducation

Hearing Impaired Service Line: 800-842-2755

D. **Find Beneficiary Designations**?

Make beneficiary designations online or choose to have beneficiary designation forms mailed to you. Forms should be returned to TIAA.

Active Employees should:

1. Log into the University's Portal at www.my.pitt.edu.
2. Enter Username and Password.
3. Click on "My Resources" tab on the "My Pitt" portal home page.
4. Hover over **"My Account."**
5. Select **"Change Beneficiaries."**

Former Employees should go to www.tiaa.org.

If you have never used the TIAA secure Web site to access your account, you'll need to register first. Go to **www.tiaa.org/register** to register. You will need one of your account numbers in order to complete the registration process.

E. **Apply for a Loan?**

Call the University of Pittsburgh Retirement Plan Call Center: 800-682-9139 or go on-line through my.pitt.edu and select "Human Resources" under the "My Resources" tab. Then select the "Retirement Savings Plan Access" link. Hover over **"My Account"** and then select "**Apply for a Loan."**

II. UNDERSTANDING YOUR ACCOUNTS

A. Plan History

The 403(b) Plan began on July 1, 1919 (at which time there was no Internal Revenue Code).

All plan assets were invested in TIAA-CREF annuities until July 1, 1985, at which point Vanguard mutual funds were added as investment options.

The 401(a) Plan became effective on January 1, 1994 and was adopted in order to make it easier for the University's retirement program to comply with various Internal Revenue Code requirements.

Prior to 1994 all matching contributions were made to the 403(b) Plan. From 1994 through 2001 some matching contributions were made to the 403(b) Plan, and some were made to the 401(a) Plan (for reasons related to the Internal Revenue Code). Since 2002 matching contributions have been made only to the 401(a) Plan.

In February 2015 TIAA became the sole record keeper.

B. Why You Receive So Much Paper

You need to understand the various types of accounts you have. If you would prefer to receive communications electronically, you may select e-delivery under the “Profile & Settings” features at the top of the “my TIAA-CREF” website.

If you are receiving matching contributions, then you are participating in two plans: (1) the 403(b) Plan, and (2) the 401(a) Plan.

Prior to 1994, if you invested through TIAA-CREF, 403(b) contributions that were matched and the related matching contributions were invested in retirement annuities ("RAs") in the 403(b) Plan. If you made 403(b) contributions that were not matched, those contributions were (in general) invested in supplemental retirement annuities ("SRAs").

Two changes took place in 1994. First, the 401(a) Plan became effective, and the matching contributions for anyone contributing at least 6% of Compensation went into the 401(a) Plan.

Second, new 403(b) contributions were invested in group retirement annuities ("GRAs") or group supplemental retirement annuities ("GSRAs").

Between 1994 and February 9, 2015, if you made 403(b) contributions, received a match, and divided your money among TIAA, CREF, and Vanguard in both plans, you had at least six different accounts.

Effective as of February 9, 2015 any new contributions that you elect to invest with TIAA-CREF are invested in Retirement Choice ("RC") contracts, including unmatched 403(b) Plan contributions.

If you were a University employee prior to 1994, it is possible that you have as many as ten different annuity accounts with TIAA-CREF in just the 403(b) Plan:

-	TIAA RA	-	CREF RA
-	TIAA SRA	-	CREF SRA
-	TIAA GRA	-	CREF GRA
-	TIAA GSRA	-	CREF GSRA
-	TIAA RC	-	CREF RC

In addition:

- You could have TIAA GRA, TIAA RC, CREF GRA, and CREF RC accounts in the 401(a) Plan.

- If you were hired prior to 2002, you may have matching contributions in both plans.

- In November 2003 TIAA-CREF mutual funds were added as investment options in both plans. Therefore, you may have TIAA-CREF mutual funds, as well as TIAA and CREF annuities in both plans.

- If you make Roth 403(b) contributions or after-tax contributions, those contributions are tracked and reported separately from the regular pre-tax 403(b) contributions.

- If you participated in a plan of another university before coming to the University of Pittsburgh or if you have money in a plan of the University of Pittsburgh Medical Center or University of Pittsburgh Physicians, you also receive statements for those plans.

C. **How do I Consolidate Accounts**?

Under IRS and TIAA-CREF rules there are limits on your ability to consolidate accounts. Nevertheless, there are certain steps that you can take to consolidate contracts within a plan.

1. If you have money in an RA, GRA, SRA, or GSRA contract, you may transfer that money to a Retirement Choice (RC) contract within the same plan. Therefore, you may consolidate your TIAA-CREF contracts and investments under Retirement Choice contracts. You may not transfer money from a Retirement Choice contract to any other type of contract.

2. If you have terminated employment with the University, you may take money out of the 401(a) Plan or the 403(b) Plan, make a "direct rollover" to an IRA and consolidate your accounts in an IRA. Roth 403(b) contributions (and related gain) may be rolled over to a Roth IRA. If your vested interest in a University plan exceeds $5,000, you may leave your money in the plan.

3. You may be able to take your money out of a former employer's plan and roll it over to a University plan or an IRA.

4. Please note that transfers, as well as distributions on termination of employment, are subject to any distribution rules that apply to the investment fund. If you have money in a TIAA traditional annuity, it may take you nine years to transfer the money from an RA or GRA annuity or to a Retirement Choice contract.

III. PARTICIPATION

A. 401(a) Plan v. 403(b) Plan

As discussed in Sections B and C below, almost all employees of the University are eligible to participate in the 403(b) Plan. If you are eligible to participate in the 403(b) Plan, you have the right to make contributions to the 403(b) Plan. You need to also be eligible to participate in the 401(a) Plan in order to receive matching contributions.

B. Employees Only

You must be an employee of the University (who receives a Form W-2) in order to be eligible to participate in any of the University's retirement plans. Former employees are not eligible to participate.

Fellows/Post-Doctoral Scholars: If you are a researcher who is not an employee, you are not eligible to participate. If your payments are not subject to FICA (Social Security) taxes, you are probably not an employee.

Dual Appointment with UPP: If you are an employee of both the University and UPP and paid through a common paymaster, you may participate in the 403(b) Plan and 401(a) Plan (if you are eligible) based on your Compensation for services to the University.

C. 403(b) Plan Eligibility

All employees of the University are eligible to participate in the 403(b) Plan EXCEPT:

1. Nonresident aliens with no U. S. source income, and
2. Students to the extent that their services are not "employment" for purposes of the Social Security taxes.

Students: In general, students who have part-time jobs will not be eligible to participate. If a student has a full-time job, and if the University determines that the student's compensation is subject to FICA (Social Security and Medicare) taxes, the student may make contributions to the 403(b) Plan based on the portion of his Compensation that is subject to FICA taxes.

D. 401(a) Plan Eligibility

Benefits-Eligible Employees: If your position is classified in categories 1-8 below, you are eligible to participate in the 401(a) Plan, unless you are also part of an ineligible class.

1. Faculty full-time regular
2. Part-time faculty in the tenure stream or tenured for no less than half-time
3. Faculty librarians full-time regular
4. Research Associates full-time regular
5. Staff (non-union) full-time regular
6. Staff (non-union) part-time regular
7. Post-Doctoral Associates (full-time) with an appointment date on or before June 30, 2005
8. Members of collective bargaining units, if and only if, the applicable collective bargaining unit provides for participation

Your category of employment is determined in accordance with what has been entered into the University's Payroll System.

Ineligible Classes of Employees: If your category of employment is not listed above, you are not eligible to participate in the 401(a) Plan. In addition, the following groups of employees are not eligible to participate:

1. **Pension Plan Participants**: Anyone who is eligible for a calendar year to accrue benefits under the Pension Plan may not receive a matching contribution under the 401(a) Plan for the same calendar year.

2. **Employees Covered by a Collective Bargaining Agreement**: Union employees are not eligible for matching contributions unless their collective bargaining agreement provides for participation in the 401(a) Plan. If the collective bargaining agreement provides for participation, union employees participate on the same terms and subject to the same restrictions as non-union staff employees.

3. **Students (graduate and undergraduate) and Fellows**

4. **Part-time regular faculty not in the tenure stream, part-time regular research associates, and part-time regular librarians**

5. **Employees under the age of eighteen (18)**

6. **Post-Doctoral Associates**: A Post-Doctoral Associate whose appointment is dated on or after July 1, 2005 is not eligible to participate in the 401(a) Plan.

7. **Nonresident Aliens with no U.S. source income**

8. **Accelerated Option**: If you completed the accelerated option under the 401(a) Plan or the 401(a) Retirement Plan of the Medical and Health Sciences Foundation, you are not eligible for a match under the 401(a) Plan.

9. **Temporary Employees**

Change in Employment Classification: If you are a participant in the 401(a) Plan, and if your employment classification changes so that you are no longer a Benefits-Eligible Employee, your account balance under the 401(a) Plan becomes frozen. No new contributions will be made to your account, but your account continues to earn (or lose) money depending on how you invest it.

If you cease to be a Benefits-Eligible Employee, your 403(b) election will terminate. If you want to make unmatched contributions, you need to make a new 403(b) election.

If your employment status changes from "Ineligible" to "Benefits-Eligible," you are treated (for purposes of determining eligibility to participate) as a new hire.

Switching Plans: If you are a participant in the 401(a) Plan, you may not switch participation to the Pension Plan. If you are a Benefits-Eligible Employee who is a participant in the Pension Plan, you may switch participation to the 401(a) Plan.

If you are participating in the Pension Plan and want to switch to the 401(a) Plan, contact a Retirement Analyst in the Office of Human Resources, Benefits Department, for a once in career change form. Once this form is reviewed by the Benefits Department, you will be notified of your eligibility and will be required to enroll using the online enrollment system.

E. **Automatic Enrollment** (Effective Nov. 3, 2015)

Except as discussed below, if: (i) your first day as a Benefits-Eligible Employee is on or after November 3, 2015, (ii) you are eligible to participate in the 401(a) Plan, and (iii) you do not make an election to contribute to the 403(b) Plan, you will be automatically enrolled in the 403(b) Plan with an election to make 403(b) contributions at a rate of three (3%) percent of Compensation on a pre-tax basis. In addition, you will be automatically enrolled in the 401(a) Plan so that you receive a match on your 403(b) contributions.

Transition Rule: Even though automatic enrollment applies to employees who become Benefits-Eligible Employees on or after November 3, 2015, for administrative reasons, automatic enrollment was not effective before the first paycheck in June of 2016.

If you are automatically enrolled in the 403(b) Plan, you have the options to:

1. Reduce or cancel your automatic enrollment.
2. Increase your automatic election to a percentage greater than three (3%) of Compensation.
3. Change your 403(b) contribution election from pre-tax to after-tax or Roth.

Not Benefits-Eligible: If you are not eligible to participate in the 401(a) Plan, automatic enrollment does not apply to you. If you want to make 403(b) contributions, you need to enroll in the 403(b) Plan.

Union Employees: Automatic enrollment does not apply to union employees who have the right under a collective bargaining agreement to participate in the Defined Benefit Plan. If: (i) your terms of employment are covered by a collective bargaining agreement with the University, and (ii) you are eligible to participate in the 401(a) Plan, and (iii) your collective bargaining agreement provides that you have the right to participate in the Defined Benefit Plan, then you have the right to choose whether to participate in the 401(a) Plan or the Defined Benefit Plan. If you choose the Defined Benefit Plan, you may still elect to make 403(b) contributions, but you will not get a match.

Entry Dates: If you are a new hire (who is a Benefits-Eligible Employee), your entry date depends on the date that you submit your election to participate.

If you are paid on a monthly basis and:

If: (i) **your first day of work is on or before the first business day of the month**, and (ii) you submit your election to participate by the end of the month of your first day of work, you become a participant as of the first day of the next month.

Example: If your first day of work is September 1 and you submit your election to participate by September 30, you become a participant on October 1. If you submit your election form in October, you become a participant as of the first day of November.

Automatic Enrollment: If you do not enroll in the 403(b) plan within sixty (60) days of the end of the month of your first day of work, you will be automatically enrolled with a three (3%) percent contribution rate.

Example: If your first day of work is September 1, and if you do not enroll by November 29, you will be automatically enrolled as of December 1.

If: (i) **your first day of work is <u>after</u> the first business day of the month**, and (ii) you submit your election to participate by the end of the month following the month of your first day of work, you become a participant as of the first day of the second month following your first day of work.

Example: If your first day of work is September 15 and you submit your election to participate by October 31, you become a participant on November 1. If you submit your election form in November, you become a participant as of the first day of December.

Automatic Enrollment: If you do not enroll in the 403(b) plan within sixty (60) days of the end of the month following the month of your first day of work, you will be automatically enrolled with a three (3%) percent contribution rate.

Example: If your first day of work is September 15, and if you do not enroll by December 30, you will be automatically enrolled as of January 1.

If you are paid on a biweekly basis, your 403(b) election will be effective as of the first pay date of a month. You need to see the "pay schedule" in order to understand when your 403(b) Plan election will be reflected in your pay.

You can find the pay schedule at:
http://hr.pitt.edu/sites/default/files/uploads/Pitt_Payroll_Schedule.pdf

A "pay period" is two weeks. Pay periods begin on Sundays and end on Saturdays. The pay date for a particular pay period is the Friday following the end of the pay period.

An "enrollment period" is generally two pay periods but can be three pay periods. If you look at the pay schedule for biweekly pay, the columns on the left are enrollment periods.

If your first day of work is on or before the first business day of the month, and if you make your election during an enrollment period shown in the left hand columns, your 403(b) Plan election will show up in the pay shown in the corresponding far right column.

Example: If your first day of work is May 1, 2017 and you submit your election to participate by May 20, 2017, your election will show up in your June 9, 2017 pay. If you make your election on May 21, 2017, it will show up in your July 7, 2017 pay.

Automatic Enrollment: If you do not enroll in the 403(b) plan within sixty (60) days of the first day of the following month, you will be automatically enrolled with a three (3%) percent contribution rate, which will first be reflected in your first pay of the fourth month following the month of your first day of work.

Example: If your first day of work is September 1, and if you do not make an election within 60 days of October 1 (November 30), you will be treated as if you enrolled in December, which means that you will see the change in your first pay in January.

If your first day of work is <u>after</u> the first business day of the month, and if you make your election during an enrollment period shown in the left hand columns of the pay

schedule, your 403(b) Plan election will show up in the pay shown in the corresponding far right column. However, you will not be treated as enrolling prior to the month following the month of your first day of work.

Example: If your first day of work is September 5, 2017, and if you submit your election to participate by October 21, 2017, your election will show up in the first pay in November.

Automatic Enrollment: If you do not enroll in the 403(b) plan within sixty (60) days of the first day of the second month after the month of your first day of work, you will be automatically enrolled with a three (3%) percent contribution rate, which will first be reflected in your first pay of the fifth month following the month of your first day of work.

Example: If your first day of work is September 5, and if you do not make an election within 60 days of November 1 (December 31), you will be treated as if you enrolled in January, which means that you will see the change in your first pay in February.

F. Former Employees/Rehires/Change in Status

If you terminate employment with the University and are rehired, regardless of the amount of time you were away, you become eligible to make contributions to the 403(b) Plan as soon as you return (unless you return in a category of employees who are ineligible to participate).

Your treatment under the 401(a) Plan depends on whether you are treated as a new hire.

If you are treated as a new hire:

1. You must elect to participate in the 401(a) Plan again, and there may be a waiting period before you become eligible for a match again.
2. None of your pre-break service will count for purposes of determining whether your future matching contributions are vested.
3. You will get the 100% match, instead of the 150% match, until you have enough service to be vested in future contributions, and
4. If you suffered a forfeiture when you terminated employment, your forfeited amount will not be restored.

The 401(a) Plan and the 403(b) Plan have different rules regarding rehires.

403(b) Plan: If you are treated under the University's Payroll System as having terminated employment for any reason and if you are rehired, you are treated as a new hire. If you want to make contributions to the 403(b) Plan, you need to make a new election, and if you fail to make a new election, you will be subject to the automatic enrollment provisions.

In general, if you are rehired within ten (10) days of termination, you will be treated as if you transferred positions (even if you didn't change desks) and will not be treated as a new hire.

401(a) Plan

Faculty: If you terminate employment with the University and are then rehired as a member of the faculty:

- If more than 365 days pass before you again become an employee, you will be treated as a new hire when you again become an employee.

- If 365 or fewer days pass before you again become an employee, you will be not be treated as a new hire when you again become an employee.

Note: If you terminate, have a break in service of more than 10 days and less than one year, and are then rehired, you would be treated as a new hire for purposes of the 403(b) Plan and would need to make a new election. You would not be treated as a new hire for purposes of the 401(a) Plan, BUT you would need to make a new 403(b) plan election in order to start receiving a match again.

Staff: If you terminate employment with the University and are then rehired as a member of the staff (or in a position that is not treated as faculty for benefits purposes), you will be treated as a new hire unless:

- You involuntarily terminated employment with the University due to position elimination or an employer-initiated reorganization and 365 or fewer days pass before you again become an employee of the University; or

- You again become an employee of the University not later than the tenth (10th) day after your last day of prior employment.

A reorganization is not "an employer-initiated reorganization" unless it is determined to be such by the Chancellor, the Executive Vice Chancellor, the Provost, or the Senior Vice Chancellor, Health Sciences, or his or her delegate.

Change in Status If you cease to be a Benefits-Eligible Employee without terminating employment with the University, you will become a Participant again as of the first day that you again become a Benefits-Eligible Employee and will

not be treated as a new hire (for purposes of the 401(a) Plan; you need to make a new election under the 403(b) Plan).

If you are hired in a position that is not eligible to participate in the 401(a) Plan and later become eligible to participate, you are treated (for purposes of the 401(a) Plan and automatic enrollment provisions) as a new hire.

Veterans Notwithstanding the above, if you terminate employment because you are called up for military duty, you will not be treated as a new hire (for purposes of the 401(a) Plan) if you are re-employed by the University within the time period during which you have re-employment rights protected by federal law, but you will need to make a new election under the 403(b) Plan.

Disability Notwithstanding the above, if you are a former employee receiving benefits under a long-term disability plan of the University, recover from your disability, and again become an employee of the University within 365 days of the date on which you are medically released to return to work, you will not be treated as a new hire (for purposes of the 401(a) Plan) when you again become an employee, but you will need to make a new election under the 403(b) Plan.

365th Day: If the University is not open for business on the 365th day, then the 365-day deadline is extended until the close of business of the University's Office of Human Resources on the first business day following the 365th day. In addition, the 365-day period starts after your last day of work for the University.

IV. CONTRIBUTIONS AND ALLOCATIONS

A. Procedures

If you want to contribute to the 403(b) Plan, complete the online enrollment process.

Online enrollment screens are available at www.my.pitt.edu. [See Chapter I for log on information.] If you do not have an account, contact the Benefits Department at 412-624-8160.

You have the option to contribute on a pre-tax (or 403(b)), after-tax, or Roth basis. "Pre-tax" contributions are not subject to the federal income tax when made but are subject to other taxes. See Tax Notes/Rules below.

If you want to contribute, you need to decide how to invest your contributions. If you fail to make an investment election, your contributions will be invested in a TIAA-CREF Lifecycle Fund based on the year that you will reach age 65. See Chapter V for more information.

B. Compensation

Most contributions are based on "Compensation," which for purposes of the 403(b) Plan and the 401(a) Plan means your base salary or wages (including faculty third-term compensation) plus any salary reductions under the 403(b) Plan, flexible benefits plan, or the pre-tax transportation program.

"Compensation" does not include any taxable welfare benefits, fringe benefits, cash payments under the flexible benefits plan in exchange for waiving benefits, lump-sum cash-outs of vacation or sick pay paid to terminating employees, expense reimbursements, moving expenses, bonuses, commissions, overtime, supplemental payments, or payments under any early retirement, severance, or similar program. If you become eligible to participate in the middle of a plan year, your "Compensation" for the plan year does not include amounts paid before you became a participant. If you are paid biweekly, your "Compensation" includes your entire base pay for the pay period during which you become a participant.

Any payment (such as a scholarship, grant, stipend, or fellowship payment) that is not a payment for services (subject to FICA taxes) is not "Compensation" for purposes of the plans.

Dollar Limit: If you became a participant in a plan on or after January 1, 1996, the amount of your Compensation that may be taken into account under the plan is (because of Internal

Revenue Code rules) subject to a dollar limit of $270,000 (indexed for 2017 and subject to cost-of-living adjustments).

If you became a participant in either the 401(a) Plan or the 403(b) Plan prior to January 1, 1996, you are not subject to a dollar limit on the amount of Compensation that may be taken into account under that plan.

C. **403(b) Plan**

You have the option to contribute to the 403(b) Plan: (i) on a pre-tax basis, (ii) on an after-tax basis, or (iii) on a Roth basis.

1. **403(b) Contributions**: The University refers to pre-tax contributions as "403(b) contributions." [They are also known as elective deferral contributions, salary reduction contributions, or tax-deferred annuity contributions.]

   If 403(b) contributions are matched under the 401(a) Plan, they are referred to as "Matched 403(b) contributions." If they are not matched, they are referred to as "Unmatched 403(b) contributions" (formerly supplemental retirement annuity contributions).

   You may elect to make 403(b) contributions up through the lesser of: (i) the "applicable dollar amount" or (ii) 99% of your "Compensation." For most employees, the applicable dollar amount will be the lower limit.

   Priority: In general, 403(b) contributions have the lowest priority of any amount that is withheld from your paycheck. Deductions will be made for taxes, welfare benefits (such as medical, dental, and vision benefits), fringe benefits (such as the flexible benefits plan and pre-tax parking), savings bonds, and anything else that you elect to have withheld from your pay first. If your paycheck isn't large enough to cover everything that you elect to have withheld from it (plus taxes), the Payroll Department will reduce the amount of your 403(b) contributions, which may mean that you lose matching contributions.

   Applicable Dollar Amount: Internal Revenue Code §402(g) imposes a limit on the amount of your 403(b) contributions. The general dollar limit, which in the Internal Revenue Code is referred to as the “applicable dollar amount”, for 2017 is $18,000. The limit may increase in future years for cost-of-living adjustments. Your limit may be higher if you are eligible for "age 50 catch-up contributions" (discussed below).

   Please note that the §402(g) limit applies per calendar year to <u>all</u> 401(k) and 403(b) contributions (both pre-tax and Roth) **for <u>all</u> plans in which you participate**, including plans of employers other than the University of Pittsburgh.

Therefore, if you participated in a 401(k) or 403(b) plan of another employer before you started work at the University (or if you hold a dual appointment and participate in a UPP plan), you need to take your 401(k) or 403(b) contributions under the other plan into account when calculating your maximum permitted contribution under the University's 403(b) Plan.

Department of Veterans Affairs: If you are an employee of the VA and contribute to the U.S. Government Thrift Savings Plan ("TSP"), your pre-tax and Roth contributions to the TSP count against your 402(g) limit. Therefore, if you participate in the TSP plan and the University's 403(b) plan, you need to be aware that you have one limit.

Excess Deferrals: If your contributions exceed your applicable dollar amount, you must take a refund of the excess contributions. If the excess contributions remain in the plan, you could be taxed twice, once in the year of contribution and once in the year that the contributions are distributed.

If your contributions exceed your applicable dollar amount because you participated in both the 403(b) Plan and a plan of another employer, you have until March 1 of the following year to tell at least one of the employers from which plan you want the excess contributions distributed.

Conversion to After-Tax Contributions: If during a pay period your 403(b) contributions (including Roth 403(b) contributions, but not including contributions to plans of another employer) reach your applicable dollar amount, your election to make 403(b) contributions (or Roth 403(b) contributions) will be converted to an election to make after-tax contributions; provided that the amount of after-tax contributions when added to 403(b) contributions and Roth 403(b) contributions will not exceed 8% of Compensation for the pay period. For example, if you elect to contribute 15% of Compensation and reach your applicable dollar amount, your election will be converted to an election to contribute 8% of Compensation on an after-tax basis.

15-year Catch-up Contributions: Starting in 2018 you may not elect to make 15-year catch-up contributions under the University's 403(b) Plan.

Age 50 Catch-Up Contributions: If you are (or will be) at least 50 years old by the end of a plan year, your applicable dollar amount (for all 401(k) and 403(b) plans in which you participate) increases by $6,000, and you may elect to contribute an additional $6,000 on a pre-tax or Roth basis under the University's plan. The $6,000 increase applies for 2017 and is subject to periodic cost-of-living adjustments.

Tax Notes/Rules:

This section deals only with special tax rules applicable to 403(b) contributions. Section C4, starting on the next page, has a comparison of the tax treatment of the different types of contributions.

(i) Although this SPD is written as if you make 403(b) contributions, under the Internal Revenue Code you are agreeing to have your salary or wages reduced in exchange for the University's making a contribution to the 403(b) Plan for you.

403(b) (pre-tax) contributions will not be included in your taxable income for purposes of the federal income tax (until they are distributed from the plan). They are included in income for purposes of the Pennsylvania income tax, local wages taxes in PA, and FICA (Social Security and Medicare) taxes.

Tax Credit: If your adjusted gross income ("AGI") is less than $30,750 ($61,500 if you are married filing jointly), you may be eligible for a tax credit for 403(b) contributions not in excess of $2,000. See IRS Form 8880. http://www.irs.gov/pub/irs-pdf/f8880.pdf

(ii) You are permitted to make age 50 catch-up contributions at any time during the calendar year of your 50th birthday (or any later calendar year). You do not need to wait until your 50th birthday.

(iii) 15-year Catch-up Contributions: If you have at least 15 (full-time equivalent) Years of Service with the University (not counting service with UPMC, UPP, or the Medical and Health Sciences Foundation), your §402(g) limit (but not your applicable dollar amount) is increased for certain regulatory purposes by the least of the following:

- $ 3,000;
- $15,000 reduced by catch-up contributions under the $3,000 limit for prior years;
- the excess of $5,000 multiplied by your number of years of service over your 403(b) contributions (and Roth 403(b) contributions) for prior years, not including age 50 catch-up contributions, to the 403(b) Plan.

2. **After-Tax Contributions** (not Roth contributions)

If you are a Benefits-Eligible Employee who is a Participant in the 401(a) Plan you may contribute on an after-tax basis instead of on a pre-tax or Roth basis.

You may not contribute more than 8% of Compensation per pay period (on an after-tax basis), and you may contribute only to the extent that the contributions are matched under the 401(a) Plan. [If you have completed the accelerated option under the 401(a) Plan, you may not elect to make after-tax contributions.]

If you elect to make 403(b) contributions or Roth 403(b) contributions, you may not elect to make after-tax contributions during the same pay period. Nevertheless, if during a pay period your 403(b) contributions or Roth 403(b) contributions are limited by your applicable dollar amount, your election to make 403(b) contributions or Roth 403(b) contributions will be converted to an election to make after-tax contributions; provided that the amount of after-tax contributions when added to 403(b) contributions and Roth 403(b) contributions will not exceed 8% of Compensation for the pay period.

3. **Roth 403(b) Contributions**

Effective as of October 1, 2008, anyone who is eligible to make 403(b) contributions may also elect to make Roth 403(b) contributions. You may elect to make both 403(b) contributions and Roth 403(b) contributions in the same year.

Roth 403(b) contributions are subject to the same limits as 403(b) contributions. In fact, the applicable dollar amount ($18,000 for 2017) and the limits on catch-up contributions (both types) apply to the sum of your 403(b) contributions and Roth 403(b) contributions.

4. **Tax Treatment**: **Roth 403(b) Contributions v. 403(b) Contributions v. After-Tax Contributions:**

If you make regular 403(b) contributions, the amount that you contribute is not subject to federal income tax for the year that you make the contribution. [You are subject to FICA taxes and the PA income tax.] When the contributions are distributed from the 403(b) Plan, the contributions and all accumulated gain are subject to the federal income tax. Therefore, making 403(b) contributions enables you to defer federal income taxes until you take a distribution. [You may be able to continue to defer taxes on a distribution by making a rollover of your distribution to an IRA.]

If you make after-tax contributions, the amount that you contribute is subject to the federal income tax (and FICA taxes and the PA income tax) for the year that you make the contribution. When the contributions are distributed from the 403(b)

Plan, the contributions are not subject to the federal income tax a second time, but any accumulated gain that is distributed will be subject to the federal income tax.

[NOTE: The IRS has complicated rules regarding how much of a distribution is after-tax contributions and how much is accumulated gain. You probably do not have the option to withdraw your after-tax contributions without taking any gain at the same time. However, if you take a distribution of your entire account, you could elect to make a direct rollover of everything in your account except the after-tax contributions to an IRA and keep the after-tax contributions.]

If you make Roth 403(b) contributions, the amount that you contribute is subject to the federal income tax (and FICA taxes and the PA income tax) for the year that you make the contribution. When the Roth contributions are distributed from the 403(b) Plan, the Roth contributions and all accumulated gain are not subject to the federal income tax IF you have a "qualified distribution." Therefore, making Roth 403(b) contributions enables you to avoid taxes, not merely defer taxes, BUT you need to meet certain requirements in order to avoid taxation.

Taxation of Roth 403(b) Contributions: Qualified distributions are not includible in gross income for purposes of the federal income tax.

Nonqualified distributions are taxed like after-tax contributions. The contributions are not taxed when they are distributed, but any accumulated gain that is distributed is taxed.

In order for a distribution to be a "qualified distribution," you must participate in the Roth feature for at least five years, and the distribution must be made after you: (i) reach age 59½, (ii) suffer a disability (under IRS standards, which may not be identical to the standard for benefits under the University's long-term disability plan), or (iii) die. [Note: Making Roth 403(b) contributions does not give you any special rights to a distribution. You may not take a distribution until you are eligible for one under the 403(b) Plan.]

The five-year period begins as of January 1 of the first year that you make Roth 403(b) contributions. Therefore, if you make a Roth 403(b) contribution on December 1, 2017, your five-year period ends on December 31, 2021.

Your five-year participation period is calculated separately for every plan in which you participate. Therefore, making a Roth 403(b) contribution to the University of Pittsburgh 403(b) Plan does not count for purposes of determining your five-year period of participation under any other plan, and vice-versa.

D. **401(a) Plan**

The University makes contributions to the 401(a) Plan to match contributions made under the 403(b) Plan.

1. **Basic Matching Rate (for vested participants)**

If you have three or more "Years of Participation," for each dollar ($1.00) of contributions made to your account under the 403(b) Plan, your account under the 401(a) Plan receives an allocation of $1.50; PROVIDED, that:

(i) You must contribute at least 3% of Compensation in order to get a match, and

(ii) Contributions in excess of 8% of Compensation are not matched.

The matching rate is the same whether to contribute to the 403(b) Plan on a pre-tax, after-tax, or Roth basis.

Your match is determined for each pay period. There is no adjustment at the end of the year. If you contribute less than 8% of Compensation for a pay period, you lose the ability to get a full match for that pay period and may not make up the match by contributing more in a later period.

2. **New Hires/Rehires**: As discussed in Chapter VII, you need three Years of Participation for your matching contributions to be 100% vested. If new matching contributions made to your account are not 100% vested, your matching rate is 100%, not 150%. Your matching rate becomes 150% after you become vested.

Matching contributions made while you are not 100% vested may be invested in either TIAA-CREF or Vanguard funds.

If you leave the University, are rehired, and are treated as a new hire, you are 0% vested in new contributions, which means that your matching rate on new contributions will be 100%, until you earn an additional three Years of Participation.

3. **Accelerated Option**: If you are age 52 and are vested, you may elect to enter the accelerated option. If you are a participant in the accelerated option, and if your contribution rate under the 403(b) Plan is at least 8% of Compensation, your account will receive a match of 14.5% of Compensation instead of 12% of Compensation.

Use the online enrollment system [www.my.pitt.edu.] to elect the accelerated option. You will not have access to the accelerated option enrollment screen until one month prior to your eligibility date.

If you elect to participate in the accelerated option and elect to contribute less than 8% of Compensation, your matching rate is 150%, the same as if you were not in the accelerated option.

Your period of participation in the accelerated option lasts until the earliest of: (i) the 120th month since your date of entry, (ii) the date you cease to be a Benefits-Eligible Employee, or (iii) the date you attain age 65. After your period of participation in the accelerated option ends, you are no longer eligible for any match under the 401(a) Plan. [You may make unmatched contributions to the 403(b) Plan.]

Your "120-month clock" that determines your period of participation in the accelerated option keeps ticking regardless of any change in your election or your change in status as a Benefits-Eligible Employee. The "120-month clock" keeps ticking even if you: (i) stop contributing, (ii) leave the University and return, or (iii) don't get paid over the summer. The only exception to the 120-month rule is for veterans who have protected rights when returning from military leave. For example, if you enter the accelerated option on April 1, 2017 at age 52, you will not be eligible for any matching contribution after March 31, 2027, regardless of what happens in between, unless you have a protected right as a veteran.

Revocation: You may revoke an election to participate in the accelerated option by submitting a revocation in writing to the Benefits Department by the last day of the twenty-third (23rd) month following the month during which your election became effective. If you revoke an election to participate in the accelerated option, you may not elect to participate in the accelerated option again.

If you revoke your participation in the accelerated option, then, beginning on the effective date of the revocation, no Matching Contributions will be allocated to your account until the amount of Matching Contributions (in dollars) that would have been allocated to your account at the 150% matching rate equals 105% of the amount of Matching Contributions (in dollars) attributable to the accelerated option (the extra 2.5% match) actually allocated to your account from the date that your election to participate in the accelerated option became effective until the date that the revocation became effective.

E. Veterans

If you go on military duty and return to the University within the period during which your re-employment rights are protected by law, you may (after you return) make the 403(b),

Roth 403(b), or after-tax contributions that you would have been able to make had you remained employed by the University, and you will get the same match that you would have received had you remained employed and made those contributions. You have the lesser of five years or three times your period of qualified military service to make those contributions.

F. HOW TO GET THE MAXIMUM MATCH (For Participants in the 401(a) Plan)

Your match is determined for each pay period. There is no adjustment at the end of the year. In order for you to get the maximum match for a calendar year, you must contribute at least 8% of Compensation for every pay period for that year or until your compensation reaches the dollar limit for the year ($270,000 for 2017) for employees subject to the limit.

If you contribute less than 8% of Compensation for a pay period, you lose the ability to get a full match for that pay period and may not make up the match by contributing more in a later period. For example, an employee who is vested and who contributes 0% of Compensation for six months and 16% of Compensation for six months, gets a 0% match for six months and a 12% match for six months.

If your 403(b) or Roth 403(b) contributions reach your applicable dollar amount limit before the end of the year, you need to continue to contribute on an after-tax basis for the remainder of the year in order to get the maximum match.

G. Section 415 Limitation

The maximum amount that may be allocated to your account under the 401(a) Plan for 2017 is the lesser of $54,000 or 100% of your "415 compensation" for the year.

If you are entitled to a matching contribution in excess of the 415 limit, your account will receive an allocation under the 401(a) Plan of an amount equal to the 415 limit, and the excess amount will be contributed to the 403(b) Plan up to the permissible limit under that plan. It is possible that some very highly paid employees may not receive a full 12% (or 14.5%) match.

Your contributions under the 403(b) Plan do not count against your 415 limit for the 401(a) Plan.

Outside Businesses: Under IRS rules one 415 limit applies to the allocations you receive under the 401(a) Plan, and a separate 415 limit applies to the sum of: (i) all allocations made to your accounts under <u>all</u> 403(b) plans in which you participate (not just University of Pittsburgh plans), and (ii) the allocations under any defined contribution plan of any trade or business of which you own more than 50%. For example, if you have a consulting business (that you own more than 50% of), and if that business sponsors a defined

contribution retirement plan, you need to take your contributions to the 403(b) plan into account when calculating the 415 limit for that plan.

If you own a business with a retirement plan, you should seek advice as to the contribution limits for that plan, and you need to inform your consultant as to the amount of contributions being made to the 403(b) Plan for you.

If you are a new hire who participated in a 403(b) plan of another employer before starting at the University of Pittsburgh, and if you own a business with a retirement plan, you should get professional advice as to the contribution limits for the plans. The IRS rules are especially complicated if your business operates on a non-calendar year.

If you own more than 50% of a trade or business with a retirement plan, you should contact either TIAA or your tax advisor in order to discuss how that plan affects your ability to contribute under the University's plans.

V. INVESTMENT OF PLAN ASSETS

A. Participant Directed Investments

You have the responsibility to invest your accounts under both the 401(a) Plan and the 403(b) Plan. Because you have the ability to choose how to invest your accounts, the fiduciaries of a plan may be relieved of liability for any losses which result from following your investment instructions.

Your investment options consist of a variety of TIAA-CREF investment funds (both annuities and mutual funds) and Vanguard mutual funds. The investment funds are not listed in this document so that the University will not need to amend this SPD every time that a fund is added, dropped, or has a name change. **If you fail to make an investment election**, you will be deemed to have elected to invest in a TIAA-CREF Lifecycle Fund based on the year that you will reach age 65.

Upon becoming a participant, you should receive an information packet that contains all of the following information:

1. A list of all of the available investment options.

2. A prospectus or detailed financial information for each investment option. (This information, including the information on Vanguard funds, is available at www.tiaa.org/pitt.)

3. Toll-free telephone numbers and internet access information. [See Chapter I.] If you use the internet, you will choose an ID and password the first time that you log on or you may go through my.pitt.edu under the "My Resources" tab and choose "Human Resources." Click on "Retirement Savings Plan Access."

Request a packet from a Benefits Department representative if you do not receive one.

You have the right to receive the following information upon request (based on what is available to the trustees), all of which should be available online:

1. The current prospectus or financial information for each investment option in which you have invested.

2. The annual operating expenses for each such investment option.

3. A list of assets for each investment option. (This is usually prepared twice per year and may be out of date by the time you receive it.)

4. The past investment performance of each investment option.

B. Plan Expenses

There is no load or other charge for investing in any of the funds available under either the 401(a) Plan or the 403(b) Plan. Therefore, no fee will be deducted from your account because you choose any particular fund. Nevertheless, the funds do pay management fees and other expenses which reduce your rate of return. These expenses should be listed in the financial information for a fund.

Caveat: TIAA-CREF and Vanguard have the right to impose penalties for frequent trading and may do so in the future.

Revenue Credit Account: TIAA's record keeping services are paid for out of the management fees that TIAA-CREF receives for managing the TIAA-CREF funds held by the plan. The University has an arrangement with TIAA-CREF under which TIAA (the record keeper) is entitled to a specified amount of revenue for its record keeping services. If TIAA (the record keeper) receives more than the specified amount, the excess will be placed in a "revenue credit account." Money in the revenue credit account may be used to pay plan expenses. At the end of each plan year, if there is any money left over after payment of expenses, it will be allocated among the participant accounts in proportion to account balances. For purposes of this allocation, amounts invested in Vanguard funds or in TIAA-CREF institutional class funds are not taken into account because nothing from those funds goes into the revenue credit account.

C. Changing Elections

You may change how your new contributions are invested or how your existing accounts are invested at any time by calling the TIAA toll-free number or by using the internet. [See Chapter I for contact information.]

If you need help with changing your elections for future contributions, call the University of Pittsburgh Retirement Plan Call Center at 1-800-682-9139.

D. Reports

You may check the status of your accounts online at any time. See Chapter I for contact information.

You have two options regarding statements:

1. If you do nothing, you will receive electronic statements quarterly.

2. You may go online and make an election for paper statements.

VI. DEATH BENEFITS

A. Beneficiary Designations

In general, if you are single when you die, your vested interest will be paid to your beneficiary or, if no beneficiary designation is on file with TIAA, to your estate.

If you are married when you die**,** regardless of whether you are married now, your vested interest will be paid to your spouse unless: (i) you have filed a beneficiary designation naming someone else as beneficiary, and (ii) your spouse has waived his/her right to be beneficiary in writing. See D below.

How to Make a Beneficiary Designation: Active employees may designate beneficiaries by going to my.pitt.edu, and clicking on "Human Resources" under the "My Resources" tab. Select "Retirement Savings Plan Access" from the Human Resources Landing page. Hover over "Manage My Portfolio" and select "Beneficiaries" under "Quick Links."

Former employees and active employees can make beneficiary designations on the TIAA website.

Where to File: File your beneficiary designations with TIAA. The University does not keep copies of beneficiary designations.

Is it Time to Make New Beneficiary Designations? As a result of the transition to TIAA as the sole record keeper, every participant should review his beneficiary designations.

B. Transition to TIAA as the Sole Record Keeper

1. **Contributions made on or after February 9, 2015** will be invested in RC contracts. TIAA will set your beneficiary designation for your RC accounts to: (i) your spouse, if you are married, or (ii) your estate, if you are single. If you want to have a different beneficiary for your RC accounts, you need to make new beneficiary designations, and if you are married you will need spousal consent(s).

2. **If you had money invested in a TIAA-CREF RA, SRA, GRA, or GSRA contract** (or certificate) and did not have money invested with Vanguard, whatever beneficiary designations you had for those contracts should not have changed. NOTE: It is possible that you previously made a beneficiary designation for one type of contract and thought that you were making a beneficiary designation for all of your contracts. Therefore, it is recommended that you check what beneficiary designations you actually have on file.
3. **If you had money invested with Vanguard**, your Vanguard accounts were treated for record keeping purposes as if they were in TIAA-CREF RC contracts. TIAA set your beneficiary designation for your Vanguard accounts to: (i) your spouse, if

you notified them that you were married, or (ii) your estate, if they thought you were single. If you want to have a different beneficiary, you need to make a new beneficiary designation, and if you are married you will need a new spousal consent(s).

4. **If you have designated a trust as your beneficiary**, you need to make a new beneficiary designation with TIAA.

C. **How Many Beneficiary Designations**?

When you make a beneficiary designation, you need to pay attention to which accounts are covered by the beneficiary designation.

1. You may name a different beneficiary for the 403(b) Plan v. the 401(a) Plan.

2. You may name a different beneficiary for each type of TIAA or CREF annuity. Your beneficiary designation for CREF annuities covers your CREF mutual funds that were purchased prior to February 9, 2015. Your beneficiary designation for RC contracts will cover your Vanguard investments and any CREF mutual funds purchased on or after February 9, 2015.

   If you want more information about your beneficiary designation options, call the University of Pittsburgh Retirement Plan Call Center at 1-800-682-9139, Monday through Friday 8 AM to 6 PM (Eastern time).

3. If you worked for another employer that sponsored a plan that had investments with TIAA-CREF, you need to file separate beneficiary designations for that plan.

Please note that if you move money from one account to another, **the beneficiary designation in place for the account that holds the money on the day you die is the one that governs**.

Roth Accounts: One beneficiary designation covers both Roth and non-Roth accounts. If you have terminated employment with the University and want to have a separate beneficiary designation for Roth accounts, you need to take a distribution of your Roth accounts and make a direct rollover to a Roth IRA.

D. **Special Rules for Married Participants**

The Plan documents provide that, in general, **if you are married at your death** (regardless of whether you are married now)**, your vested interest will be paid automatically to your spouse, regardless of any beneficiary designation which you have made, unless your spouse has specifically waived his/her right to be beneficiary.**

Under this general rule, if you want to name your children or someone other than a spouse as beneficiary, you need to make certain that you have a beneficiary designation with spousal consent on file. If you remarry, your new marriage will cancel all of your existing beneficiary designations (except those mandated by certain court orders), and you will need your new spouse's consent to name anyone other than the new spouse as beneficiary.

Please note that if you want to name someone other than your spouse as beneficiary for an RC account (which covers all money invested with Vanguard and all contributions made after February 8, 2015), you need a new spousal consent, even if you obtained a spousal consent in the past.

Annuities: If you elect to take a distribution from a plan in the form of an annuity, the assets that are converted into an annuity leave the plan and are no longer subject to plan rules regarding designation of beneficiaries. [There is a discussion below in Chapter VIII regarding annuities versus installment payments.]

Divorce: The University strongly recommends that if you get divorced (or become widowed or get remarried), you review all of your beneficiary designations under all of your retirement plans (including IRAs and plans of other employers) and make appropriate changes.

CAVEAT: The following warnings represent the University's understanding of the law at the time that this summary plan description was prepared. This SPD should not be regarded as legal advice. If you have a complicated situation regarding the designation of beneficiaries, the University encourages you to seek legal advice.

In general:

1. **Other Documents**: A prenuptial agreement, separation agreement, divorce settlement, civil union, or domestic partnership agreement will not override a beneficiary designation or the provisions of the plan document requiring spousal consent. Certain "domestic relations orders" will override the plan document or beneficiary designations.

2. **Common Law Marriage**: Pennsylvania does not recognize common law marriages created after December 31, 2004. If you are counting on the existence of a common law marriage in order to provide benefits for a spouse, the University recommends that you see a family law attorney regarding whether you have a valid common law marriage in Pennsylvania.

3. **Same-Sex Relationships**: Marital status will be determined in accordance with Pennsylvania law and applicable federal law.

4. **Domestic Partnerships**: An "Affidavit of Domestic Partnership" applies for purposes of medical, dental, vision, group dependent life, and staff bereavement benefits but does not apply for purposes of the 401(a) Plan or the 403(b) Plan. If you want your domestic partner (same-sex or opposite-sex) to be your beneficiary for purposes of the 403(b) Plan or 401(a) Plan, make the necessary beneficiary designation to designate that person as your beneficiary.

5. **Move Out of PA**: If: (i) you retire or otherwise terminate employment with the University, (ii) you move out of Pennsylvania, and (iii) state law is a concern for you, consider whether it makes sense for you to transfer your money from the University of Pittsburgh plans to an IRA.

6. **Wills**: Your will governs who is the beneficiary of your estate. Your will does not govern who is the beneficiary of your accounts under the plans.

7. **IRAs**: If you terminate employment, take a distribution, and roll that distribution over to an IRA, remember to file a new beneficiary designation for that IRA.

E. Vesting

If you die while employed at the University, your account will become 100% vested (if not already vested). If you die while on military leave, you will be treated as if you died while employed by the University and will become 100% vested.

F. Estate Planning

The retirement plans are designed to help you accumulate wealth for retirement. They are not designed to help you accomplish your estate planning objectives. Do not assume that when you die, the money in your accounts will go (on a tax-free basis) to whomever you would like it to go.

If you have accumulated (or expect to accumulate) a substantial amount of money, you should consider whether to consult with a professional advisor and whether the University's plans are the appropriate place to leave your money after you terminate employment. It may be easier to do estate planning if you transfer your accounts to an IRA, especially if:

- you have remarried and have children from a first marriage,

- you want to name a trust as beneficiary of one of your accounts,
- your estate plan is based on a complicated distribution plan,
- you want to have different beneficiaries for Roth and non-Roth accounts, or
- you want to take advantage of the fact that there is no minimum distribution requirement for Roth IRAs during your lifetime.

The University does not guarantee that all of the distribution options currently offered by TIAA-CREF will be available when you die. If you attempt to use the University's plans for complicated estate planning, you (or your heirs) may find that a change in the plans nullifies your estate planning objective. Keep in mind that the University expects to need to amend the plans periodically as a result of changes in the Internal Revenue Code or IRS positions.

Taxes: If you die, your vested interest is (depending on the tax laws at that time) subject to the estate tax, and your beneficiary will be subject to the income tax when he or she takes a distribution. The combination of estate and income taxes can be very high.

If you name your estate as beneficiary, your account will be distributed to your estate, and the amount distributed will be subject to both estate and income taxes.

VII. VESTING

A. 403(b) Plan

All contributions to the 403(b) Plan are 100% vested.

B. 401(a) Plan

The 401(a) Plan has a vesting schedule. You are entitled to receive the matching contributions (and gain or loss on those contributions) allocated to your account only to the extent that the contributions are vested. If you leave before you are 100% vested, the unvested portion of your account will be forfeited.

The vesting schedule is:

Years of Participation	Vested Percentage
Less than 3	0%
3 or more	100%

Your account automatically becomes 100% vested if while employed at the University of Pittsburgh you attain Normal Retirement Age (65), die, or suffer a Total Disability. Total Disability means that you have suffered a total and permanent mental or physical disability which renders you unable to engage in any substantial gainful activity 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.

C. Year of Participation

You receive credit for a Year of Participation for the following years:

1. Any Plan Year during which you both complete at least one thousand (1,000) Hours of Service and receive a match for at least six different months of the Plan Year. If you receive no Compensation for a particular month and have not terminated employment with the University, you will be deemed to have received a match for that month if you receive a match for the most recent month that you did receive Compensation; and
2. Any plan year for which you are entitled to credit for service with UPMC, UPP, or the Medical and Health Sciences Foundation. See Chapter XII.
3. If you are a member of Teamsters Local 249, you also receive credit for each year prior to 2017 during which you were credited with at least 1000 Hours of Service as a member of Local 249.

D. **Forfeitures**

If you terminate employment, the unvested portion of your account will be forfeited.

Amounts which are forfeited are first used by the plan administrator to restore the accounts of rehired employees (if necessary). Any remaining forfeitures are allocated as part of the matching contribution.

E. **Rehires**

Not New Hires: If you are rehired, and are not treated as a new hire when you return to work:

1. The unvested portion of your account which was forfeited will be restored to your account (still unvested).

2. All of your pre-break service will count toward determining whether your matching contributions are vested and whether you will receive the 100% or 150% matching rate.

New Hires: If you are rehired, and are treated as a new hire when you return to work:

1. The unvested portion of your account which was forfeited will not be restored to your account.

2. None of your pre-break service will count toward determining whether your future matching contributions are vested, which means that: (i) you will receive the 100% matching rate until you have earned three additional Years of Participation, and (ii) if you didn't take a distribution when you left, you may have old contributions that are vested and new contributions that are not vested.

VIII. BENEFITS

A. Method of Distribution

If you have terminated employment with the University or are eligible for an in-service distribution, you may elect to receive your money in any form of distribution made available by TIAA-CREF; provided that:

1. You are subject to whatever restrictions TIAA-CREF imposes.

2. If you are married, you must obtain your spouse's consent in order to receive an annuity other than a qualified joint and survivor annuity. A qualified joint and survivor annuity has your spouse as primary beneficiary, and the survivorship percentage is at least 50% and not more than 100%. An example of a qualified joint and survivor annuity is a joint and 50% survivor annuity with your spouse as beneficiary.

3. Your distribution option must comply with IRS and Plan rules on "required minimum distributions," which begin to apply after you reach age 70½, or terminate employment with the University, whichever is later. See the section on "Time of Payment/ Required Minimum Distributions" below.

B. **Mandatory Distributions**: If you terminate employment and have a vested interest of $5,000 or less (including rollover accounts), and do not elect to take a distribution, the plan administrator will arrange for an IRA to be set up in your name and to have your vested interest transferred to an IRA. This rule applies separately to each plan. Therefore, for example, if you have $6,000 in the 401(a) Plan and $4,000 in the 403(b) Plan, the $4,000 in the 403(b) Plan would be transferred to an IRA.

If you terminate employment with a small balance, it may make sense for you to consider opening up your own IRA and transferring your money to your IRA.

C. Monthly Income: Annuities v. Installment Payments

If you decide that you want regular monthly income from either plan, TIAA-CREF offers a large number of options, and you should consider whether an annuity or installment payments (or some combination) is right for you.

Annuities: If you elect to receive an annuity, then one or more of your investment accounts will be converted into an annuity. You will have an annuity contract with TIAA-CREF. The money that is converted into an annuity ceases to be a plan asset, and if you have a dispute over the annuity, it will be with TIAA-CREF, not with the University or the plan administrator.

If you want to convert money that is invested in a mutual fund into an annuity, you need to transfer the money from the mutual fund to an annuity fund investment in order to convert it to an annuity.

Multiple Options: TIAA-CREF offers a number of different types of annuities, including "fixed annuities", "variable annuities", "standard payment method annuities", and "graded payment method annuities", and you need to understand the differences in order to determine which option(s) is (are) best for you. Once money in your account has been converted to an annuity, the conversion is irrevocable.

You may make a separate annuity election for each TIAA or CREF investment fund in which you have invested plan money.

Single Life Annuities: If you elect a "single life annuity", payments will be made for your life only.

Joint and Survivor Annuities: If you elect to receive a joint and survivor annuity, you are electing to receive payments for your life and payments for the life of a "second annuitant". For example, if you elect to receive a joint and 50% survivor annuity with your spouse, after you die TIAA-CREF will pay your spouse 50% of the amount that you were receiving. If your spouse dies first, the payments stop with your death. If you name as second annuitant someone who is not your spouse and who is more than 10 years younger than you (such as a child or grandchild), TIAA-CREF needs to make special calculations to make certain that the annuity complies with the required minimum distribution rules.

Annuities with a Guaranteed Number of Payments: You may elect to receive an annuity with a guaranteed number of payments. If you elect such an annuity, you need to choose a "beneficiary". If you (and the second annuitant, if any) die before the guaranteed number of payments is made, the beneficiary will receive payments for the remaining number of guaranteed payments. For example, if you receive a single life annuity with 20 years of guaranteed payments and die after 8 years, TIAA-CREF will make monthly payments to your beneficiary for the remaining 12 years.

Beneficiary Designation: Any beneficiary designation that you made under a plan does NOT apply to your annuity contract. You need to make a separate beneficiary designation for each annuity contract.

Installment Payments: For purposes of this summary plan description, if you decide to treat your accounts in one of the plans as an ATM, taking money whenever you want it, you will be making "withdrawals". If you want to automatically receive a payment every month, then you want to elect to receive installment payments (a.k.a. systemic cash withdrawals).

If you elect to receive installment payments, your money will remain in the plan, and your accounts will increase or decrease depending on your investment elections. If you die before an entire account is distributed, any amount remaining in the account will go to your beneficiary (under the plan).

You may elect installment payments for any TIAA, CREF, or Vanguard investment fund.

The 401(a) and 403(b) Plans offer a number of different options for installment payments. You may elect installments based on a fixed number of years, your life expectancy, or your joint life expectancy with another person. You may also elect to have a fixed dollar amount or a fixed percentage of your account balance distributed each month. If you have money in a TIAA Traditional Annuity, you may elect to have only the interest distributed. You may also elect to have only the amount needed to comply with the minimum required distribution rules.

Which is Better?

The upside of an annuity is that the payments last as long as you are alive. If you live to be 110, the payments keep coming.

There are generally two downside to an annuity. First, if you (or you and your second annuitant) die young, the payments stop. The money stays in an annuity pool and is used to make payments to annuitants who live beyond their normal life expectancy. Second, annuity payments may not keep up with inflation. Please note that TIAA-CREF offers many types of annuities, and some are designed to deal with these downsides. For example, you can get an annuity with a guaranteed number of payments. In addition, a "graded payment method" annuity may help protect you against inflation.

The upside of installment payments is that you retain control over the money (which is an upside only if you are comfortable investing your retirement money), and after you die your beneficiary receives any amount remaining in your account.

The downside of installment payments is that the money may run out depending on how long you live, how much you withdraw each year, and the rate of return you earn on the money.

Keep in mind that you are not required to choose one form of distribution for your entire account. You may convert some of your investment funds into an annuity and take installment payments from the rest. You should allow time to consider all of your options before you retire.

D. Rollovers and Transfers

A “rollover” is a distribution that gets reported on Form 1099-R. In order to make a rollover, you must take a distribution, have 20% of the distribution withheld for federal income taxes, and then deposit the amount left after withholding in an IRA or a plan of another employer. You generally have 60 days to make a rollover. If you want to avoid having taxes withheld from a distribution, make a "direct rollover." See below.

A “transfer” is not a distribution (from the IRS' perspective) and does not get reported on Form 1099-R. The money goes from one account to another, and no tax is withheld. You may not make a transfer to an IRA.

A “direct rollover” looks like a transfer, but is reported on Form 1099-R. Direct rollovers are not subject to 20% income tax withholding. If you want to move your money to an IRA (or the plan of another employer) and don't want to have taxes withheld as part of the move, you want to make a "direct rollover." If you terminate employment with the University, you may take a distribution of all or part of your accounts and make a rollover or direct rollover to an IRA or a plan of a new employer; provided:

1. Roth 403(b) accounts may be rolled over only to a Roth IRA or a Roth account under another plan.

2. If you have money invested with TIAA Traditional, you may incur a fee or be required to distribute the funds over a period of time.

3. Another employer is not obligated to accept a rollover or transfer into its plan.

4. You may not roll over distributions that are required under the required minimum distribution rules.

5. Installment payments being taken over a period of 10 years or more and all annuity payments may not be rolled over to an IRA or other plan.

E. Time of Payment/ Required Minimum Distributions

In general, you may not take a distribution until you terminate employment with the University. However, certain in-service distributions are permitted. See F below.

After you terminate employment with the University, you may elect to receive a distribution. You are not required to wait until a certain age to take a distribution.

Termination of Employment: For reasons related to grants, reorganizations, or the University's payroll system, some individuals are treated as having terminated employment with the University and as being rehired shortly thereafter. If you are rehired before you are able to take a distribution, you lose the ability to take a distribution until you terminate employment again.

If you terminate employment and are hired by the Medical and Health Sciences Foundation within 10 days of terminating employment with the University, you are treated as if you had not terminated employment with the University. [However: (i) if you manage to take a distribution anyway, you are treated as having terminated employment with the University, and (ii) you are treated as having terminated employment with the University for purposes of complying with the required minimum distribution rules.]

If you are an employee and become a Post-Doctoral Scholar who is not considered to be an employee, you are treated as having terminated employment with the University.

Change of Address: If you terminate employment, don't take an immediate distribution, and move**, make certain that you inform TIAA of your new address**.

Required Minimum Distributions ("RMDs")

You are required by law to take a required minimum distribution (or "RMD") each year from each plan beginning with the year that contains your "required beginning date," which is April 1 of the calendar year after the later of the calendar year you either: (i) terminate employment with the University or (ii) attain age 70½. For example, if your 70th birthday is in October 2016, you will reach 70½ in April 2017, and (if you have terminated employment with the University) you will be required to take a distribution by April 1, 2018, and unless you take a lump-sum distribution, you will be required to take a second distribution by December 31, 2018.

Your required minimum distributions will be based on your life expectancy, or your joint life expectancy with your beneficiary, as determined under tables in IRS regulations.

The 401(a) Plan and the 403(b) Plan have been designed so that if you have money in either plan as of your required beginning date, TIAA will automatically make required minimum distributions to you. In order to make the required minimum distributions, TIAA will take a proportional amount out of each investment account that you have in either plan.

If you want to choose the funds from which the minimum required distributions are made, you need to make a distribution election at least 30 days before the deadline for the distribution. Your first required minimum distribution has a deadline of April 1. All subsequent required minimum distributions have a deadline of December 31.

Rollovers: If you make a direct rollover to an IRA, you will need to take required minimum distributions from your IRA.

If you are an active employee of another employer and make a direct rollover to the retirement plans of the other employer, you will not need to take required minimum distributions until you terminate employment with the other employer. [If you leave money in University of Pittsburgh plans, you need to take required minimum distributions from the University of Pittsburgh plans.]

Annuities: If you take all or part of your distribution in the form of an annuity, the annuity payments should comply with the required minimum distribution rules (for the portion of your account that was converted into an annuity).

Different Requirements: 403(b) plans, 401(a) plans, and IRAs are subject to different required minimum distribution ("RMD") rules.

401(a) Plan: You must take a separate RMD from each 401(a) defined contribution plan in which you have a vested interest. For example, if you have a vested interest in 401(a) defined contribution plans at three different employers, you must take three separate RMDs. [A "401(k) plan" is a type of 401(a) defined contribution plan.]

403(b) Plan: In general, all of your 403(b) accounts and 403(b) annuity contracts <u>from all employers</u> are aggregated for purposes of determining your required minimum distributions from 403(b) plans. Therefore, **if you have money in a 403(b) plan of another employer**, you have one required minimum distribution requirement for both that plan and the University of Pittsburgh 403(b) Plan. The distributions that TIAA makes (automatically) from the University of Pittsburgh 403(b) Plan may not by themselves satisfy your required minimum distribution requirement because they won't be based on your accounts in the plan of the other employer, and you may need to take an additional distribution from a 403(b) plan.

You are not required to take a required minimum distribution from the plan of any employer for whom you are still an active employee.

Roth Accounts: If you have a Roth 403(b) account, you have a separate required minimum distribution requirement for the Roth account than from the non-Roth accounts.

Traditional (Non-Roth) IRAs: If you have non-Roth IRAs, you have one RMD requirement for <u>all</u> of your non-Roth IRAs that is separate from your RMD requirements for the 401(a) and 403(b) Plans.

Roth IRAs: There is no RMD requirement for Roth IRAs while you are alive. [Your heirs have a RMD requirement after your death.] If you intend to leave money currently in the 403(b) Plan to your children or grandchildren, consider whether it makes sense to make a rollover of your Roth 403(b) account to a Roth IRA.

F. **In-Service Withdrawals**

If you are still employed by the University, you may take a distribution under ONLY the following circumstances:

1. **403(b) Plan**:

   Age 59½: If you have attained age 59½, you may elect to withdraw all or part of your account attributable to Unmatched Contributions or Roth Unmatched Contributions; provided that distributions from annuity contracts are subject to the terms of those contracts.

   Age 62: If you have attained age 62, you may elect to take a distribution of any portion of your account if either: (i) you are no longer eligible for allocations of matching contributions under the 401(a) Plan (for a reason other than a failure to contribute to the 403(b) Plan), or (ii) you have entered into a phased retirement agreement with the Executive Vice Chancellor, Provost, or Senior Vice Chancellor, Health Sciences. For example, if you have completed the accelerated option, you may elect to take in-service distributions.

2. **401(a) Plan**: If you have attained age 62, you may elect to take a distribution of the vested portion of your account if either: (i) you are no longer eligible for allocations of matching contributions (for a reason other than a failure to contribute to the 403(b) Plan), or (ii) you have entered into a phased retirement agreement with the Executive Vice Chancellor, Provost, or Senior Vice Chancellor, Health Sciences.

3. **Rollover Accounts**: If you make a rollover into either the 403(b) Plan or the 401(a) Plan, you may, regardless of your age, make an in-service withdrawal from the rollover account (subject to any restrictions that TIAA-CREF has on the investments in the rollover account).

4. **Hardship**: If you want to start the process for making a hardship withdrawal, you need to download forms from the TIAA website or call the University of Pittsburgh Retirement Plan Call Center at 800-682-9139.

   If you have a hardship for one of the reasons listed below, you may withdraw all or part of the portion of your Vested Interest attributable to 403(b) Contributions (not including gain accumulated after 1988), After-Tax Contributions (including accumulated gain), or Roth 403(b) Contributions (not including accumulated gain).

   You may make a hardship withdrawal if the withdrawal is for the purpose of:

(i) Paying medical expenses for (or necessary to obtain) medical care that would be deductible on Form 1040 (without regard to whether the expenses exceed 7.5% or 10% of adjusted gross income);

(ii) Purchasing (excluding mortgage payments) property that is to serve as your principal residence;

(iii) Financing the cost of tuition, related educational fees, and room and board expenses for the next twelve (12) months for post-secondary school education for you, your spouse, your children or other dependents;

(iv) Payment of rent or a mortgage payment in order to prevent eviction from or foreclosure on your principal residence;

(v) Payment of burial or funeral expenses for your deceased parent, spouse, children, or dependent;

(vi) Payment of expenses for the repair of your principal residence that qualify for the casualty tax deduction under IRC §165 (without regard to whether the loss exceeds 10% of adjusted gross income); or

(vii) Paying income taxes or penalties on the hardship withdrawal.

You may not make a withdrawal under this subsection unless you have first exhausted your ability to borrow or withdraw under any other provision of this or any other plan of the University (unless the loan or withdrawal would be "counterproductive" under IRS rules).

A hardship withdrawal must be for a minimum of one thousand ($1,000) dollars (or your entire Vested Interest, if less). You may not withdraw more than is necessary to satisfy your immediate and heavy financial need.

TIAA handles the administration of hardship withdrawals and has the sole discretion to approve or disapprove your request for a hardship withdrawal. You have the burden of presenting to TIAA such evidence of your hardship as TIAA may require.

If your application for a hardship withdrawal is approved, all of your elective contributions (including 403(b) Contributions, After-Tax Contributions, and Roth 403(b) Contributions) and any related match will be suspended for a period of six (6) months.

G. **Loans**

If you want to start the loan process, you need to download forms from the TIAA website or call the University of Pittsburgh Retirement Plan Call Center at 800-682-9139.

The loan rules are the same for both the 401(a) Plan and the 403(b) Plan.

For purposes of processing loans, TIAA aggregates your vested interests in the 403(b) Plan accounts and the 401(a) Plan.

In general, you may borrow (in total) from both plans up to the least of: (1) $50,000, (2) 45% of your vested interest, or (3) 90% of your vested interest to the extent that it is invested in assets other than a TIAA Traditional Annuity.

You may not borrow from any accumulations attributable to Roth 403(b) contributions, and you may not borrow amounts invested in a TIAA Traditional Annuity.

Effective as of January 1, 2016, you may not borrow if you have three or more loans outstanding (in total from both the 401(a) Plan and the 403(b) Plan).

The minimum amount that you may borrow is $1,000.

The interest rate will be the Moody's Corporate Bond Yield Average for the month ending two months before the loan is issued but not less than 4%. (Call 1-800-842-2776 to get the current rate.)

When you borrow, an amount equal to 110% of your loan amount (the collateral) will be moved from your CREF account to a separate TIAA Retirement Loan (RL) contract.

You must arrange to make payments directly to TIAA. (You can arrange to have automatic payments made from a bank account.) Loans are not repaid by payroll withholding.

Payments must be made at least quarterly. **If you fail to make a loan payment, you will have taxable income** (and if you are under age 59½, you will be subject to the 10% excise tax). As loan payments are made, amounts will be transferred from your Retirement Loan contract to your investment accounts in accordance with the most recent election (or deemed election) that TIAA has on file for you for the investment of new contributions.

In general, loans may not be made for a period in excess of five years. You may be able to have loan payments suspended if you are called up for military duty.

H. Domestic Relations Orders

The plan administrator is required by law to distribute benefits in accordance with certain court orders regarding child support, alimony payments, or division of marital property. If

the plan administrator receives a court order affecting you, the plan administrator will notify you promptly and will make a determination about whether the plan is required to follow the order.

I. Tax Consequences

If you elect to take a distribution, TIAA should give you a statement explaining the tax consequences at the time of distribution.

In general:

1. Any distribution that you receive will be taxable other than: (i) a distribution of after-tax contributions, or (ii) a qualified distribution from a Roth 403(b) account. If you receive any accumulated gain with after-tax contributions, that accumulated gain is taxable. The distribution of an annuity contract is not taxable, but annuity payments are taxable distributions.

2. You may avoid immediate taxation by making a rollover of any distribution. The following types of distributions are <u>not</u> eligible for rollover: (i) annuity payments, (ii) installment distributions that will be paid over a period of 10 years or longer, or (iii) required minimum distributions.

3. If you take a distribution that is eligible to be rolled over and do not elect to make a direct rollover to an IRA (or another plan), the plan administrator is required to withhold 20% of the taxable portion of your distribution for taxes. [Note: The 20% rate is the withholding rate, not your tax rate. You may owe more taxes when you file your Form 1040.]

4. If you terminate employment with the University prior to age 55 and take a distribution prior to age 59½, the distribution **MAY BE SUBJECT TO A 10% EXCISE TAX** (in addition to the income tax).

5. In general, distributions made on account of retirement are not taxed by the Commonwealth of Pennsylvania, but you may owe state income tax if you are a resident of another state at the time that you take a distribution.

6. If you are neither a resident nor citizen of the United States at the time that you take a distribution, you are subject to a different set of tax rules and should consult with your tax advisor.
7. Most tax rules have exceptions, including the ones above, and the rules change periodically. It is recommended that you consult with a tax advisor before taking a distribution.

IX. CLAIMS PROCEDURE

A. Claims Procedure

If you have a question about your statement or account balance, you should contact TIAA.

If you have a question about your contribution elections, contact the Office of Human Resources, Benefits Department.

If you have a dispute that can not otherwise be resolved and believe that you are being denied any rights or benefits under the Plan, you may file a claim in writing with the Plan Administrator. [File the claim with the Office of General Counsel.] If any such claim is wholly or partially denied, the Plan Administrator will notify you of its decision in writing. Such notification will contain:

1. Reasons for the denial,
2. Reference to plan provisions on which the denial is based,
3. A description of any additional material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary, and
4. A description of the plan's review procedures and the time limits applicable to such procedures.

Such notification will be given within 90 days after the claim is received by the Plan Administrator or within 180 days if special circumstances require an extension of time.

B. Review Procedure

If you receive a written notice that all or part of your claim has been denied, you have 60 days to:

1. File a written request with the Plan Administrator for a review of the denied claim and of pertinent documents, and

2. Submit written comments, pertinent documents, records, and other information to the Plan Administrator.

If you file a request for review, you will be provided with a review that takes into account all comments, documents, records, and other information that you submitted relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

The Plan Administrator will provide you with written or electronic notification of its decision. A notification of an adverse decision will include:

1. Reasons for the adverse benefit determination,

2. Reference to plan provisions on which the adverse benefit determination is based, and

3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

The decision on review will be made within 60 days after the request for review is received by the Plan Administrator, unless the Plan Administrator determines that special circumstances (such as the need to hold a hearing) require an extension of time for processing the claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension shall be furnished to you prior to the termination of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render the determination on review.

If your claim for benefits is denied (after the review procedure), you have three years after the denial to file a lawsuit contesting the denial. A lawsuit must be filed in a court situated in Allegheny County, Pennsylvania.

X. AMENDMENT AND TERMINATION

The University intends to continue the plans indefinitely; however, the Board of Trustees does reserve the right to amend or even terminate the plans at any time.

If a plan is amended, your vested interest will not decrease as a result of the amendment.

If the 401(a) Plan is terminated while you are an employee of the University, you will automatically be 100% vested in your account balance.

XI. MISCELLANEOUS ITEMS

A. **Assignments of Funds**: You may not assign any part of your account in either plan to pay a creditor except to comply with a Domestic Relations Order, and you may not use your accounts as collateral for a loan except a loan from a plan.

B. **Rollovers**: The plan administrator may accept a rollover from another retirement plan if the rollover is permitted under the Internal Revenue Code and if TIAA is willing to do the necessary record keeping.

XII. UPMC, UPP, AND THE FOUNDATION

A. Glossary

1. Foundation - means the University of Pittsburgh and University of Pittsburgh Medical Center Medical and Health Sciences Foundation.

2. UPMC - means the University of Pittsburgh Medical Center.

3. UPP - means University of Pittsburgh Physicians.

B. Service with UPMC, UPP, or the Foundation

If you worked at UPMC, UPP, or the Foundation prior to becoming an employee of the University, you may be entitled to credit under the 401(a) Plan for your service at UPMC, UPP, or the Foundation. [If you are simultaneously employed at the University and another organization, you get credit only for your service at the University.]

If you receive credit for service at UPMC, UPP, or the Foundation, that service counts for purposes of determining whether you are entitled to a 100% match or 150% match and for purposes of determining whether your matching contributions are vested. Service at organizations other than the University does not count for purposes of determining whether you are eligible for 15-year Catch-Up Contributions.

There are two issues with respect to service at UPMC, UPP, or the Foundation: (i) whether you are eligible for credit, and (ii) whether you had enough service at the other organization to be credited with a Year of Participation under the 401(a) Plan.

1. **Faculty**: If you receive a faculty appointment, you are eligible for credit for service with UPMC, UPP, or the Foundation <u>if</u> the period of time between when you left UPMC, UPP, or the Foundation and when you became a University employee is 365 days or less.

   For example, if an individual worked at UPMC, transferred to UPP (within 365 days of leaving UPMC) and then, within 365 days of terminating employment at UPP, became a faculty member at the University, he or she could start employment at the University with credit for service at both UPMC and UPP.

   Your 365-day period starts with the first day after your actual last day of work for UPMC, UPP, or the Foundation, as applicable, and ends 364 days later. However, if the University is not open for business on the 365th day, then the 365-day deadline is extended until the close of business of the University's Office of Human Resources on the first business day following the 365th day.

2. **Staff**:

(i) If you started employment at the University prior to 2009, you were treated the same as faculty employees.

(ii) Effective as of January 1, 2009, if you become a Participant in the 401(a) Plan and do not have a faculty appointment (and are not treated as faculty for benefits purposes), you will be given credit for service with UPMC, UPP, or the Foundation only if your position at UPMC, UPP, or the Foundation became a position at the University as a result of an employer-initiated reorganization.

A reorganization is not treated as an employer-initiated reorganization unless it is determined to be such by the Chancellor, the Executive Vice Chancellor, the Provost, or the Senior Vice Chancellor, Health Sciences, or his or her delegate.

3. **Years of Participation**: If you are eligible for credit for service with UPMC, UPP, or the Foundation, then you receive credit for a Year of Participation for any year during which you both completed at least one thousand (1,000) hours of service for UPMC, UPP, or the Foundation and received allocations under the 401(k) plan or 403(b) program of UPMC, UPP, or the Foundation for at least six different months of the year.

If you were employed by UPMC, UPP, or the Foundation but received no compensation for a particular month, you will be deemed to have received allocations for that month if you received allocations for the most recent month that you received compensation.

XIII. GENERAL INFORMATION

A. **Employer's Name**: University of Pittsburgh of the Commonwealth System of Higher Education.

Address: 4200 Fifth Avenue, Pittsburgh, PA 15260

Business Telephone: 412-624-8160

Employer Identification Number: 25-0965591

B. **Administrator's Name**: University of Pittsburgh of the Commonwealth System of Higher Education.

Address: 4200 Fifth Avenue, Pittsburgh, PA 15260

Business Telephone: 412-624-8160

Administrator's Identification Number: 25-0965591

C. **Trustees (401(a) Plan)**: TIAA-CREF Trust Company, FSB

D. **Agent for Service of Legal Process**: Office of General Counsel, University of Pittsburgh of the Commonwealth System of Higher Education

E. **Plan Numbers**: 403(b) Plan: 001
401(a) Plan: 003

F. **Plan Years:** Both plans operate on the calendar year (January 1- December 31).

G. **PBGC Insurance**: The plans are not insured by the Pension Benefit Guaranty Corporation ("PBGC") because the PBGC insures only defined benefit plans, and the 401(a) and 403(b) Plans are not defined benefit plans.