UNIVERSITY OF MISSOURI SYSTEM
RETIREMENT PROGRAMS

Retirement, Disability, and Death Benefit Plan (Level One)

and Voluntary Retirement Plans

Tax Deferred Annuity Plan 403 (b)
Deferred Compensation Plan 457 (b)
Supplemental Retirement Plan 401 (a)

Plan designs effective date January 1, 2019

DB04/0835491.0012/8914197.2 PA05

This Summary Plan Description ("*SPD*") provides you with an overview of the University of Missouri System's (the "*University*") Retirement, Disability, and Death Benefit Plan (the "*RDD*"), the 403(b) Tax Deferred Annuity Plan (the "403(b) Plan"), the 457(b) Eligible Deferred Compensation Plan (the *"457(b) Plan"*), and the 401(a) Supplemental Retirement Plan (the "*SRP*"), as the Plans apply to you. The 403(b) Plan, 457(b) Plan and SRP are referred to as the "*Voluntary Retirement Plans*" or "*VRPs*". All Plans together are referred to as the "*Plan*(s)". As warranted, you will receive supplemental information about the *Plans*. In the event of a conflict between this summary and the actual Plan provisions, the actual Plan provisions will govern.

The *University* hopes to sponsor these Plans indefinitely, but reserves the right to amend or terminate them at any time. If any material changes are made in the future, you will be notified. The information that appears in the following pages reflects the Plans as of January 1, 2019.

Please review this SPD carefully and share it with your family. It's important that you fully understand your benefits to make the most of them. If you have questions, contact your HR Generalist or HR Service Center at the appropriate address, phone number, and/or Internet addresses as listed below.

<table>
<tr><th colspan="2">Columbia, Extension, System, Health Care and Retirees</th><th colspan="2">Kansas City</th></tr>
<tr><td>Mailing Address:

Office Address:

Telephone:

Fax:

E-mail:</td><td>Total Rewards Department
Office of Human Resources
Woodrail Centre
1000 West Nifong Boulevard
Building 7, Suite 210
Columbia, MO 65211

Woodrail Centre
1000 West Nifong Boulevard
Building 7, Suite 210
Columbia, MO 65211

(573) 882-2146

(573) 882-9603

hrservicecenter@umsystem.edu</td><td>Mailing Address:

Office Address:

Telephone:

Fax:

E-mail:</td><td>University of Missouri Kansas City
Human Resources Department
226 Administrative Center
5100 Rockhill Road
Kansas City, MO 64110

University of Missouri Kansas City
Human Resources Department
226 Administrative Center
5115 Oak Street
Kansas City, MO 64112

(816) 235-1621

(816) 235-5515

benefits@umkc.edu</td></tr>
<tr><th colspan="2">Rolla</th><th colspan="2">St. Louis</th></tr>
<tr><td>Mailing Address:

Office Address:

Telephone:

Fax:

E-mail:</td><td>Missouri University
of Science and Technology
Human Resources Services
113 Centennial Hall
300 W. 12th St.
Rolla, MO 65409

Missouri University
of Science and Technology
Human Resources Services
113 Centennial Hall
300 W. 12th St.
Rolla, MO 65409

(573) 341-4241

(573) 341-4984

benefits@mst.edu</td><td>Mailing Address:

Office Address:

Telephone:

Fax:

E-mail:</td><td>University of Missouri St. Louis Human Resources Department
One University Boulevard
St. Louis, MO 63121

University of Missouri St. Louis Human Resources Department
211 Arts & Administration Bldg.
St. Louis, MO 63121

(314) 516-5805

(314) 516-6463

umslbenefits@umsl.edu</td></tr>
<tr><td colspan="4">Total Rewards Department webpage: http://www.umsystem.edu/totalrewards</td></tr>
</table>

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Introduction

Welcome to the University of Missouri System's (UM) Retirement Program, which includes but is not limited to, the Retirement, Disability, and Death *(RDD)* Benefit Plan and Voluntary Retirement Plan *(VRP)*. We are eager to make you aware of the RDD and the VRPs, as they apply to you.

This summary is intended to help answer many commonly asked questions. Should you need additional information about a Plan, please refer to the Plan document online at http://www.umsystem.edu/ums/rules/collected_rules/benefit/ch500 or contact your HR Generalist or HR Service Center.

Make the most of these important benefits by being an active *Participant* in planning, saving, and investing for your future retirement.

Who does this summary apply to?

- If you are a current Full-Time employee hired before October 1, 2012, and have had no break in service or a returning Qualified Member who was rehired on or after October 1, 2012, who was vested upon termination and did not take a lump sum distribution of the entire retirement benefit, **you are a "Level One" Member of the RDD Plan**. This Summary Plan Description (SPD) includes an overview of the Retirement, Disability, and Death Benefit Plan (Level One) and Voluntary Retirement Plans (VRP). *This SPD applies to you.*
- If you are a non-benefit Eligible Employee, or a health affiliate (subsidiary employee) this Summary Plan Description does not apply to you. Please refer to the Voluntary Retirement Plan (VRP) Overview located at http://www.umsystem.edu/totalrewards/retirement.
- If you are a Full-Time employee who was initially hired on or after October 1, 2012, a non-vested member rehired on or after October 1, 2012, or a returning member who was vested upon termination and took a lump sum distribution of the entire retirement benefit, you are a "Level Two" Member of the Retirement, Disability, and Death Benefit Plan (RDD) as well as a member of the Employee Retirement Investment Plan (ERIP). This Summary Plan Description (SPD) does not apply to you. *Please refer to the Retirement, Disability, and Death Benefit Plan (Level Two), Employee Retirement Investment Plan (ERIP), and Voluntary Retirement Plans (VRP) summaries located at* http://www.umsystem.edu/totalrewards/retirement.

What is the difference between the RDD and the VRPs?

RDD: The RDD is a Defined Benefit Plan that pays a specified amount at retirement based on your salary, age, years of service and a benefit multiplier. You are a "Level One" member if you are initially hired before October 1, 2012, or a returning member who was vested upon termination and did not take a lump sum distribution of their entire retirement benefit. If you are not a Level One Member, you may be a "Level Two" Member and this summary does not apply to you.

VRP's: The VRP's are Defined Contribution Plans and allow you to contribute on a voluntary basis. The amount available at retirement depends on your contributions and the returns generated by the investment(s) you select.

What is the difference between a Defined Benefit Plan and a Defined Contribution Plan?

Defined Benefit (DB) Plan: A retirement Plan that promises to pay a specified amount at retirement based on salary, age, years of service, and a benefit multiplier.

Defined Contribution (DC) Plan: A retirement Plan that provides an individual account for each Participant in the Plan and provides benefits based on the amount contributed to that Participant's account. The amount available at retirement is affected by returns generated by the investment(s) you select and expenses charged to your account.

In other words, under a Defined Benefit Plan, the *benefit* (the amount you receive) at retirement is predetermined and will not fluctuate with the market. Under a Defined Contribution Plan, the benefit at retirement will be based on total contributions by you and the University to the Plan on your behalf, as applicable, plus any investment gain and/or loss.

The Retirement, Disability, and Death Benefit Plan ("RDD")

Defined Benefit: The following pages (7-25) are specific to the RDD. The description of the VRPs begins on page 26.

This summary of the RDD is intended to help answer many commonly asked questions. Should you need additional information about the Plan, please refer to the Plan document online at http://www.umsystem.edu/ums/rules/collected_rules/benefit/ch500 or contact your HR Generalist or HR Service Center.

Key Terms

To help you understand your retirement benefits and how they work, this section provides definitions of important terms used in this *RDD* section. Note: When used throughout this summary, the terms defined here are in *italics***.**

Committee

The *Plan Administrator* may delegate its duties and responsibilities to a Committee that has been appointed to assist the *Plan Administrator***.**

Contract Year

The period from September 1 through August 31.

Division of Benefits Order

A court-ordered and *university*-approved division of your retirement benefits resulting from a dissolution of marriage.

Early Retirement

When you retire prior to age 65. You can retire early if: (1) you're between the ages of 55 and 60, have completed 10 years of *service credit*, and have received at least one year of *service credit* after the age of 54; or (2) you are between the ages 60 and 65, and you're a *Qualified Member* (please note that you must complete five years of *Service Credit* to become a *Qualified Member*).

Final Average Regular Salary

The average of your regular *salary* for the five consecutive highest-paid *salary years* you worked for the *University*.

Final Average Summer Appointment Salary

Your *salary* earned during your 5 consecutive highest-paid summer appointments. Summers you do not work are not considered in calculating the average. If you're employed for more than one summer appointment in any *academic year*, your *salary* for those summer appointments will be combined and considered as one summer appointment. If you are employed on both 9-month and 12-month appointments during your career, special rules will apply.

Full-Time Employee

You hold a full-time appointment with a duration of at least 9 months and have a *Full-Time Equivalency* of at least 75%. Prior to 01/01/2005, an employee on a nine (9) month service basis must have a *Full-Time Equivalency* of one hundred percent (100%).

Full-Time Equivalency

A non-academic appointment that is not exempt from overtime compensation, one hundred percent (100%) *Full-Time Equivalency* means two thousand eighty (2080) hours of service during an *Academic Year*. For an academic appointment or a non-academic appointment which is exempt from overtime compensation, one hundred percent (100%) *Full-Time Equivalency* shall be determined on the basis of criteria established in accordance with applicable University policy.

Furlough

A period not exceeding thirty days in any *Contract Year*, during which you are placed in a temporary, non-duty, non-pay status due to financial constraints of the University and after which you are expected to resume normal duties.

Level One Member

One who is initially hired before October 1, 2012, or a returning *Qualified Member* who was *vested* upon termination and did not take a lump sum distribution of their entire retirement benefit.

Member

You are an employee of the *University* who is eligible to participate in this *Plan* as a *Level One Member* unless:

- You are a resident physician hired on and after July 1, 1994
- You are a temporary employee who works less than 1500 hours a year
- You are a "subsidiary employee", as defined in Section 320.050 of the Collected Rules and Regulation
- You are an active *member* hired on or after October 1, 2012
- You are a returning *Qualified Member*, rehired after October 1, 2012, who was *vested* upon termination and took a lump sum distribution of the entire retirement benefit or a returning member who was not vested upon termination. *If you meet these criteria you are a Level Two Member of the Retirement, Disability, and Death Benefit Plan and should refer to that Summary Plan Description*
- You are a per diem employee

Additional special rules may apply; refer to the Plan document for more details.

Normal Retirement

Age 65 or later, or age 62 if you have at least 25 years of credited service

Part-Time Employee

An employee who doesn't meet the definition of a *full-time employee*.

Plan Administrator

The department of the University, or such other person, or Department as may be appointed by the University to supervise the administration of the Plan.

Qualified Member

You have earned the right to receive benefits from the *Plan*. You must complete five years of *service credit* in order to be a *Qualified Member* and *vested* in your benefit.

Salary

Your compensation for services regularly rendered, including income not paid as cash (housing and no charge room or board).

It includes the following:

- regular pay; (gross regular pay includes Elective Deferrals)
- shift differential;
- chancellor's housing allowance;

- contract pay;
- sick leave pay;
- paid time off for work incurred injury;
- personal days;
- vacation days;
- summer session pay;
- Elective Deferrals to *University* retirement Plans or any other Plan or arrangement (such as a flexible benefit Plan).

It excludes:

- overtime;
- relocation incentive;
- additional, extra, or incentive compensation;
- prizes/awards, or bonuses;
- tenure buyout;
- benefit restoration Plan;
- automobile allowances (or furnished automobiles);
- educational assistance;
- in lieu of retirement;
- moving expenses;
- patent royalties;
- tips;
- transition assistance;
- commissions (unless specifically authorized by the *Plan Administrator* or appointed *Committee*)
- special services, projects, summer terms or intersessions except as provided under *Summer Appointment Salary*;
- in lieu of vacation other than in the context of a termination of employment;
- all settlement amounts except where the settlement agreement expressly provides that some or all of the amount shall be deemed salary for purposes of retirement benefit calculation.

Your *final average regular salary* is the average of your regular annual *salary* for the five consecutive *salary years* you work for the *University* that produce the highest average.

Final average regular salary does not include **excluded** payments listed above.

Salary Year

For the purpose of determining a *Member's Final Average Regular Salary*, the *Salary Year* shall be the *Contract Year*. In some circumstance partial years may be used. See the Plan document for more details.

Service Credit

The period of employment taken into account in the determination of Retirement Benefits. *Service Credit* is earned by working as a *Full Time employee*. *Service credit* is counted in full years and days from the date you join the University to your ending service date. *Service Credit* is described in more detail under *How the RDD plan works* section.

Summer Appointment Salary

Compensation for Summer Appointments taken into account in the determination of retirement benefits and is your compensation during the summer if you're employed under a regular, full-time nine-month academic appointment. Prior to May 1, 2011: If your *summer appointment salary* exceeds 2/9 of your regular annual *salary* for any nine-month period immediately before your summer appointment, any overage will not be included as part of your *summer appointment salary***.** For summers beginning in 2011, if your summer appointment salary exceeds 3/9 of your regular annual salary for any nine-month period immediately before your summer appointment, the overage will not be included as part of your summer appointment salary. For summers before 2011, If your summer appointment salary exceeds 2/9 of your regular annual salary for any nine-month period immediately before your summer appointment, the overage will not be included as part of your summer appointment salary."

Termination Date

Last day for which you're employed by the *University* following your resignation, discharge, retirement, death or failure to return to work from an approved leave of absence.

University

The Curators of the University of Missouri. The University is a governmental entity established as a public corporation under the Constitution and Statutes of the State of Missouri.

Vesting

Upon completion of five years of *service credit* your benefit is non-forfeitable until a distribution occurs. Upon distribution, *service credit* is forfeited. Please note that if you take a distribution and are later re-hired, your prior *service credit* is not counted.

Key Things to Know about the Defined Benefit portion of your RDD Plan

Employee contributions are required.	*Participants* in the *Plan* are required to contribute 1% of their *salary* up to $50,000 and 2% of their *salary* in excess of $50,000 for the calendar year. If you leave before becoming a *Qualified Member*, you are eligible for a refund of your employee contributions. If you elect a refund, associated *service credit* will be forfeited.
You become a Qualified Member (vested) after earning five years of service credit.	Being a *Qualified Member* means you're *vested* and have earned the right to receive a benefit. If you're a Qualified Member and leave before early or *normal retirement*, you are eligible to receive a benefit.
You receive your fully earned retirement benefit if you retire at normal retirement age or later.	Retiring at normal retirement age or later means you're a Qualified Member and retire at age 65 or later with no reduction in benefit.
You can retire early and receive a retirement benefit.	If you retire at age 55 with 10 years of service credit or at age 60 with five years of service credit, you are eligible for *early retirement* with a reduced benefit.
You receive a full early retirement benefit at age 62 with 25 or more years of service credit.	If you work to at least age 62 and have 25 or more years of service credit, you may retire early with no reduction in benefit.
The RDD Plan provides benefits for your survivors if you die before retiring or leaving the University.	If you're a Qualified Member your survivors may be entitled to receive either: • a lump sum payment; or • monthly payments.
You may choose how to receive your retirement benefit.	You can receive your benefit in either: • monthly payments; or • 10%, 20% or 30% in a lump sum and the balance in monthly payments.
If you're a Qualified Member and leave before early retirement or normal retirement you can receive a benefit.	You can receive your benefit in either: • a lump sum payment; or • monthly payments commencing between ages 55-65.

Getting Started

Who is eligible to participate?

You automatically become a *RDD Level One Member* on your first day of full-time employment with the *University* if you are:

- in an appointment of at least 75% FTE and at least 9 months in duration, and if you were initially hired before October 1, 2012, or

- someone who was initially hired prior to October 1, 2012, earned a *vested* benefit, terminated service after earning such vested benefit, did not elect a lump sum payment, and is rehired by the University on or after October 1, 2012.

When does participation begin?

- *Full-Time Employees:* You automatically become a *Member* on your first day of full-time employment with the University.
- *Part-Time Employees:* If you are a *part-time employee* you become a Member if you are required to complete at least 1,500 hours of service in a *Contract Year*. If you are not required to complete at least 1,500 hours of service in a Contract Year, but actually work 1,500 hours in a Contract Year, you will become a Member retroactive to the first day of the Contract Year in which you actually worked 1,500 hours.

When am I eligible for a vested benefit?

Upon earning five years of *Service Credit* you become a *Qualified Member* and *Vested* in your benefit.

What is vesting?

If you have five years of *service credit*, you've earned the right to a benefit when you retire or leave the *University*.

When am I eligible for a retirement benefit?

- *Normal retirement:* You're eligible for a normal retirement benefit at age 65 (or at age 62 if you have at least 25 years of credited service) if you're a *Qualified Member.*
- *Early retirement:* You may want to retire before age 65. You're eligible for an early retirement benefit if you're a Qualified Member and you're between ages:
    - of 55 and 60 with at least 10 years of service credit, with at least one year of service credit earned after age 54; or,
    - of 60 and 65 with at least five years of service credit.

Can I retire early?

If you're eligible, you can retire as early as age 55 and receive a reduced benefit from the *Plan*.

Who pays the cost of providing benefits?

- *University contributions:* The University pays the majority of the cost of your benefits under the RDD.
- *Employee contributions:* In addition, employees are required to contribute 1% of their salary up to $50,000 in salary per calendar year. Those employees with a salary over $50,000 per year, amounts earned in excess of $50,000 will be subject to a 2% contribution rate. An example for a person with $80,000 in salary would be:

1% x $50,000 = $ 500.00
2% x $30,000 = $ 600.00
Total Annual $1,100.00

Following are examples of what the annual contribution would be at various salary levels:

Salary	**Annual Contribution**	**Salary**	**Annual Contribution**
$20,000	$ 200	$ 60,000	$ 700
$30,000	$ 300	$ 70,000	$ 900
$40,000	$ 400	$ 80,000	$1,100
$50,000	$ 500	$ 90,000	$1,300
		$100,000	$1,500

Federal law places a limit on the salary amounts that can be used in determining pension benefits. For RDD members initially hired after 09/01/1996, that salary limit is $280,000 for 2019.

How the RDD Plan Works

Your retirement benefit is determined by your age at retirement and your:

- Service credits;
- Summer appointment service credits;
- Final average salary; and
- Final average summer appointment salary.

These provisions are described in detail in the rest of this section. If you leave the University before you are eligible to retire, see *Leaving the University* for details about how your benefit is determined.

How do I earn service credit–12-month appointments?

You earn *service credits* by working as a *full-time employee*. You earn one year of service credit if you work on a full-time basis during the period beginning September 1 and ending August 31, a *contract year*. Service credit is counted in full years and days from the date you join the University to your ending service date. Part-time employees also can receive service credits. Information on how you earn service credits as a part-time employee is described later in this section.

How do I earn service credit–Nine-month appointments?

If you're a full time employee and faculty member on a nine-month appointment:

- One academic semester counts as a half year of service credit; and
- One academic quarter counts as one-third of a year of service credit with proportionate service for shorter periods.

Are there any limits that apply to service credit?

- You cannot receive more than one year of service credit in any twelve consecutive months.
- No duplicative service credit will be awarded for any portion of the year in which summer appointment service credit is awarded.
- No period of employment as a resident hired on or after 7/1/1994 or per diem employee will be considered for purposes of service credit.
- You cannot receive service credit under the RDD for any period of employment entitling you to service credit and benefits under the U.S. Civil Service Retirement System, FERS or MOSERS.

Can I get service credit for part-time employment?

You earn one year of service credit for each full contract year (September 1 through August 31) during which you work 1,500 hours or more. If you do not work a full Contract Year due to commencement or termination of employment, proportionate credit will be given for such Contract Year if you complete at least 1,500 hours or more.

Does unused accumulated sick leave count toward my benefit?

When you retire from the University, any unused accumulated sick leave will be counted as additional service credit, but such additional service credit will not be taken into account in determining whether you are a Qualified Member. Also, any additional service credit on account of accumulated sick leave will not change the reduction in your benefits due to early commencement.

Am I eligible for summer appointment service credit?

If you're a faculty member on a full-time, nine-month appointment and you teach or perform research work for the University during the summer months following your nine-month appointment, you're eligible for summer appointment service credits. Summer appointment service credit is in addition to any service credits you've earned.

Do summer appointment service credits count toward my benefit?

You earn one year of summer appointment *service credit* for each summer during which you have an academic summer appointment. You can earn a maximum of one year of summer appointment service credit during any one academic year.

A special rule may apply if, during your University career, you worked under both nine- and 11-month (or 12-month) appointments. Please contact the Office of Human Resources for further information. You cannot earn more than one year of service credit for any 12-month period.

Your final average summer appointment salary is your average salary earned during your five consecutive highest-paid summer appointments. Summers you do not work are not considered in calculating the average. If you're employed for more than one summer appointment in any academic year, your salary for those summer appointments will be combined and considered as one summer appointment.

For summers beginning in 2011, if your summer appointment salary exceeds 3/9 of your regular annual salary for any nine-month period immediately before your summer appointment, the overage will not be included as part of your summer appointment salary. For summers before 2011, If your summer appointment salary exceeds 2/9 of your regular annual salary for any nine-month period immediately before your summer appointment, the overage will not be included as part of your summer appointment salary.

How do breaks in service (discontinuous periods of service) with the University and leaves of absence affect my service credit?

What happens if I terminate employment, and how are my benefits impacted?

You have a break in service credit if you terminate employment at the University and later return to work. You stop earning regular and summer appointment service credit on your ending service date.
Here's what happens if you terminate employment and later return to work at the University.

How it works…
Your *service credit* (regular and any summer appointment service credit) prior to the break will be combined with service credit earned after your return to work, subject to the following: • If you had less than five years of service credit prior to the break and the number of years of your break is equal to or greater than your prior service credit, your prior service credit will be forfeited unless you again become a *Qualified Member* (based solely on service after the break) on or after August 1, 1997. • Individual periods of employment of less than one year prior to a break in service will not be taken into consideration. • If you had at least five years of service credit prior to December 1, 1980 but were not a Qualified Member prior to the break, your prior service credit will be combined only if you earn at least two additional years of service credit after your return to work. • If you received a lump sum benefit payment when you left, your service prior to the break will not be restored. • Special provisions apply when significant Plan changes have been made during a break in service. For example, if the benefit formula increased during your absence, your benefit may be calculated using two different formulas – the "pre-break" formula and the "post-break" formula, until you've been re-employed a certain period of time. Contact the Office of Human Resources for more information.

What happens if I take a leave of absence?

If you have a University approved leave of absence, please note that time during a leave of absence isn't recognized in determining service credit for benefit calculation purposes, unless it's for:

- military service, as long as you return to work within the time allowed by laws governing veterans' reemployment rights;
- an approved, extended medical leave without pay;

- a disability, as defined under the Long Term Disability Plan;
- a Sabbatical, Research or Development leave;
- a Seasonal Leave; or
- Family Medical Leave Act (FMLA) Leave of Absence (for self—paid or unpaid, for family—paid only)

To have a Sabbatical, Research, or Development leave count in determining service credit, you must return to active full-time employment at the University for at least one year no later than the beginning of the next contract year (September 1) following the leave.

To have a seasonal leave count in determining service credit:

- it may not exceed three months in any contract year (begins September 1), and
- it must be required by the University based on the seasonal nature of your specific job, and
- it will count as service credit only if you return to work immediately following the end of the seasonal leave.

NOTE: A leave of absence isn't recognized in determining service credit for *vesting* purposes unless it's for military service, as long as you return to work within the time allowed by laws governing veterans' reemployment rights, seasonal leave of absence, or fully paid FMLA Leave of Absence. A fully paid FMLA leave of absence must be followed by a return to active employment for at least 6 months to be eligible for vesting credit.

What factors affect how my retirement benefit is calculated?

In addition to your regular and summer appointment service credits, other factors which affect the amount of your retirement benefit are your age, your final average regular salary and your final average summer appointment salary.

Is there a limit to the amount of salary that can be recognized for pension purposes?

For RDD members initially hired after 09/01/1996, the Internal Revenue Code limits your combined regular salary and summer appointment salary for a salary year to $280,000 (for 2019) for purposes of determining your final average regular salary and your final average summer appointment salary. This limit is periodically adjusted by the IRS.

Salary year
For contract employees the *Contract Year* begins on September 1 and ends on August 31.

Is there a limit to the benefit I can receive?

Yes, there is a maximum limit established by the Internal Revenue Code on the benefit payable from the RDD. If your benefit exceeds the maximum limit, you will be notified.

Who is a Qualified Member?

Being a Qualified Member means you are vested in the right to receive benefits from the RDD. You must complete five years of service credit in order to be vested. Once you're vested, you can't lose your right to your retirement benefit, even if you terminate University employment before reaching the RDD's retirement age(s).

When do my retirement benefits begin?

Your normal or *early retirement* benefits will begin as of the date you retire.

Benefits are paid at the end of each month. If you retire on any day after the first of the month, your first pension payment will be prorated.

How is my retirement benefit calculated?

The amount of your benefit depends on when you retire. If you retire at age 65 or later, you will receive your fully earned (normal) retirement benefit. If you retire between the ages of 62 and 65, and you have at least 25 years of service credit, you will also receive your full benefit.

You receive a reduced early retirement benefit if you retire with less than 25 years of service between ages:

- 55 and 60 with at least 10 years of service credit; or
- 60 and 65 with at least five years of service credit.

Your monthly retirement benefit is determined using a formula. The formula takes into account your service credits, final average regular salary and final average summer appointment salary.

Normal retirement benefit

2.2% of final average regular salary times years of service credit Plus 2.2% of *final average summer appointment salary* times years of summer appointment service credit Equals Your annual *normal retirement* benefit

Your annual normal retirement benefit is calculated using this formula:

How it works…		
Assume you retire at age 65. Your service credits consist of 20 years of service credit and 10 years of summer appointment service credit. Your final average regular salary is $40,000.00 and your final average summer appointment salary is $8,500.00. Your annual normal retirement benefit based on regular service and summer appointment service would be calculated like this:		
To calculate regular service…		
Step 1	.022000 × $40,000.00 = (2.20% times *final average regular salary*)	$880.00
Step 2	$880.00 × 20 = (Step 1 results times years of service credit)	$17,600.00
To calculate summer appointment service…		
Step 1	.02200 × $8,500.00 = (2.200% times *final average summer appointment salary*)	$187.00
Step 2	$187.00 × 10 = (Step 1 result times years of summer appointment service credit)	$1,870.00
Your total monthly normal retirement benefit is the sum of both of these benefits divided by 12. It would be calculated like this:		
Total monthly benefit ($17,600.00 + $1,870.00) ÷ 12		**$1,622.50**

Early retirement benefit

If you begin your benefits between the ages listed in the table to the right, the reduction will be prorated according to your age at the time your benefits begin.

If your age at retirement is	You will receive this percentage of your normal retirement benefit if you have*	
	Less than 25 years of service credit	25 or more years of service credit exclusive of any unused sick time
55	66.7%	76.7%
56	70.0%	80.0%
57	73.3%	83.3%
58	76.7%	86.7%
59	80.0%	90.0%
60	83.3%	93.3%
61	86.7%	96.7%
62	90.0%	100%
63	93.3%	100%
64	96.7%	100%

* These percentages are only estimates. For more information on the early retirement benefits and for a retirement estimate, visit the pension benefits portal in myHR, or contact your HR Generalist or HR Service Center. Visit http://umurl.us/retcalc for details.

If you retire early and elect to receive your RDD Plan benefits before your normal retirement date, your benefits are reduced because they are paid over a longer period of time. The reduction is shown below.

Here's how Plan benefits are reduced when you retire early.

To retire early…

You need 10 years of service credit if you're between ages 55 and 60, and five years of service credit if you're between ages 60 and 65. (You must have one year of service credit after age 54 to retire before age 60.)

How it works

Assume you retire at age 60. Your service credits consist of 15 years of service credit and seven years of summer appointment service credit. Your final average regular salary is $40,000.00 and your final average summer appointment salary is $8,500.00. Your annual early retirement benefit based on regular and summer appointment service would be calculated like this:

To calculate regular service		
Step 1	.0220 × $40,000.00 = (2.200% x *final average regular salary*)	$880.00
Step 2	$880.00 × 15 = (Step 1 result x years of service credit)	$13,200.00
Step 3	$13,200.00 × 83.3% = (reduction for retirement at age 60 with less than 25 years of service credit)	$10,995.00
To calculate summer appointment service		
Step 1	.02200 × $8,500.00 = (2.200% x *final average summer appointment salary*)	$187.00
Step 2	$187.00 × 7 = (Step 1 result x years of summer appointment service credit)	$1,309.00
Step 3	$1,309.00 × 83.3% (reduction for retirement at age 60 with less than 25 years of service credit)	$1,091.00

Your total monthly *early retirement* benefit is the sum of both of these benefits divided by 12. It would be calculated like this:

Total monthly benefit ($10,995+1,091) ÷ 12	**$1,007.17**

Leaving the University

What happens when I leave the University?

A *member* who has **not** attained a vested status in the RDD Plan is entitled to a refund of member contributions with two options:

- Elect a lump sum distribution after termination
  - As a direct payment subject to taxes and applicable penalties, or
  - Rollover money to an individual IRA account or another qualified Plan
- Defer the decision to a later date between the date of termination and the 65th birthday. Interest accrues at 4.0% per annum

Note: Once a lump sum distribution is taken, service credit relating to this distribution will be forfeited.

If you're a Qualified Member and leave the University when you're eligible to retire, please refer to *What are my retirement benefit payment options*.

If you leave the University before you're eligible to retire, but after you become a Qualified Member, you can elect to:

- Defer payment of your benefit until you reach early or normal retirement age (deferred benefit); or
- Receive your benefit as a lump sum/rollover payment prior to commencement.

Deferred benefit

Your deferred benefit will be calculated in the same way as a normal retirement benefit. However, your benefit will be based on your final average regular salary, final average summer appointment salary and service credits as of the date you leave. You must be at least age 55 before monthly retirement payments begin. If your payments begin before you reach age 65, they will be reduced by 5/9 of one percent for each of the first 60 months and 5/18 of one percent for each of the next 60 months by which your benefit precedes you reaching age 65. The payment methods available to you are described below.

Receiving a benefit as a lump sum payment

You receive 100% of the single sum actuarial equivalent value of your deferred retirement benefit, if the following paragraph is satisfied.

If you choose a lump sum, your lump sum payment maybe paid as a direct rollover to the trustee of an Individual Retirement Account (IRA) or the trustee of another employer’s qualified Plan that accepts such rollovers or the lump sum payment can be made directly to you.

If the amount of your lump sum payment is $1,000 or less, you may automatically receive the lump sum payment. You may elect to either receive this distribution in cash or have it paid in a direct rollover to the trustee of an Individual Retirement Account (“IRA”) or the trustee of another employer’s qualified Plan that accepts such rollovers.

If you defer receiving your benefit and then at a later date request a direct rollover to an eligible retirement Plan, the amount will be calculated by increasing the lump sum you originally were eligible for at termination by 7.5% compounded annually. Upon distribution, service credit is forfeited.

What are my retirement benefit payment options?

The RDD Plan allows you to receive your retirement benefit in the standard monthly pension payment method unless you choose another payment method. If you’re married, you need your spouse's written notarized consent to select a payment method that does not provide a survivor benefit to the spouse.
For purposes of satisfying the federal tax laws relating to qualified retirement Plans, the RDD Plan will recognize same-sex marriages that are validly entered into in a jurisdiction whose laws authorize the marriage.

A person who is in a *registered domestic partnership or civil union* is not considered to be a spouse for purposes of applying the federal tax law requirements relating to qualified retirement Plans, regardless of whether that person's partner is of the opposite or same sex.

The following chart provides a quick highlight of the standard payment methods.

Standard payment methods		
If you're	**Your form of payment is**	**You receive**
Single	• Single Life Annuity with no guaranteed period.	Monthly benefits for your life.
Married	• 50%, 75% or 100% Joint and Survivor Annuity.	Reduced monthly payments for your life; 50%, 75% or 100% continues to your surviving spouse after you die.

The following optional payment methods are also available:

Optional payment methods...
Single Life Annuity • No guaranteed period • 10-year guaranteed period
Joint and Survivor Annuity • 50% Joint and Survivor Annuity • 75% Joint and Survivor Annuity* • 100% Joint and Survivor Annuity*
Joint and Survivor Annuity with a Guaranteed Period • 50% Joint and Survivor Annuity with a 10-year guaranteed period* • 75% Joint and Survivor Annuity with a 10-year guaranteed period* • 100% Joint and Survivor Annuity with a 10-year guaranteed period*
*Lump-Sum or Rollover (*limited to 10%, 20% or 30% of the actuarial present value of benefits and must be used in conjunction with one of the above stated options.)

* This option is available only if you are married and your spouse is your joint annuitant.

All of the options listed above may be combined with a 2% guaranteed annual increase. See *Will my retirement benefit increase after I retire* for details.

Note: Payment methods other than a Single Life Annuity with no guaranteed period will result in a reduction in the monthly benefit amount to offset for the cost of continuing benefit payments after your death.

Payment methods

Listed below are more detailed descriptions of the payment methods available. Refer to the chart earlier in this section to determine which of these payment methods are available to you.

If you're a Qualified Member…
You will receive a benefit for the rest of your life depending on the option you choose.

Single Life Annuity

Under this payment method, you will receive a monthly benefit for your lifetime. After your death, benefits stop.

10 year Guaranteed Period

You may select a variation of the Single Life Annuity payment method by having your retirement benefit reduced to take into consideration a guaranteed payment period. You may select a 10 year guaranteed period. The guaranteed payment period begins on the date benefits originally commenced.

If you die before the guaranteed period ends (10 years), payments will continue to your *Beneficiary* for the balance of the period you have chosen. At the end of the Guaranteed Period, payments to your Beneficiary will stop. Benefits cease if you die after the guaranteed period ends.

Joint and Survivor Annuity

Under this payment method, your benefit is adjusted to take into consideration the fact that the duration of monthly payments will cover two lifetimes instead of one. A reduced monthly payment will be made to you for your lifetime. Following your death, payments continue to your joint annuitant for as long as he or she lives. The actual amount of benefit adjustment and payment to your joint annuitant will depend on your age and the age of your joint annuitant at the time of your retirement, which is generally when benefits commence, and the percentage of your payment to be continued to your joint annuitant. You can select a 50%, 75% or 100% Joint and Survivor Annuity. The 75% and 100% options are available only if your spouse is the designated joint annuitant.

If your joint annuitant dies before you do, your monthly benefits will automatically increase to the level of the Single Life Annuity payment option.

If you divorce after retiring, your joint annuitant (spouse) may revoke his/her joint annuitant status by completing a notarized waiver within 60 days of divorce.

Joint and Survivor Annuity combined with a guaranteed period

This payment method works like the Joint and Survivor Annuity except you can select a variation that continues payments to a Beneficiary if both you and your joint annuitant die before the end of the guaranteed period. The guaranteed period is 120 months if your spouse is the joint annuitant. The guaranteed payment period begins on the date benefits originally commenced.

Under this option, reduced monthly payments are made to you for as long as you live. Your payment will be adjusted according to your age at commencement of benefits, the age of the joint annuitant and the length of the guaranteed period. Following your death, payments are made to your joint annuitant for his or her lifetime. If both you and your joint annuitant die before the end of the guaranteed period, payments equal to the amount that would have been paid to your joint annuitant will continue to a Beneficiary for the remainder of the guaranteed period. If your joint annuitant dies before you do, your monthly benefits will automatically increase to the level of the Single Life Annuity payment option with the guaranteed period.

Lump-sum or rollover payments

You may elect to have 10%, 20% or 30% of the actuarial equivalent of your benefit paid either in a lump sum or in a direct rollover payment to the trustee of an Individual Retirement Account (“IRA”) or the trustee of another employer’s qualified Plan that accepts such rollovers. If you make such an election, the balance of your benefit (100% minus the percentage elected to be paid in a lump sum or direct rollover) will be paid under any of the payment options described earlier.

Will my retirement benefit increase after I retire?

Guaranteed annual increase

You can elect to receive your retirement benefit under an optional form with benefit increases each year. You may choose to receive a reduced monthly benefit in exchange for a guaranteed annual increase in monthly benefits. You must make this choice when you retire. You have the option of a 2% guaranteed annual increase.

How do I decide which payment method to choose?

You should evaluate your retirement income requirements, the benefits you wish to provide for your designated joint annuitant as well as other factors before deciding on a payment method. You also may want to consult a qualified financial advisor for help deciding on a payment method before you choose how to receive your benefit.

You will not receive payments until you elect a payment method. Once you make an election, it's irrevocable except as described in *What happens in the case of a dissolution of marriage* section.

How do I apply for benefits?

You should apply for retirement benefits by completing a Notice of Intent to Retire form at http://www.umsystem.edu/totalrewards and turning it into your department or supervisor. This form should be completed at least two months before your planned retirement date. This will ensure your payments begin on time, to allow for verification of your employment and salary history, calculation of your benefits and the payment options available to you.

Plan benefit payments are directly deposited to your designated account at the end of each month. If you provide two months' notice, you should receive your benefit payments during the last week of the month following your payment eligibility date. If you retire on any day after the first of the month, the amount of your first pension payment will be proportionately reduced. After that, your payment will cover the entire monthly period except during the month you die. During this month, the benefit will be prorated based on the date of your death.

Apply for retirement at least two months in advance
You must apply for benefits at least two months before you want your first scheduled payment.

You should keep the University informed of name or address changes for you or your beneficiaries. Changes should be made online through myHR at https://myhr.umsystem.edu or sent in writing to UM Office of Human Resources, HR Service Center, 1000 W. Nifong, Bldg 7-Suite 210, Columbia, MO, 65211.

For active members

If your application is approved, your benefit stops accruing on the day after you no longer receive service **credit**. If you die before retirement, the UM Office of Human Resources, HR Service Center, will help your spouse or Beneficiary apply for any benefits that are due.

For terminated members

If you leave the University after you have become a Qualified Member, you may decide to begin your payments on or after the completion of the age and service criteria for early retirement or defer payment to a later date. Alternatively, you can elect to receive a lump sum at any time, once your benefit has been calculated and approved.

Can I defer commencement of my benefits?

Yes, but not beyond the commencement date required by law (described below). However, you are encouraged to begin your monthly benefits no later than the date that your benefits are no longer subject to reduction for early commencement, because your monthly benefit amount will not increase after such date. If you defer receipt of your monthly benefit beyond the date that your benefits are no longer subject to reduction for early commencement, your monthly benefit payments will be calculated as of the date that you could commence unreduced monthly benefit payments, and you will receive a lump sum payment equal to the monthly benefits you could have received between the date you were eligible to receive unreduced retirement benefit payments and the date that benefit payments actually commence.

When must I begin receiving my benefits?

Under current law, you must begin receiving your benefit on the April 1 following:

- The calendar year in which you turn age 70½; or, if later,
- The calendar year in which your employment ends.

How is my benefit affected by taxes?

Annuity payments

When you receive monthly retirement (annuity) payments from the Plan, your benefits are considered taxable income. Federal tax law requires the University to automatically withhold federal taxes on your benefits before they are paid to you, unless you specifically request otherwise in writing. You also may request that Missouri state taxes be withheld. The amount withheld will depend on your filing status and the number of exemptions you claim.

If you choose not to have taxes withheld from your benefits, you will be responsible for paying the tax when you file your tax return. If no taxes are withheld, or if the amount withheld is not enough to cover the actual taxes due, you may be required to make estimated tax payments throughout the year. You may also be subject to a tax penalty for under-withholding.

If you plan to reside in the United States, but outside of Missouri or Illinois, you should complete a Statement of Tax Responsibility. Please contact the UM Office of Human Resources, HR Service Center, for further information. If you plan to reside outside the United States following your retirement, you may qualify for alternative tax treatment. Please contact the Total Rewards, Retirement Programs office for further information.

Rollovers and Tax Treatment

What are some of the possible tax consequences when I receive a distribution from the Plan?

Generally, you must include any distribution in your taxable income in the year in which you receive the distribution. Distributions made to you when you are under age 59½ may be subject to an additional 10% tax unless you roll the distribution over to an IRA or other employer retirement Plan as described below.
There are a couple of significant exceptions to the additional 10% tax for purposes of the RDD. One exception exists for a distribution that is part of a series of substantially equal periodic payments made for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated Beneficiary. Another exception exists for you if you separate from service after attaining age 55.

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

If your distribution is an eligible rollover distribution, you may defer the tax due on your distribution by rolling the distribution over to an IRA or other employer retirement Plan. Generally, an eligible rollover distribution does not include any distribution which is: (1) one of a series of substantially equal periodic payments made for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated Beneficiary, or for a specified period of ten years or more; or (2) a required minimum distribution. There are two types of rollovers.

> *Direct rollover*: For most distributions, you may request that a direct rollover (sometimes referred to as a direct transfer) be made to either an IRA or another employer retirement Plan willing to accept the rollover. A direct rollover will result in no tax being due until you withdraw funds from the IRA or other employer retirement Plan.
>
> *60-day rollover*: You may roll over a distribution to an IRA or another employer retirement Plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other employer retirement Plan. The rollover of the distribution, however, MUST be made within strict time frames (normally, within 60 days after you receive your distribution). A distribution which may be rolled over but which you do not directly roll over (see above) will be subject to mandatory federal income tax withholding at a rate of 20%. You may rollover the 20% amount withheld, but must replace

the withheld amount from other resources. If you do not rollover an amount equal to the 20% withheld, the withheld amount is subject to tax.

If your distribution is not an eligible rollover distribution you will not be able to defer tax due on your distribution by rolling the distribution over to an IRA or other employer retirement Plan. Withholding on distributions that are not eligible rollover distributions depends on whether the distribution is a periodic distribution (for example, annuity payments or installments) or non-periodic distribution. Withholding on periodic distributions will be determined as if the distribution were wages and withholding on non-periodic distributions will be 10% of the amount includible in income. Notwithstanding the foregoing, you may elect not to have withholding apply. *Pre-Tax to Roth Rollovers:* If you roll over pre-tax amounts to a designated Roth account in another employer Plan or to a Roth IRA, the amounts will be taxed in the year of the rollover. However, the 10% additional tax on early distributions will not apply. If you complete a direct rollover, no withholding will apply, but you may voluntarily enter into a withholding agreement with the University.

Tax Notice. WHENEVER YOU RECEIVE A DISTRIBUTION, YOU WILL RECEIVE A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. **YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.**

In Special Cases

What happens if I die before I retire?

Survivor benefits for terminated members

If you are a Qualified Member and you die before you are eligible to retire, a death benefit will be paid that is the greater of the following amounts as of the date of your termination:

- two times your regular annual salary as of the date of your death (This benefit will never exceed 100 times your projected monthly normal retirement benefit. For purposes of this calculation, your service would be determined as if you continued in employment until age 65, and your final average earnings would be determined as of the date of your death); or
- the single sum actuarial equivalent value of your retirement benefit.

Your survivor benefits
Survivor benefits provide a source of income for your Beneficiary if you die.

This death benefit will be paid in the following order of priority:

- Your designated Beneficiary;
- In the absence of a designated Beneficiary in the following order of priority:
  - Your surviving spouse
  - According to the laws of the State of Missouri (see RSMo 474.010)

Your Beneficiary may elect to receive this benefit either as the above described lump sum or in the form of an actuarially equivalent monthly annuity payment. For married employees, your surviving spouse will be considered your Beneficiary unless your surviving spouse has previously waived such rights by completing a notarized statement. Otherwise you may designate any person or trust as your Beneficiary. You may name co-beneficiaries and contingent beneficiaries. If you do not name a Beneficiary, then the death benefit will be paid in the order of priority stated immediately above. To be certain funds are distributed according to your preference it is important that you complete a Designation of Beneficiary form located at http://www.umsystem.edu/totalrewards. Directions for designating a Beneficiary are in the Designation of Beneficiary section of your Benefits Enrollment Form. This form is also available from your HR Generalist or HR Service Center.

Do I need to name a Beneficiary?

Naming a Beneficiary ensures that your benefit is handled in the manner you intend. You should name a Beneficiary when you first participate in any of the Plans. If unmarried, you may designate any person or trust as your Beneficiary. For married employees, your surviving spouse will automatically be your Beneficiary, unless your surviving spouse has previously waived such rights by completing a notarized statement. You may also designate contingent beneficiaries.

Update your Beneficiary information
Whenever there are important changes in your life – such as marriage, divorce or the birth or adoption of a child – review your Beneficiary designation and consider updating.

If you don't name a Beneficiary and you die while in active employment, any death benefits under the Plan will be paid to your surviving spouse. If there is no surviving spouse, death benefits will be paid according to the laws of the State of Missouri (see RSMo 474.010).

You may update your Beneficiary designation at any time. Whenever there are important changes in your life such as marriage, legal separation, divorce, or the birth or adoption of a child, consider updating your Beneficiary designation.

Forms are available at the HR Service Center or on the website http://www.umsystem.edu/totalrewards.

Will I earn service credit for service with another employer?

Over the years special provisions have been added to the Plan for various groups of employees. Special provisions are applicable to former employees of Barnes College, the Children's Advocacy Center of St. Louis, Ellis Fischel State Cancer Center, Missouri Rehabilitation Center, the St. Louis Mercantile Library Association, and the University of Kansas City. If you were employed by one of these entities immediately prior to your employment by the University, contact the UM System Office of Human Resources, HR Service Center, for more information.

In addition, special provisions apply to employees who are entitled to benefits under the U.S. Civil Service Retirement Act as a result of service with the University. You cannot receive service credit under the RDD for any period of employment for which you are also receiving a Federal Retirement/Civil Service Retirement System benefit.

For public retirement system Participants: You may purchase credited service under the RDD for the period of your participation in certain Missouri public retirement systems or for the period you were in non-federal public employment in Missouri if you:

- Are a Qualified Member in the RDD and you were previously a Participant under certain public retirement systems within Missouri; and
- You didn't earn a vested right to a retirement benefit under that prior public retirement system within Missouri or were employed in non-federal public employment in Missouri and not covered by a retirement Plan.

Contact the Office of Human Resources for more information.

What happens if I retire and later return to work?

If you retire, return to work in a benefit eligible position for the University (and earn additional service credit), your retirement benefits will be suspended until you retire again.

Upon your subsequent retirement, your benefit will be determined based on your final average regular salary and final average summer appointment salary determined at that time and your service credit earned during both your prior period of employment and your subsequent reemployment or extension of participation. This amount will be reduced by the actuarial equivalent value of the benefits you received prior to your reemployment or extension of participation relating to disability.

UM requires the following process for rehiring a former employee (i) who is less than age 62 and (ii) who is currently receiving a retirement benefit, has received a lump sum retirement benefit, or has elected to receive a retirement benefit:

1. The rehire cannot be pursuant to a discussion, understanding, or agreement (written or oral), that occurred prior to separation from employment with the University of commencement of a retirement benefit.
2. The employee must have at least a 90-day break after the effective date of retirement/separation before consideration for rehire, *unless the rehire is part of a competitive hiring process.* In order to ensure that there is not an understanding or agreement to rehire prior to the effective date of retirement, the employee may not apply for a position until after the effective date of the employees retirement/separation.
3. The employee's signature is required on applicable benefit documents acknowledging the rehire requirements.
4. If the former employee is receiving benefits, then exceeding 74% FTE upon rehire will cause benefits to cease under the RDD.
5. In measuring the 75% FTE limitation under the RDD for purposes of suspending benefits, all active appointments will be considered**. It is highly recommended that the total of all active appointments remain below 70% FTE.**

Failure to comply with the above rehire requirements may result in the rehired individual's termination of employment pursuant to applicable procedures.

These rules do not apply to anyone who is age 62 or older and has completed the applicable benefit documents for in-service distribution from the RDD.

For the purposes of satisfying tax laws relating to qualified retirement Plans, the RDD Plan will recognize same-sex marriages that are validly entered into in a jurisdiction whose laws authorize the marriage.
A person who is in a *registered domestic partnership* or *civil union* is not considered to be a spouse for purposes of applying the federal tax law requirements relating to qualified retirement Plans, regardless of whether that person's partner is of the opposite or same sex.

Protecting Your Benefits

What happens if the Plan terminates?

If the Plan is terminated, you will immediately be 100% vested in the benefits you've earned as of the termination date. Trust fund assets will be used to provide benefits to retirees, beneficiaries, and active Participants up to the total amount of assets in the fund.

Can my benefits be forfeited or delayed?

The RDD is designed to provide you with a continuing income when your active employment ends and commence a benefit. But some situations could affect RDD benefits. Those situations are summarized here:

- If you leave the University permanently for any reason before you have five years of service credit, you will not receive a benefit. If you resume service with the University, your prior service credit may be forfeited.
- If you do not keep your most recent address on file and the University can't locate you, benefit payments may be delayed. This is particularly important if you leave the University prior to retirement with a right to a deferred retirement benefit.
- If you do not apply for retirement benefits at least 60 days prior to your retirement, your payments may be delayed.

Can my benefit be assigned to someone else?

Your retirement benefit belongs to you and may not be sold, assigned, transferred, or pledged under most circumstances.

If you (or your Beneficiary) are unable to care for your own affairs, any payments due may be paid to someone who is authorized to conduct your affairs. This may be a relative or a court-appointed guardian.

What happens in the case of dissolution of marriage?

Federal law requires retirement Plans sponsored by non-governmental retirement Plans to honor what is called a “Qualified Domestic Relations Order” (QDRO). The RDD will honor a court order (Domestic Benefits Order – DBO) which meets certain criteria.

In the event that you and your spouse have a dissolution of marriage, there are several situations in which the RDD includes specific provisions which allow for the payment of benefits under the RDD to someone other than you or your designated Beneficiary.

If your marriage is dissolved prior to the receipt of a rollover, lump sum payment or the beginning of monthly retirement benefits under the RDD, the RDD will honor a DBO that provides for a portion of the benefit that accrued during the term of the marriage. The DBO must be received by the University and approved prior to the lump sum distribution or other commencement of payment.

If your marriage is dissolved after the commencement of retirement benefits under the RDD, the DBO may only apply to future payments received under the RDD.

A summary explaining your rights and options under a Division of Benefits Order is available at http://www.umsystem.edu/totalrewards.

How is the Plan funded?

The RDD is funded by contributions by the University and Plan Members. The amount of each member's contributions is fixed under the terms of the Plan. The University annually decides how much to contribute to the Plan based on advice from the Plan's actuary.

Voluntary Retirement Plans (VRP)

- **Tax Deferred Annuity Plan (403b)**
- **Deferred Compensation Plan (457b)**
- **Supplemental Retirement Plan (401a)**

Introduction

Welcome to the University of Missouri System (UM) Voluntary Retirement Plans. We are eager to make you aware of the VRPs, as they apply to you.

This summary is intended to help answer many commonly asked questions. Should you need additional information about a Plan, please refer to the Plan document online at http://www.umsystem.edu/ums/rules/collected_rules/benefit/ch500 or contact your HR Generalist or HR Service Center.

Make the most of these important benefits by being an active Participant in planning, saving, and investing for your future retirement.

The Voluntary Retirement Plans (VRPs) include the 403(b) Plan, the 457(b) Plan and the SRP. All non-student employees, except health affiliates (subsidiary employees) are eligible to enroll in the 403(b) Plan, the 457(b) Plan. Only benefit eligible employees are eligible to participate in the SPR. Health affiliates (subsidiary employees) are eligible to take advantage of savings and investment opportunities in the 457(b) and the SRP.

VRPs: The VRPs are Defined Contribution Plans that allow you to save for your retirement on a voluntary basis. The amount available at retirement depends on the contributions and the returns generated by the investment(s) you select.

Defined Contribution (DC) Plan: A retirement Plan that provides an individual account for each Participant in the Plan and provides benefits based on the amount contributed to that Participant's account. The amount available at retirement is affected by returns generated by the investment(s) you select and expenses charged to your account.

Under a Defined Contribution Plan, the benefit at retirement will be based on total contributions plus any investment gain and/or loss.

The VRPs allow you to set aside a portion of your *compensation* before federal and state income taxes are paid. Additionally, the 403(b) Plan allows you to set aside a portion of your *compensation* on an after-tax basis. Deferrals made to the 403(b) Plan on an after-tax basis are called Roth *Elective Deferrals. Deferrals* are invested in an investment option that you choose. If you do not choose an investment option, your *deferrals* are invested in a default investment option. The amount you defer pre-tax and any earnings are not taxed until you receive them. Your Roth *Elective Deferrals* are subject to income taxes in the year of deferral. However, your Roth Elective Deferrals are not taxed when distributed to you and, if your distribution is a *qualified distribution*, the earnings on your Roth Elective Deferrals are not subject to income tax (see the *Distributions* section below for the definition of qualified distribution), making the distribution tax-free.

As described above, each VRP provides tax advantages. All the VRPs have an array of investment choices and retirement planning support available to *Participants*.

Participation in the University of Missouri VRPs is completely voluntary. This summary of the VRPs is intended to help answer many commonly asked questions. Should you need additional information about a Plan, please refer to the Plan document online at http://www.umsystem.edu/ums/rules/collected_rules/benefit/ch500 or contact your HR Generalist or HR Service Center.

There are many investment options included in the VRPs. Each has varying degrees of return and financial risk. This summary is not intended to advise you on any investment risks or tax issues arising from investing in any of these options. You may wish to contact your tax advisor or legal counsel for assistance in determining which option best fits your long-term goals.

What is a Voluntary Retirement Plan?

Voluntary Retirement Plans: A general term used to refer to the 403(b) Plan, 457(b) Plan, and SRP to which you may contribute on a voluntary basis. The amount available at retirement depends on the contributions and the gains or losses generated by the investment(s) you select, less any expenses charged to your account.

Learn more about what the Retirement Program offers at http://www.netbenefits.com/UMRetirement. Enroll in the VRPs that suit your needs and invest in yourself today.

Key Terms

To help you understand your retirement benefits and how they work, this section provides definitions of important terms used in this section with respect to the VRPs. Note: When used throughout this summary, the terms defined here are in *italics*.

Beneficiary

means a person designated by a *Participant*, a *Beneficiary*, or by the Plan, who is or may become entitled to a benefit under the Plan. Any person designated as a Beneficiary shall have no rights under the Plan until after the death of the Participant.

Compensation

Each VRP has a different compensation definition.

- *403(b) Compensation* means all cash compensation paid to you for services rendered to the University that is includible in your gross income.
- *457(b) Compensation* means all compensation paid to you for services rendered to the University.
- *SRP Compensation* means all compensation that is subject to income tax withholding and paid to you by the University.

Compensation for purposes of the VRPs includes *Elective Deferrals* to a *University* retirement Plan or any other Plan or arrangement (such as a flexible benefit Plan). Special rules apply to compensation received after you terminate employment. *Notwithstanding the above*, the SRP and 403(b) *Plan will not consider* SRP Compensation or 403(b) Compensation (as applicable) exceeding $280,000 in 2019 (such compensation limit is adjusted annually by the IRS for cost-of-living).

Elective Deferrals

means contributions made to the 403(b) Plan or 457(b) Plan at the election of the *Participant* in lieu of receiving cash compensation. *Elective Deferrals* are not the same as *Irrevocable Contributions* made to the SRP and 403(b) Plan. There are two types of *Elective Deferrals*, pre-tax and after-tax. Elective Deferrals made on an after-tax basis are called Roth Elective Deferrals. Roth Elective Deferrals may only be made to the 403(b) Plan.

Eligible Employee

- For purposes of the *403(b) Plan, Eligible Employee* means all University Employees except health affiliate employees (subsidiary employees) and student employees.
- For purposes of the *457(b) Plan, Eligible Employee* means all University Employees except student employees.
- For purposes of the *SRP, Eligible Employee* generally means a University employee in at least a 75% *Full-Time Equivalency* position, with an appointment duration of at least nine (9) months (for the purposes of this section any individual who is simultaneously employed by the University and the Harry S. Truman Veterans Administration Hospital pursuant to a written agreement between said organizations), excluding any per diem employees, student employees, leased employees, and non-common law employees and employees of a Participating Employer prior to the date the Participating Employer adopts the Plan with the consent of the University.

Full time Equivalency

for a non-academic appointment which is not exempt from overtime compensation, one hundred percent (100%) *Full-Time Equivalency* means two thousand eighty (2080) hours of service during an *Academic Year*. For an academic appointment or a non-academic appointment which is exempt from overtime compensation, one hundred percent (100%) Full-Time Equivalency shall be determined on the basis of criteria established in accordance with applicable University policy.

Individual Agreement

means the agreement between the *Vendor* and you that governs your custodial account or annuity contract under the 403(b) Plan. Your custodial account or annuity contract, as applicable, is issued by a Vendor for purposes of holding contributions to the 403(b) Plan on your behalf. The *Individual Agreements* supplement the 403(b) Plan and control certain aspects of the 403(b) Plan, as indicated in this summary.

Irrevocable Contribution

means a contribution to the SRP or 403(b) Plan, pursuant to a one-time irrevocable election by you to reduce your compensation by a specified amount. Under the 403(b) Plan your election is for the duration of your employment with the University. Under the SRP your election is for the duration of your employment with the University as an *Eligible Employee* and must be made no later than the date you first became eligible under the Plan or any other Plan or arrangement of the Employer that is described Code Section 219(g)(5)(A)

Participant

means with respect to the 403(b) Plan, 457(b) Plan, or SRP, as applicable, any individual who has satisfied the eligibility and participation requirements of the Plan and each employee or former employee with a benefit under the Plan. An employee becomes a *Participant* in a Plan independent of participation in other Plans.

Plan Year

means the twelve-month period ending December 31 each year.

Rollover Contribution

means an amount transferred to this Plan, either directly or indirectly, from another eligible retirement Plan.

Vendor

means the provider of your annuity contract or custodial account under the 403(b) Plan. Your custodial account or annuity contract, as applicable, is issued by a *Vendor* for purposes of holding contributions to the 403(b) Plan on your behalf. *Vendors* shall only include Fidelity Management Trust Company and TIAA-CREF.

When am I eligible to participate in the Plans?

You are eligible to participate in the 457(b) and 403(b) on your first day of employment with the University as an Eligible Employee. To review a summary of the investment options and enroll, visit www.netbenefits.com/UMRetirement or call Fidelity at 1-800-343-0860.

You are eligible to participate in the SRP the first day you are an Eligible Employee and the election to participate must be made no later than the date you first became eligible under the Plan or any other Plan or arrangement of the Employer that is described Code Section 219(g)(5)(A)

Please note that *Eligible Employee* is **defined differently** under the SRP than under the 403(b) Plan and 457(b) Plan. The SRP definition is more limited in terms of who is eligible to participate in the Plan.

When do I begin participating in the Plans?

Participation in the 403(b) Plan begins after you enroll in the Plan and your *Elective Deferral* becomes effective. 403(b) Plan elections will take effect on the next eligible payroll period following your election.

Participation in the 457(b) Plan begins after you enroll in the Plan and your Elective Deferral becomes effective. 457(b) Plan elections will take effect the first of the following month or as soon as administratively possible if later.

Participation in the SRP begins after you elect to make *Irrevocable Contributions* to the SRP. Your Irrevocable Contribution election must be made on or before your hire date.

How do I make a deferral election?

To make a 403(b) or 457(b) Elective Deferral election, please visit http://www.umsystem.edu/totalrewards or www.netbenefits.com/UMRetirement.

To make a 403(b) Irrevocable Contribution election you must submit paper enrollment forms. These forms may be obtained by contacting the Retirement Programs at 573-882-9810 or by email to voluntaryretirementPlans@umsystem.edu.

To make a SRP Irrevocable Contribution election you must submit paper enrollment forms. These forms may be found on the UM Total Rewards website: www.umsystem.edu/totalrewards or by contacting your HR Generalist or HR Service Center.

How can I change my deferral election? When can I change my deferral election? When is the change effective?

You may change your deferral elections by visiting the www.netbenefits.com/UMRetirement website or by calling Fidelity Investments at 1-800-343-0860.

- **For the 403(b) Plan** changes are effective on the next available payroll period. Allow one to two payroll cycles for changes to take effect.
- **For the 457(b) Plan** changes are effective no sooner than the first of the month following the change. Allow one to two payroll cycles for changes to take effect. Stopping deferrals is effective as soon as administratively possible.
- **The SRP and 403(b) Irrevocable Contribution elections** are irrevocable. Once a deferral percentage is chosen, it cannot be changed or discontinued under the 403(b) Plan while employed by the University. The deferral percentage cannot not be changed or discontinued under the SRP while employed as an Eligible Employee.

Eligibility Information

Plan / Contribution Type	Eligibility/ Participation	Effective Date of Enrollment/Changes	How often can I make changes?
403(b) pre-tax	First day of employment	Enrollment, investment election, and subsequent changes are effective the first available pay period after the change is made in good order.	Changes to contribution percentage or investment elections for future contributions may be made as often as you wish.
403(b) Roth	First day of employment	Enrollment, investment election, and subsequent changes are effective the first available pay period after the change is made in good order.	Changes to contribution percentage or investment elections for future contributions may be made as often as you wish.
403(b) One Time Irrevocable Election	Eligible on employment commencement date, but you must make an election to contribute on or before the first day of employment as an Eligible Employee.	The effective date is the first available pay period after enrollment is completed.	The contribution percentage cannot be changed or stopped while you are employed by the University. Changes to investment elections may be made at any time.
457(b) pre-tax	First day of employment	Initial election, and subsequent changes are effective the first day of the following month or as soon as administratively practicable, if later.	Changes to contribution percentage or investment elections for future contributions may be made as often as you wish.
SRP One Time Irrevocable Election	Eligible on the first day of employment, but you must make an election to contribute on or before the first day of employment as an Eligible Employee.	The effective date is the first available pay period after enrollment is completed.	The contribution percentage cannot be changed or stopped while you are employed by the University as an Eligible Employee under the SRP. Changes to investment elections may be made at any time.

Contributions

What are 403(b) Plan Elective Deferrals, and how do I contribute them to the Plan?

You may elect to reduce your 403(b) Compensation and have that amount contributed to the 403(b) Plan as a pre-tax *Elective Deferral*. The amount contributed to the Plan is deducted from your paycheck before income taxes are taken out. Social Security and Medicare taxes are still paid on the contribution. Income tax is not owed on pre-tax Elective Deferrals or any earnings on those contributions until they are distributed from the Plan.

What are 403(b) Roth Elective Deferrals, and how do I contribute them to the Plan?

You may elect to reduce your 403(b) Compensation and have that amount contributed to the 403(b) Plan as a Roth Elective Deferral. Roth Elective Deferrals are made on an after-tax basis, meaning that deferrals are subject to income tax and are includible in your gross income at the time of deferral. Your Roth Elective Deferrals are distributed tax free and any earnings are distributed tax free if such distribution is a "qualified distribution" (see the *Distributions* section below for a definition of "qualified distribution" and tax consequences of distributions). Roth 403(b) accounts must be open a minimum of 5 years before the distribution is tax-free.

Can I contribute pre-tax and Roth Elective Deferrals in the same year?

You may make both pre-tax and Roth Elective Deferrals to the 403(b) Plan in a calendar year in any proportion that you like.

If I choose to begin making Roth Elective Deferrals at the first of the year, but later I change my mind, can I then designate them as pre-tax Elective Deferrals?

Once a Roth Elective Deferral has been made to the 403(b) Plan, the contribution cannot be changed to a pre-tax Elective Deferral.

What distinguishes a Roth 403(b) election from a traditional 403(b) election?

The primary differences between pre-tax and Roth Elective Deferrals are:

	Contribution	***Distribution***
403(b) pre-tax	• No income tax paid on contributions • Lower taxable income • Contributions are subject to FICA taxes	Contributions and earnings are taxed as ordinary income.
403(b) Roth	• Income tax is paid on contributions • No change in taxable income • Contributions are subject to FICA taxes	Contributions are not taxed and earnings are not taxed if it is a "qualified distribution" (see the *Distributions* section for a definition of "qualified distribution").

The following chart shows an example of Roth and pre-tax Elective Deferrals, and the effect they may have on your net take home pay. Please note this is presented for illustration purposes only. The effect will vary by individual persons.

	Roth	**Pre-tax**
Monthly Salary	$3,000.00	$3,000.00
Pre-tax Contributions	$.00	$100.00
Taxable Income	$3,000.00	$2,900.00
Current Federal & State Income Taxes (estimate)	$671.00	$643.00
Total Take Home Pay	$2,329.00	$2,257.00
Roth Contributions	$100.00	$.00
Net Take Home Pay	$2,229.00	$2,257.00

What are 403(b) Irrevocable Contributions, and how do I contribute them to the Plan?

You may elect to reduce your 403(b) Compensation and have that amount contributed to the 403(b) Plan as an *Irrevocable Contribution*. Any Irrevocable Contribution election under the 403(b) Plan must be made on or before initial eligibility to participate in the 403(b) Plan. Since the 403(b) Plan is available to all employees, except student employees, as of the first day of employment, generally only new employees to the University are eligible to make this election.

No changes are permitted to the amount of the deferral once the one-time irrevocable election has been made. An employee or prospective employee who is considering making Irrevocable Contributions to the 403(b) Plan must be aware that the only way to change the contribution amount is by termination of employment with the

University. A change in employment status from full time to part time, for example, does not cancel your Irrevocable Contribution election. If an employee has a change in employment status and does not have sufficient 403(b) Compensation to support the original Irrevocable Contribution election, then as much of the original contribution election as possible will be withheld from available compensation.

What are 457(b) Plan Elective Deferrals, and how do I contribute them to the Plan?

You may elect to reduce your 457(b) Compensation and have that amount contributed to the 457(b) Plan as an Elective Deferral. Elective Deferrals are deducted from your paycheck before income taxes are withheld; however, Social Security and Medicare taxes are still paid on the deduction. Income tax is not owed on Elective Deferrals or any earnings on the Elective Deferrals until distributed from the Plan. **Changes made to your 457(b) Elective Deferrals will take effect at the beginning of the following month or as soon as administratively practicable, if later.**

What are SRP Irrevocable Contributions, and how do I contribute them to the Plan?

You may elect to reduce your SRP Compensation and have that amount contributed to the SRP as an Irrevocable Contribution. Your Irrevocable Contribution election cannot be changed so long as you remain eligible to participate in the SRP. If you are not eligible to participate in the SRP, your Irrevocable Contributions to the Plan cease. The Irrevocable Contributions are contributed on a “pre-tax” basis. Irrevocable Contributions and any earnings on such contributions are not subject to Federal or State income tax until distributed.

No changes are permitted to the amount of the deferral once the one-time irrevocable election has been made as long as you remain an Eligible Employee under the SRP. **An employee who is considering making Irrevocable Contributions to the SRP** should consider if they do not have sufficient SRP Compensation to support the original Irrevocable Contribution election, then as much of the original contribution election as possible will be withheld from available compensation.

What are “catch up” contributions?

Catch-up contributions are Elective Deferrals, but allow an employee to contribute regardless of the legal limits that would otherwise apply to Elective Deferrals if certain qualifications are met. However, catch-up contributions are subject to separate limits, as described below under *How Much Can I Contribute to the VRPs.* Both the 403(b) Plan and the 457(b) Plan permit catch-up contributions if you are age 50 or will attain age 50 before year end.

What are Rollover Contributions?

At the University's discretion you may transfer an eligible rollover distribution (see *VRP* section *Rollovers and Tax Treatment* for a discussion of eligible rollover distributions) from certain other employer Plans or IRAs to the VRPs, if you are an Eligible Employee and Participant in the applicable Plan. These transfers are called Rollover Contributions. You can transfer the distribution to a VRP in a direct rollover or 60 day rollover (see *VRP* section *Rollovers and Tax Treatment* for a discussion of the types of rollovers). You should consult qualified counsel to determine if a rollover is permitted and in your best interest.

Notwithstanding the above, *Rollover Contributions* to the 403(b) Plan are only permitted to the extent provided in your *Individual Agreement* with the *Vendor*.

How Much Can I Contribute to the VRPs?

Applicable Federal laws place limits on the annual contributions to the VRPs.

In 2019, the limit on total contributions to the 403(b) Plan is $56,000 or 100% of your compensation. Your 403(b) Plan total contributions limit is not affected by contributions to the SRP limit. There is a $19,000 limit on Elective Deferrals to the 403(b) Plan for 2019. The Elective Deferral limit is a combined limit for both pre-tax and Roth Elective Deferrals. Your *Irrevocable Contributions* to the 403(b) Plan do not count towards the $19,000 Elective Deferral limit, but your Elective Deferrals plus Irrevocable Contributions do count towards the total contribution limit. Please remember these contributions are subject to FICA tax.

In 2019, the limit on total contributions to the 457(b) Plan is the lesser of $19,000 or your compensation for the calendar year. The 457(b) limit is not affected by contributions to the SRP or 403(b) Plan.

In 2019, age 50 catch-up contributions are limited to $6,000. There is a separate $6,000 limit for the 403(b) Plan and 457(b) Plan. Therefore, you can contribution up to $12,000 in catch-up contributions to the 403(b) Plan and 457(b) Plan combined. The age 50 catch-up contribution limit is in addition to the limits on total contributions and Elective Deferrals. Therefore, if the age 50 catch-up contribution limit applies, you can contribute up to $25,000 in Elective Deferrals under the 403(b) Plan and 457(b) Plan, and your total contribution limit under the 403(b) Plan is $56,000. You must contribute the Elective Deferral limit before age 50 catch up contributions occur.

In 2019, the limit on total contributions to the SRP is $56,000 or 100% of your compensation. Please remember all contributions are subject to FICA tax.

All of the above dollar limits may be adjusted annually by the IRS for cost-of-living. Compensation for purposes of the contribution limits is not the same as compensation for contribution purposes and is generally defined by law.

Rollover Contributions are not subject to the contribution limits above.

How much can be contributed to the 457(b), 403(b) Plan or SRP?	**IRS Limits, adjusted annually**	**Minimum Contribution**	**Catch-up Contributions**	**Details**
457(b) pre-tax	$19,000, adjusted annually*	1% of compensation	Age 50 and Over Catch-up: $6,000, adjusted annually*	Contributions are made by deduction from your compensation only.
403(b) pre-tax, Roth, and Irrevocable Contribution Election	$19,000 for Elective Deferrals, adjusted annually* $56,000 for all contributions, adjusted annually*	1% of compensation	Age 50 and Over Catch-up: $6,000, adjusted annually*	Contributions are made by deduction from your compensation only. Pre-tax and Roth Elective Deferrals have a combined contribution limit. Irrevocable Contributions are made by deduction from your salary only and once elected cannot be changed or stopped.
SRP	$56,000, adjusted annually*	1% of compensation	None	Contributions are made by deduction from your compensation only and once elected cannot be changed or stopped as long as you are eligible for the SRP. IRS limit on contributions is shared with the ERIP.

* These limits may be adjusted annually by the IRS for cost of living.

What are In-Plan Roth Rollovers?

If permitted by your Individual Agreement with a Vendor under the 403(b) Plan and if you are eligible for a distribution from an account balance other than a designated Roth contribution account, you may elect to roll over the distribution to a designated Roth contribution account in the 403(b) Plan (referred to as an "In-Plan Roth Rollover *Contribution*"). You may only roll over the distribution directly and the contribution will be subject to taxation to the extent the distribution does not represent after-tax dollars. The account is subject to the same taxation rules that apply to Roth *Elective Deferrals*.

Will income taxes be withheld from my In Plan Roth Rollover Contributions?

There is no withholding on In Plan Roth *Rollover Contributions*; however, you may need to increase your withholding or make estimated tax payments to avoid an underpayment penalty.

Vesting

All employee contributions to the VRPs are 100% *vested* and non-forfeitable at all times.

Investments

How are my Elective Deferrals and Irrevocable Contributions invested?

Choosing Your Investments: You select how to invest all contributions in the VRPs. Please see the Investment options overview section at www.netbenefits.com/UMRetirement for information about your investment choices.

- *403(b)* - You may select and make changes to your investment selections at any time online at www.netbenefits.com/UMRetirement or by calling Fidelity Investments at 1-800-343-0860, or if you invest with TIAA-CREF Financial Services, by calling at 1-800-842-2252. If you are unsure how to invest your contributions, retirement representatives are available to meet one on one to assist you. Schedule a free appointment by visiting www.netbenefits.com/UMRetirement or calling Fidelity Investments at 1-800-343-0860 or by calling TIAA-CREF Financial Services at 1-800-842-2252.
- *457(b)* - You may make changes to your investment selections at any time online at www.netbenefits.com/UMRetirement or by calling Fidelity Investments at 1-800-343-0860. If you are unsure how to invest your contributions, retirement representatives are available to meet one on one to assist you. Schedule a free appointment by visiting www.netbenefits.com/umretirement or calling 1-800-343-0860.
- *SRP* - You may select and make changes to your investment selections at any time online at www.netbenefits.com/UMRetirement or by calling Fidelity Investments at 1-800-343-0860. If you are unsure how to invest your contributions, retirement representatives are available to meet one on one to assist you. Schedule a free appointment by visiting http://www.netbenefits.com/umretirement or calling 1-800-343-0860.

One-on-One Guidance

Financial Planning and Guidance representatives are available on each campus to meet one on one to assist you throughout the year. To schedule an appointment with Fidelity, call 1-800-343-0860 or visit www.netbenefits.com/UMRetirement. To schedule an appointment with TIAA-CREF, call 1-800-842-2252. There are many investment options. Each has varying degrees of return and financial risk. This summary is not intended to advise you on any investment risks or tax issues arising from investing in any of these options. You may wish to contact your tax advisor or legal counsel for assistance in determining which option best fits your long-term goals.

Distributions

When can distributions occur from the VRPs?

Following is a summary of distribution provisions for the VRPs:

Distribution Provisions

403(b)	*457(b)*	*SRP*
Distributions may occur upon: 1. Attainment of age 59-1/2 2. Termination of employment 3. Death 4. Disability 5. Financial Hardship 6. Military Service	Distributions may occur upon: 1. Termination of employment 2. Unforeseeable Emergency 3. Death	Distributions may occur upon: 1. Termination of employment; 2. Attainment of age 59 ½ 3. Financial Hardship 4. Disability 5. Death

For the 403(b) Plan distributions are made in accordance with your *Individual Agreement* with the *Vendor*(s), subject to the minimum required distribution rules (see below).

For the 457(b) Plan distributions upon termination of employment are made on a date selected by you. At any time before commencement of your distribution, you may elect to defer commencement to a later specified date, subject to the minimum required distribution rules (see below).

For the SRP, if the value of your account exceeds $5,000 upon termination of employment, it will not be distributed without your consent, unless the minimum required distribution rules apply (see below).

Notwithstanding the above, if the value of your account in any of the VRPs is less than $5,000, but more than $1,000, it will automatically be rolled over to an IRA after you terminate from the University unless you elect to receive the distribution directly or roll the distribution over to an IRA or another employer Plan of your choice. If the value of your account is $1,000 or less, it will be automatically distributed to you.

Transfers to Certain Plans for the Purchase of Service Credit

Under limited circumstances, you may be able to use your 403(b) or 457(b) account balance to purchase *service credit* in the *RDD*. Generally, you may only purchase service credit with your 403(b) or 457(b) account balances if you are a "*Member*" in the RDD and you either (i) participated in a retirement Plan under Missouri law and did not earn a *vested* benefit or (ii) were employed in a nonfederal public position in Missouri that was not covered by a retirement Plan. These rules are complicated and subject to additional limitations. For more information, please review the RDD Plan document and contact the *Plan Administrator* if you have any questions.

How do I apply or benefits?

For more information on how to begin your benefits from the 403(b) Plan, you should contact Fidelity Investments at http://www.netbenefits.com/UMRetirement or at 1-800-343-0860; or TIAA-CREF at 1-800-842-2252. For more information on how to begin your benefits from the SRP and 457(b) Plan, you should contact Fidelity Investments at www.netbenefits.com/UMRetirement or at 1-800-343-0860.

You should keep the **University** informed of name and address changes for you or your Beneficiaries. Changes should be made online through myHR at https://myhr.umsystem.edu or sent in writing to the UM Office of Human Resources, HR Service Center, 1000 W. Nifong, Bldg. 7-Suite 210, Columbia, MO, 65211.

What are my retirement benefit payment options?

The SRP and 457(b) Plan allow you to receive your retirement benefit in a single lump sum payment, or in installments over a fixed number of years. If you elect installments you may elect to accelerate the installment payments and receive a lump sum distribution of the remainder of your benefit at any time. For more information on these options, contact the Plan Administrator at www.netbenefits.com/UMRetirement or call 1-800-343-0860.

The 403(b) Plan distributions are made in accordance with your *Individual Agreement* with the *Vendor*(s). You should contact your Vendor if you have any questions about your distribution options under the 403(b) Plan. Spousal consent may be required on any distribution from the Plans.

Since Roth Elective Deferrals are made after-tax, can I withdraw from my designated Roth account at any time, tax free?

No. Plan restrictions for distributions of pre-tax *Elective Deferrals* also apply to Roth Elective Deferrals.

If I make a withdrawal, can I return the funds to the Plan at a later date?

The law does not permit contributions to replace previously withdrawn funds. Elective Deferrals and *Irrevocable Contributions* must be made from your paycheck. You may however, make a *Rollover Contribution* to the VRPs, as described in the *VRP* section *Rollovers and Tax Treatments* on page 34.

What are minimum required distributions?

You may generally delay the distribution of your benefit. However, if you elect to delay the distribution of your benefit, there are rules that require that certain minimum distributions be made from the Plan. Distributions are required to begin no later than the 1st of April following the later of the end of the year in which you reach age 70½ or terminate employment. If you think you may be affected by these rules contact the administrator at www.netbenefits.com/UMRetirement or call Fidelity Investments at 1-800-343-0860.

How are my benefits paid upon my death?

The 403(b) Plan distributions are made in accordance with your *Individual Agreement* with the *Vendor*(s). In the event your Individual Agreement does not contain language relating to required minimum distributions, the rules above relating to required minimum distributions will apply. You should contact your Vendor if you have any questions about your distribution options under the 403(b) Plan.

For the SRP and 457(b) Plans, if your death occurs before you begin distribution of your benefits, your *Beneficiary* may elect to receive a distribution of your benefits in any of the forms of distribution available to you (i.e., lump sum or installments), beginning as soon as reasonably practicable following the Beneficiary's application for distribution of benefits. If your death occurs after distributions begin, but before your entire benefit under the Plan is distributed, your Beneficiary shall receive distribution of the remainder of your benefits beginning as soon as reasonably practicable following your death in a form available to you and elected by the Beneficiary, which provides for distribution at least as rapidly as you were receiving distribution of your benefits.

Notwithstanding the above, your benefits upon death are subject to certain required minimum distribution rules. These rules are complicated and depend on who is designated as your Beneficiary and when your death occurs (before or after distributions begin). Generally, if you have not begun receiving your benefits and your designated Beneficiary is your spouse, your benefits must begin no later than the year you would have attained age 70 ½. If your spouse is not your designated Beneficiary, your entire benefit under the Plan must be distributed by December 31 of the calendar year containing the fifth anniversary of your death. For more information regarding these rules, contact the *Plan Administrator* at www.netbenefits.com/UMRetirement or call 1-800-343-0860.

Can I withdraw money from my 457(b) Plan account in the event of an unforeseeable emergency?

You may request a distribution from your 457(b) Plan account to satisfy an immediate and heavy financial need, defined below, in the event of an unforeseeable emergency. This distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance. The University will determine whether an unforeseeable emergency exists. A distribution will not be deemed necessary to satisfy an immediate and heavy financial need if the need can be relieved through reimbursement by insurance or otherwise, by liquidation of your assets (except to the extent that liquidation would cause a severe financial hardship), or by cessation of contributions to the Plans. If you receive a distribution due to an unforeseeable emergency, your Elective Deferrals to the 457(b) Plan will be suspended for six months.

An unforeseeable emergency means a severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's Spouse or the Participant's or Beneficiary's tax dependent, loss of the Participant's or Beneficiary's property due to casualty including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance (e.g., as a result of a natural disaster), the need to pay for the funeral expense of a Spouse or a dependent, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary.

Documentation supporting the reason for the unforeseeable emergency must be provided.

Can I withdraw money from my SRP and 403(b) Plan account(s) in the event of a financial hardship?

403(b) Plan. Hardship distributions are permitted under the 403(b) Plan if your Individual Agreement with the Vendor permits such distributions. The rules for hardship distributions will likely be similar to the rules specified below for the SRP. You will not be allowed to make Elective Deferrals for a period of six months after you receive a hardship distribution from the 403(b) Plan. You should contact your Vendor if you have any questions about your distribution options under the 403(b) Plan.

Documentation supporting the reason for the hardship must be provided.

SRP - You may request a lump sum distribution from the SRP on account of financial hardship, with your spouse's consent (if applicable), if you satisfy certain conditions. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance.

Qualifying expenses. A hardship distribution may be made to satisfy certain immediate and heavy financial needs described below:

- Expenses for medical care (deductible under Section 213(d) of the Internal Revenue Code but without regard to the 7.5% AGI limit) for you, your spouse or your dependents.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children or your dependents.
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents.
- Expenses for the repair of damage to your principal residence (that would qualify for the casualty loss deduction under Internal Revenue Code Section 165).

Conditions. If you have any of the above expenses, a hardship distribution can only be made if you certify and agree that all of the following conditions are satisfied:

- The distribution is not in excess of the amount of your immediate and heavy financial need.
- You have obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all Plans that the University maintains; and the need cannot be relieved through reimbursement by insurance or otherwise, reasonable liquidation of your assets, reasonable commercial loans, or cessation of elective contributions.

Rollovers and Tax Treatment

What are some of the possible tax consequences when I receive a distribution from the Plan?

Generally, you must include any distribution in your taxable income in the year in which you receive the distribution. Distributions made to you when you are under age 59½ may be subject to an additional 10% tax unless you roll the distribution over to an IRA or other employer retirement Plan as described below. The 10% additional tax will also apply to a distribution of In Plan Roth *Rollover Contributions* within the five year period that begins on January 1 of the year of the rollover, unless an exception applies (for example, a Participant who has attained the age 59 ½ is not subject to the 10% additional tax). There is a separate five year period for each In Plan Roth Rollover Contribution and such period is not the same as the five year period for "qualified distributions."

You will not be taxed on distributions of your Roth *Elective Deferrals* and In-Plan Roth Rollover Contributions under the 403(b) Plan. In addition, a distribution of the earnings on the Roth Elective Deferrals and In-Plan Roth Rollover Contributions will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59½ or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a five-year participation period. The five year participation period is the five-year period beginning on January 1 of the calendar year in which you first make a Roth Elective Deferral to the 403(b) Plan (or to another 401(k) Plan or 403(b) Plan if such amount was rolled over into this 403(b) Plan). It is not necessary that you make a Roth Elective Deferral in each of the five years.

If you receive a distribution from your Roth Elective Deferrals or In Plan Roth Rollover Contributions that is not a "qualified distribution", the earnings on your Roth Elective Deferrals and the earnings on your In-Plan Roth Rollover Contributions after the rollover, will be taxable to you at the time of distribution (unless you roll over the distribution, as discussed below).

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

If your distribution is an eligible rollover distribution, you may defer the tax due on your distribution by rolling the distribution over to an IRA or other employer retirement Plan. Generally, an eligible rollover distribution does not include any distribution which is: (1) one of a series of substantially equal periodic payments made for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated Beneficiary, or for a specified period of ten years or more; (2) a hardship distribution; or (3) a required minimum distribution. There are two types of rollovers:

- **Direct rollover:** For most distributions, you may request that a direct rollover (sometimes referred to as a direct transfer) be made to either an IRA or another employer retirement Plan willing to accept the rollover. A direct rollover will result in no tax being due until you withdraw funds from the IRA or other employer retirement Plan.
- **60-day rollover:** You may roll over a distribution to an IRA or another employer retirement Plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other employer retirement Plan. The rollover of the distribution, however, MUST be made within strict time frames (normally, within 60 days after you receive your distribution). A distribution which may be rolled over but which you do not directly roll over (see above) will be subject to mandatory federal income tax withholding at a rate of 20%. You may rollover the 20% amount withheld, but must replace the withheld amount from other resources. If you do not rollover an amount equal to the 20% withheld, the withheld amount is subject to tax.

If your distribution is not an eligible rollover distribution you will not be able to defer tax due on your distribution by rolling the distribution over to an IRA or other employer retirement Plan. Withholding on distributions that are not eligible rollover distributions depends on whether the distribution is a periodic distribution (for example, annuity payments or installments) or non-periodic distribution. Withholding on periodic distributions will be determined as if the distribution were wages and withholding on non-periodic distributions will be 10% of the amount includible in income. Notwithstanding the foregoing, you may elect not to have withholding apply.

Pre-Tax to Roth Rollovers: If you roll over pre-tax contributions to a designated Roth account in another employer Plan or to a Roth IRA, the amounts will be taxed in the year of the rollover. However, the 10% additional tax on early distributions will not apply. If you complete a direct rollover, no withholding will apply, but you may voluntarily enter into a withholding agreement with the University.

Tax Notice. Whenever you receive a distribution, you will receive a more detailed explanation of these options. However, the rules which determine whether you qualify for favorable tax treatment are very complex. You should consult with qualified tax counsel before making a choice.

Loans

Are loans offered in the 403(b) Plan?

Yes, to the extent permitted by your *Individual Agreement* with the *Vendor*.

What are the terms of a loan under the 403(b) Plan?

The terms of the loan are determined by your *Individual Agreement* with the *Vendor*. However, no loan under the 403(b) Plan may exceed the lesser of: (a) $50,000 reduced by the greater of (i) any outstanding loan balance on the date of the loan, or (ii) the highest outstanding loan balance during the one year period ending on the day before the loan; or (b) 50% of your *vested* account balance.
Spousal consent may be required for the loan.

Are loans offered in the 457(b) Plan?

No.

Are loans offered in the SRP?

Yes. A *Participant* who has participated in the Plan for one or more *Plan Years* is eligible for a loan from his/her individual account subject to certain limitations and requirements. Neither a spouse nor a *Beneficiary* of a Participant shall be eligible for a loan. Spousal consent may be required for a loan. Only one loan may be outstanding at a time.

Spousal consent may be required for the loan.

Are there any limits on the loan amount under the SRP?

The maximum amount available for a loan is the lesser of: (1) $50,000, reduced by the highest outstanding loan balance during the preceding year; or (2) 50% of your account balance. You may not obtain a loan for an amount less than $1,000.

What are the terms of a loan under the SRP?

The interest rate is Prime plus one percent as reported by Reuters on the first business day of the calendar quarter in which the loan is made. Interest is compounded annually.
All loans will be fully secured by your SRP benefits (subject to your spouse's consent if your account balance does not exceed $5,000).

Loans must be repaid in equal monthly installments over a period not exceeding five years, unless the loan is a principal residence loan, in which case the repayment period is ten years. Prepayment of the loan is permitted at any time without penalty.

If any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the scheduled payment was missed, the loan will be in default. On default, any outstanding balance is reported as taxable income to you. Default does not relieve you from your repayment obligations. The SRP may offset the outstanding balance of a defaulted loan against your benefit under the SRP as soon as you are eligible to receive a distribution from the SRP. Your account may be charged with any expenses related to the administration of your loan.

Lost Participants

If you are entitled to a distribution and cannot be located, reasonable measures will be taken to locate you. In the event you are not located after the Plan has taken reasonable measures to locate you, your benefits will be disposed of in accordance with the law and reasonable procedures. Reasonable procedures include rolling over your benefits to an IRA, purchasing an annuity contract in your name, distributing your benefit to an interest bearing insured bank account, or forfeiting your benefit to the Plan. If your benefit is forfeited to the Plan and you are later located, your benefit will be restored unadjusted for earnings and distributed to you in accordance with the Plan terms.

Plan Expenses

The Plans permit the payment of certain Plan expenses to be made from the Plan assets. If expenses are paid using the Plan assets, then the expenses will generally be allocated among the accounts of all *Participants* in the Plan. These expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of Participants in the Plan. The method of allocating the expenses may depend on the nature of the expense itself.

After you terminate employment, the University reserves the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether the University pays some of these expenses on behalf of current Participants.

There are certain other expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses may be paid directly from your account (and not the accounts of other Participants) because they are directly attributable to you under the Plan. You will be informed when there will be a charge (or charges) directly to your account.

Qualified Domestic Relations Orders

Upon receipt of a domestic relations order issued by a court of competent jurisdiction with respect to your interest in the Plan, the University shall determine whether such domestic relations order constitutes a qualified domestic relations order ("QDRO"). If it is determined that a domestic relations order is a QDRO, the alternate payee may receive a distribution in a single lump sum at any time. There will be a charge to your account for processing of a QDRO. A QDRO may not provide for a benefit not allowed by the Plan. Procedures to determine the qualified status of a domestic relations order, to administer distributions mandated by a QDRO, and to implement the QDRO provisions are available upon request.

Additional information about QDRO processing may be found in the Plan document at http://www.umsystem.edu/ums/rules/collected_rules/benefit/ch500, or by contacting the Voluntary Retirement Plan Department at voluntaryretirementPlans@umsystem.edu.

Claims Procedures

Your request for Plan benefits will be considered a claim for benefits. A decision on your claim will be made within 90 days after receipt of the claim by the Plan. You will be provided written or electronic notice if your benefits are denied.

You can appeal a denial of your benefits claim by providing written notice to the University within 90 days after your receipt of the denial of your claim. You will be able to submit written comments, documents and other information relating to the claim on appeal. The University may hold a hearing or otherwise in its decision on appeal. The University will provide written notice of its decision on appeal within 90 days after receipt of the appeal. Any decision on appeal will be final and binding on the parties.

Can the Plans be amended?

The University has the right to amend the Plans at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of Participants or their Beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

What happens if the Plans are terminated?

If the VRPs terminate, no further contributions will be made and distributions will be made as soon as possible, in accordance with the Plan terms.

Do I need to name a Beneficiary?

Naming a *Beneficiary* ensures that your benefit is handled in the manner you intend. You should name a Beneficiary when you first participate in the *VRPs*. If unmarried, you may designate any person or trust as your Beneficiary. For married employees, your spouse will automatically be your Beneficiary, unless your spouse consents to a different designated Beneficiary. You may also designate contingent beneficiaries.

Update your Beneficiary information
Whenever there are important changes in your life – such as marriage, divorce or the birth or adoption of a child – review your Beneficiary designation and consider updating.

If you don't name a Beneficiary or the Beneficiary predeceases you, any death benefits under the VRPs will be paid to your surviving spouse. If there is no surviving spouse, death benefits will be paid to your surviving children in equal shares. If there are no surviving children, the benefit will be paid to your estate, provided that a properly appointed and qualified fiduciary of your estate exists within 120 days of your death, otherwise the payment will be made in accordance with Missouri law.

You may update your Beneficiary designation at any time. Whenever there are important changes in your life such as marriage, legal separation, divorce, or the birth or adoption of a child, consider updating your Beneficiary designation. A divorce decree, or decree of legal separation, revokes your prior designation, if any, of your spouse or former spouse as your Beneficiary, unless a QDRO provides otherwise.

You may update your *Beneficiary* at www.netbenefits.com/UMRetirement.TIAA-CREF investors in the 403(b) Plan should call 1-800-842-2252 for the appropriate form.

Notwithstanding the above, your Individual Agreement with the Vendor under the 403(b) Plan controls Beneficiary designations. To the extent the Individual Agreement does not provide for rules regarding Beneficiary designations, the rules above will apply under the 403(b) Plan.

Can my benefits be delayed?

These VRPs are designed to provide you with a retirement benefit when your employment ends, but if you do not keep your most recent address on file and the administrator can't locate you, payments may be delayed. This is particularly important if you leave the University prior to retirement. Changes should be made online through myHR at https://myhr.umsystem.edu or sent in writing to the Office of Human Resources, University of Missouri System, 1000 W. Nifong, Bldg 7-Suite 210, Columbia, MO, 65211. Generally, your benefits under the VRPs cannot be forfeited.

Conclusion

The University's Retirement Program are a way for you to plan for your retirement that is easy and allows you to delay paying taxes until you begin receiving distributions in the future. In the case of Roth *Elective Deferrals* you can pay tax at the time of deferral and potentially receive tax free distributions of earnings when you retire or otherwise terminate employment with the University.

In the VRPs:

- You can decide how much to save (subject to the minimum contributions imposed by the University and contribution limitations imposed by the IRS).
- You can decide the type of investment vehicle to use for your contributions to the Plan or the University contributions on your behalf.
- You can increase, decrease or resume your contributions to the Plans online at www.netbenefits.com/UMRetirement virtually 24/7.

The VRPs provide you with an array of investment options. It is important that you read the investment materials before you make your investment decision. Retirement representatives can answer questions about specific investment options, contract provisions and limitations.

This summary, as well as the links you need to begin participation or make changes to your account are available online. Please visit http://www.umsystem.edu/totalrewards or http://www.netbenefits.com/UMRetirement.

Doc# 0243-HR-TRRET-20180320