

Utah State University Defined Contribution Retirement Plan

(as defined in IRS Code Section 401(a))

SUMMARY PLAN DESCRIPTION

Restated
January 16, 2016

INTRODUCTION

This Summary Plan Description (SPD) summarizes the provisions of the Utah State University Defined Contribution Retirement Plan (Plan) as restated as of January 13, 2016. The Plan is a Defined Contribution Money Purchase Plan under section 401(a) of the Internal Revenue Code (Code) sponsored by your Employer, Utah State University (USU or Employer) and qualifies as a governmental plan under Code section 414(d). The Plan allows you to save for your future retirement needs using contributions made by your Employer to an account established on your behalf. This SPD provides you with a general description of Plan benefits. It describes how you become eligible for benefits and how benefits are paid.

This summary has been prepared as accurately as possible. It has been written in straightforward, non-technical language wherever possible; however, certain words and phrases may still be unfamiliar to you. You may contact the Office of Human Resources to obtain clarification on any unfamiliar terms.

This is a summary of important Plan provisions. All Plan provisions are included in the official Plan documents, (including the contracts and custodial agreements issued by The Teachers Insurance and Annuity Association (TIAA) and Fidelity Investments (vendors). This summary is not meant to be a substitute for the Plan document(s). If there is a conflict between the Plan document(s) and this summary, the actual Plan document(s) governs. If you want additional information about the Plan, please contact the Office of Human Resources.

I. ELIGIBILITY

Am I eligible to participate in the Plan?

- a. You are eligible to participate in the Plan and have Employer contributions remitted to your account if you are an Employee of the Employer and you are employed in an eligible class. Except as provided below in subsection (b), (c) or (d), the following Employees are eligible to participate in the Plan:
 - i. Any Exempt Employee who at the time he or she enters the Plan, works on a .5 full-time equivalency basis or more as defined in Utah State University Policy 301; and
 - ii. Any Non-Exempt Employee who was hired after September 30, 2015, who at the time he or she enters the Plan, works on a .5 full-time equivalency basis or more as defined in the Utah State University Policy 301.
- b. The following classes of Employees are not eligible to participate in the Plan:
 - i. An Employee who is actively participating in the Utah State Retirement System (URS) through his or her employment with the Employer;
 - ii. Employees who are retirees from the Utah State Retirement System (URS) and receiving a benefit from that System based on employment with another state agency;
 - iii. Adjunct faculty;
 - iv. Members of a collective bargaining unit unless the agreement with that unit allows participation in this Plan;
 - v. A person whose employment is incidental to his or her educational program (graduate student, hourly employee, etc.);
 - vi. An Employee who is otherwise eligible who begins employment with the Employer having previously participated in the Utah State Retirement System (URS) and who makes a timely, irrevocable election to participate in the Utah State Retirement System (URS) as an Employee of the Employer.
- c. Any Employee who is employed by the Employer on or before September 30, 2015, is participating in the Utah State Retirement System (URS) and whose employment classification was changed on or after October 1, 2015 to a classification eligible to participate in this Plan is not eligible to participate in this Plan.

- d. A Leased Employee, independent contractor or person paid by a temporary staffing or similar agency is not eligible to participate in the Plan, even if his or her employment class is reclassified by a government agency or court as a common law employee.

When am I eligible to receive Employer contributions to the Plan?

- (a) You will become eligible to receive Employer contributions on the day that you become an eligible Employee.
- (b) If you are on an approved leave of absence from the Employer with compensation, your participation in the Plan will continue.

May I contribute elective deferrals to the Plan?

No, this Plan does not accept elective deferrals. You may contribute elective deferrals to the Utah State University Supplemental 403(b) Plan or 457(b) plan.

What eligibility requirements must I meet before I can participate in the Plan if I am re-employed?

For purposes of receiving Employer contributions if you are re-employed after having a severance from employment, you will be eligible to participate in the Plan on the first day that you become an eligible employee.

II. PLAN CONTRIBUTIONS

What contributions will be made to my Plan account by the Employer?

While you are a participant in the Plan, except as limited by applicable law, USU will contribute to the Plan 14.2% of your compensation. All contributions will be calculated on a payroll-by-payroll basis.

What is the definition of Compensation?

For purposes of calculating contributions to the Plan, Compensation means your W-2 wages, which means wages for federal income tax withholding purposes as defined under the Code plus all other payments to you in the course of your employment with the Employer for which the Employer must furnish the Employee a tax reporting statement. Compensation will also include any amount that is contributed by the Employer for the period pursuant to a salary reduction agreement and that is not includible in the gross income of the Employee under Code sections 125, 132(f), 402(g)(3), or 457(b). However, Compensation does not include taxable allowances, taxable moving and relocation payments, taxable awards, taxable per diem payments, taxable income attributable to the waiver of tuition, taxable income attributable to the cost of group life insurance, and taxable personal mileage.

The Compensation used to calculate contributions to the Plan may be limited by the Code.

Are there any limits to the amount that can be contributed to my account?

Yes. The IRS places certain limitations on the total amount that may be allocated each year to an individual participant. These limits may change from year to year to account for changes in the cost of living. For more information about these limits, contact the Plan Administrator. In determining this limit, you do not aggregate your contributions to the USU 403(b) Plan or the 457(b) Plan.

What happens if the contribution exceeds the limit provided under the Code or the Plan?

Contributions made to your account in error or made in excess of the limits in the Code shall be removed from the Plan as permitted under the applicable rules established by the IRS.

Can I rollover distributions or transfer accumulations from other retirement plans into the Plan?

Rollover contributions from other eligible retirement plans and transfers from other qualified plans are permitted into the Plan in accordance with the provisions of investment arrangements and the Code. However, rollovers and transfers may be made solely at the discretion of the Plan Administrator.

III. VESTING

What is the Plan's vesting requirement?

Employer contributions to the Plan are immediately and fully vested.

IV. INVESTMENTS

What are the Plan vendor choices?

Utah State System of Higher Education, Board of Regents Policy 851 authorized USU to select The Teachers Insurance and Annuity Association of America (TIAA) and Fidelity Investments as Plan vendor choices. These Plan vendor choices, along with their respective investment options, may be changed at any time.

If USU chooses to eliminate vendors' investment choices, your accumulation in that vehicle may be transferred to another investment. The list of investments offered by the vendors are maintained in USU's Office of Human Resources.

Who directs investment contributions that the Employer makes?

You may direct the investment of contributions made on your behalf to any of the available investment options, and may transfer your accumulations between investment vendors. Your accumulation in any investment, including your right to transfer between investment vendors, investment options, and take investment distributions, is subject to the investment's terms. You may direct the investment of the contributions made on your behalf by providing instructions in accordance with the administrative procedures established by the Plan Administrator and subject to any limitations in the investment options. It is your responsibility to be aware of and understand the impact of your investment decisions.

If at any time you fail to designate an investment option for any of your Employer contributions to this Plan, your contribution will be invested in a default investment alternative that has been selected by the Plan Administrator. The default investment option is stated on the list of Plan investments maintained in USU's Office of Human Resources.

V. RECEIVING DISTRIBUTIONS FROM YOUR ACCOUNT

When may I begin to receive distributions under the Plan?

You may receive a distribution from your account balance attributable to employer contributions at the earlier of the following events:

- Severance from Employment
- Disability
- Your death
- Termination of the Plan in accordance with the Code and regulations
- You are an active employee at USU and have attained age 75

You may also receive a distribution if, 1) you have executed a phased retirement agreement, in which case you will be deemed to have had a severance from employment as of the date the phased retirement election becomes irrevocable; 2) You have entered into an early retirement arrangement and have been granted permission to continue working in a limited time capacity under that arrangement; or 3) You have attained full Social Security Retirement age and you have signed an agreement with USU which includes a provision that requires that you terminate from employment within the next five (5) years.

You may receive a distribution from your account balance attributable to amounts you rolled over into the Plan at any time, subject to the terms of the Plan.

What is the definition of disability under the Plan?

The definition of disability for the Plan is the definition used to determine eligibility for Long Term Disability under the Employer's Long Term Disability Plan.

How may I apply for benefits under the Plan?

All requests for benefits must be made in writing to the vendors in accordance with procedures established each vendor.

What are the forms of distributions available under the Plan?

You may receive your benefits under the Plan in the following forms:

1. A full or partial lump sum distribution
2. Any other annuity or withdrawal option provided under the Plan. This includes a single life annuity, joint life annuities, and installment payments.

May I rollover a distribution from the Plan to another plan or an IRA?

Yes, you may rollover a full or partial distribution to a traditional or Roth IRA or employer-sponsored plan that would accept such a distribution. Not all distributions are eligible to be rolled over under the Code and not all plans may accept rollovers. For more information about the rollover rules contact the Vendor or consult your tax advisor.

May I take a loan from my account under the Plan?

No, loans are not available under this Plan.

May I take a distribution from the Plan on account of a hardship?

No, hardship distributions are not available under this Plan.

What taxes will apply to distributions from the Plan?

A distribution from the Plan is generally subject to federal tax as ordinary income in the year it is paid (unless rolled over to another employer sponsored plan or a traditional individual retirement account). There are also specific federal tax withholding rules that apply to all distributions from the Plan, unless directly rolled over to an eligible retirement plan. The distribution may also be subject to state taxes, based on the state of residence at the time the distribution is taken.

In addition to being taxed as ordinary income, distributions taken before age 59½ (early distributions) may be subject to federal (and possibly state) penalty taxes. Currently a 10% federal tax penalty applies to early distributions unless an exception applies. Such exceptions include:

1. The distribution is made after you leave employment and in or after the year you reach age 55;

2. You become permanently disabled or die;
3. You receive, after termination of employment, a series of substantially equal distributions over your life or life expectancy of your and your beneficiary's lives or life expectancies;
4. The distribution is used to pay tax deductible medical expenses (that is, unreimbursed medical expenses in excess of 7.5% of your adjusted gross income).

For more information about the taxation of distributions, you should contact your tax advisor.

Is there a date by which I am required to take a distribution from the Plan?

If you are no longer an active employee of USU, you must begin receiving minimum distributions from the Plan no later than April 1 of the calendar year following the later of 1) the year in which you reach age 70½; or 2) the year in which you terminate employment. If you do not receive minimum distributions by the required dates, or if you receive less than the minimum amount the law requires, you are subject to a 50% excise tax on the difference between the amount that should have been received and the amount received. Minimum distributions are not eligible for rollover. Minimum required distributions are calculated in accordance with U.S. Treasury regulations.

How are my benefits paid if I die?

If you die before the start of retirement benefit payments, the full current value of your account is payable to the beneficiary under the terms of the Plan. The beneficiary is the designated person (or persons) who is entitled to receive benefits under the Plan after the death of a participant, as identified under each individual account. If you don't have a designated beneficiary at your death, the beneficiary will be your surviving spouse, if any, and if there is no surviving spouse, your estate. Your beneficiary may be entitled to rollover the benefit received at your death to an eligible retirement plan.

VI. ADMINISTRATION

How is the Plan administered?

The Plan Administrator has the sole power and discretionary authority to construe the terms of the Plan and to determine all questions that arise under it. Such power and authority include, for example, the administrative discretion necessary to resolve issues with respect to an Employee's eligibility for benefits, credited service, disability, and retirement, payment of expenses, or to interpret any other term contained in the Plan documents, including this SPD. The Plan Administrator's interpretations and determinations are made in good faith and will be binding on all parties, including but not limited to participants, employees, former employees, and their beneficiaries. Benefits will be paid under the Plan only if the Plan Administrator determines in its discretion that you are entitled to them.

If there is a conflict between this SPD and the Plan documents (including any custodial account and annuity contract documents), the Plan documents govern.

Can creditors or anyone else request a distribution from my account?

Your accumulation under the Plan is not subject to the claims of your creditors or your beneficiary's creditors after your death. You and your beneficiary generally will not have the right to sell, assign, transfer, or otherwise convey the right to receive any payments or any interest under the Plan. However, requests for assignments or transfers will be recognized if they are pursuant to:

1. A Qualified Domestic Relations Order (QDRO) is an order or decree issued by a court that requires you to pay child support or alimony or to give a portion of your Plan account to an ex-spouse or legally separated spouse. USU (or, if so delegated by the Plan Administrator, the Vendor) will review the order to ensure that it meets certain criteria before any money is paid from your account.
2. A tax levy that is issued by the Internal Revenue Service with respect to you or your beneficiary or is otherwise sought to be collected by the United States under a judgment resulting from an unpaid tax assessment.

Can the Plan be amended or terminated?

While this Plan was adopted with the expectation that it would continue indefinitely, the Employer has no obligation to maintain it for any length of time and may discontinue contributions, amend, or terminate it at any time. If the Plan is terminated, your entire account balance will be distributed. If your account is held under an annuity contract, you will receive a distribution of the contract.

Does the Employer have the right to change the Plan?

The Plan will be amended from time to time to incorporate changes required by law and regulations governing retirement plans. USU also has the right to amend the Plan to add new features or to change or eliminate various provisions. USU will not amend the Plan to take away or reduce benefits accrued under the Plan (e.g., an amendment will not reduce the account balance that you have already accrued under the Plan).

Does my participation in the Plan provide any legal rights regarding my employment?

Nothing in this Plan should be considered as giving you any right to continued employment.

How do I file a claim?

If a request for a benefit is denied, you or your beneficiary can file a claim in writing with the Plan Administrator. The claim should explain the reasons that you are entitled to the benefit. The Plan Administrator has the unfettered discretionary authority to conduct an investigation and to determine the merits of the claim. The Plan Administrator may delegate the review of your claim to the vendor.

If the claim is fully or partially denied, the Plan Administrator will provide you or your beneficiary with a written explanation stating:

1. the reason for the denial;
2. the Plan provisions upon which the denial is based;
3. any additional information that would be needed to grant the claim and why it is needed; and
4. the procedure for appealing the denial.

If the claim is denied, you or your beneficiary may request a review by the Plan Administrator. If the claim is denied on appeal, you have the right to bring an action in Court.

For duties delegated to a Vendor, (e.g., misallocation of deferrals, incorrect investment instruction, payment of benefits, etc.) the claim should be submitted to the Vendor and a similar claims process will be followed.

If I need to take legal action with respect to the Plan, who is the agent for service of legal process?

The Employer is the agent to be served with legal papers regarding the Plan.

If the Plan terminates, does the federal government insure my benefits under the plan?

The type of plan in which you participate is not insured by the Pension Benefit Guarantee Corporate, the government agency that insures certain pension plan benefits upon plan termination.

If the Plan terminates, your entire account balance will be distributed to you either in the form of cash or as an annuity.

IMPORTANT PLAN INFORMATION

OFFICIAL PLAN NAME	Utah State University Defined Contribution Retirement Plan
EMPLOYER IDENTIFICATION NUMBER	87-6000528
TYPE OF PLAN	401(a) Defined Contribution Money Purchase Plan
PLAN YEAR	January 1 – December 31
NORMAL RETIREMENT AGE	Age 55
PLAN FUNDING	Contributions to this Plan are made by Employer Contributions.
PLAN SPONSOR	Utah State University, 8800 Old Main Hill, Logan, UT 84322
PLAN ADMINISTRATOR	The Employer
PLAN RECORDKEEPER	TIAA and Fidelity
AGENT FOR SERVICE OF LEGAL PROCESS	The Employer

