# STEVENS INSTITUTE OF TECHNOLOGY
# DEFINED CONTRIBUTION
# RETIREMENT PLAN
# SUMMARY PLAN DESCRIPTION

**As amended through April 30, 2012**

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# Introduction

The Stevens Institute of Technology Defined Contribution Retirement Plan (the "Retirement Plan") is maintained by Stevens Institute of Technology (the "University") for the benefit of Eligible Employees of the University. The purpose of the Retirement Plan is to provide Participants with the opportunity to accumulate a source of retirement income in addition to income from Social Security and personal savings. The Retirement Plan is funded both by contributions made by Participants and contributions made by the University.

The Retirement Plan is a defined contribution plan that is intended to satisfy the requirements of Section 403(b) of the Internal Revenue Code. Plan assets are held in one or more annuity contracts or one or more custodial accounts that are intended to satisfy the requirements of Section 403(b) of the Internal Revenue Code (together, "Investment Vehicles"). Plan contributions are deposited in the Investment Vehicle, allocated to Accounts established by the Investment Companies on behalf of Participants, and then invested in Investment Funds selected by Participants.

This Summary Plan Description summarizes the key terms and features of the Plan as in effect on January 1, 2009, as amended October 15, 2010 and June 24, 2011. The Summary Plan Description is not intended as a substitute for the legal plan documents. If there is any ambiguity or inconsistency between the Summary Plan Description and the legal plan documents, the terms of the plan documents will govern.

If you have questions about the Retirement Plan, please call the Benefits Coordinator, Office of Human Resources ("Benefits Coordinator") at (201) 216-5123, 9:00 a.m. to 5:00 p.m., Monday through Friday. You may also email the Benefits Coordinator at OfficeOfHumanResources@Stevens.edu.

# Definitions

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

"***Account***" means, collectively, the recordkeeping accounts maintained by one or more Investment Companies to record your total interest in the Retirement Plan.

"***Age 50+ Catch-Up Employee Elective Deferrals***" means Employee Elective Deferrals that you can make once you attain age 50 and after you have contributed the maximum dollar amount applicable to Participants who have not reached age 50 as further described in the *Employee Elective Deferrals* Section.

"***Authorized Leave of Absence***" means any paid or unpaid sabbatical or leave from active employment duly authorized by the University under its leave of absence policy as amended from time to time. If you fail to return to work upon the expiration of an unpaid Authorized Leave of Absence, your employment with the University will be deemed terminated as of the first day of such Leave.

"***Beneficiary***" means the individual or entity designated by you to receive the entire value (or remaining value) of your Account upon your death. For information regarding the procedures to designate or change your Beneficiary, see the *Death Benefits* Section.

"***Computation Period***" means the 12-consecutive month period beginning on an Employee's date of employment and each anniversary thereof.

"***Eligible Earnings***" means the portion of your University compensation that is taken into account for purposes of determining the amount of your Employee Elective Deferrals and University Contributions as further described in the *University Contributions* Section.

"***Eligible Employee***" means any employee of the University except a Non-Eligible Employee.

"***Employee Elective Deferrals***" means contributions you make to the Retirement Plan pursuant to a Salary Reduction Agreement as further described in the *Employee Elective Deferrals* Section.

"***Hour of Service***" means, generally, each hour of employment you complete for the University for which you are compensated or entitled to be compensated.

*"**Investment Company**"* means an investment company designated to issue or establish the Investment Vehicles for purposes of funding the Retirement Plan. An Investment Company also performs recordkeeping and administrative services for the Retirement Plan. The Investment Companies that have issued or established Investment Vehicles under the Retirement Plan and that currently perform recordkeeping and administrative services for the Retirement Plan are TIAA-CREF and VALIC. ***Effective May 1, 2009, all Plan Contributions are invested in Investment Vehicles issued or established by TIAA-CREF. On or after May 1, 2009, new Plan Contributions may not be invested in Investment Vehicles established by VALIC and existing***

***Account balances may not be transferred to VALIC Investment Vehicles or to any underlying VALIC Investment Fund.*** For further information regarding the Retirement Plan's Investment Companies, see the *Investing Your Plan Contributions* Section.

"***Investment Fund Disclosures***" means the Investment Fund information that will be provided to you before you make your initial investment elections and, at least annually thereafter, as further described in the *Investing Your Plan Contributions* Section.

*"**Investment Funds**"* means the various investment funds offered by an Investment Company which you select for the investment of your Plan Contributions and/or Account. For further information regarding the Retirement Plan's Investment Funds, see the *Investing Your Plan Contributions* Section.

*"**Investment Vehicle**"* means (1) any annuity contract issued to the Participant or the Retirement Plan that is intended to satisfy the requirements of Section 403(b)(1) of the Internal Revenue Code or (2) any custodial account established with respect to the Retirement Plan that is intended to satisfy the requirements of Section 403(b)(7) of the Internal Revenue Code. For further information regarding the Retirement Plan's Investment Vehicles, see the *Investing Your Plan Contributions* Section.

"***Non-Eligible Employee***" means an employee of the University whose job classification (as each classification is described in the *Eligible Employee* Section) makes him or her ineligible to participate in the Retirement Plan.

"***Participant***" means any Eligible Employee and any former Eligible Employee on whose behalf an Account is maintained under the Retirement Plan.

"***Plan Contributions***" means, collectively, Employee Elective Deferrals, University Contributions, and Rollover Contributions made under the Retirement Plan.

"***Plan Administrative Committee***" means the Stevens Institute of Technology ERISA Plan Administrative Committee.

"***Plan Administrator***" means the University.

"***Plan Year***" means the calendar year. The Retirement Plan's accounting records are also maintained on the basis of the Plan Year.

"***Retirement Plan***" means the Stevens Institute of Technology Defined Contribution Retirement Plan.

"***Rollover Contributions***" means amounts you roll over from another retirement plan to the Retirement Plan. For further information regarding Rollover Contributions to the Retirement Plan, see the *Other Plan Contribution Information* Section.

"***Salary Reduction Agreement***" means an agreement between you and the University pursuant to which you agree to reduce your Eligible Earnings by an amount elected by you and the University agrees to contribute such amounts as Employee Elective Deferrals or Age 50+ Catch-

Up Employee Elective Deferrals to the Retirement Plan. For further information regarding Salary Reduction Agreements, see the *Employee Elective Deferrals* Section.

"***Qualified Domestic Relations Order" or "QDRO***" means a decree or order issued by a court that establishes the rights of another person (referred to as an "Alternate Payee") to all or a portion of your Account. For further information regarding QDROs, see the *Distributions from Your Account* Section.

"***Qualified Military Service***" means a period of absence due to qualified military service (as defined in Section 414(u) of the Internal Revenue Code) following which you are entitled to full reemployment rights as prescribed by the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA") upon your return to employment with the University. Your absence will not be treated as Qualified Military Service unless, prior to the commencement of your absence, you provide such information to Benefits Coordinator as may be required to establish that your absence from work is for military service and the number of days of your military service.

"***TIAA-CREF***" means the Teachers Insurance and Annuity Association/College Retirement Equities Fund, an Investment Company under the Retirement Plan.

*"**University**"* means the Stevens Institute of Technology.

"***University Contributions***" means, together, University Matching Contributions and University Fixed Contributions.

"***University Fixed Contributions***" means contributions made by the University to the Retirement Plan for Participants who are eligible to receive University Fixed Contributions as described in the *Eligible Employee* Section and the *University Contributions* Section.

"***University Matching Contributions***" means contributions made by the University to the Retirement Plan for Participants who are eligible to receive University Matching Contributions and who make Employee Elective Deferrals as described in the *Eligible Employee* Section and the *University Contributions* Section.

"***VALIC***" means The Variable Annuity Life Insurance Company, a closed Investment Company under the Retirement Plan.

*"**Year of Vesting Service**"* means a Computation Period during which a Participant completes 1,000 or more Hours of Service.

# Eligible Employees

## Employees Eligible to Make Employee Elective Deferrals

All employees of the University are Eligible Employees unless you are a Non-Eligible Employee as described below:

**Part-Time Employees**. You are scheduled to work *less than 20 hours per week*; however, if you actually complete 1,000 or more Hours of Service during any Plan Year beginning with the Plan Year in which you complete 12-consecutive months of service, you will be eligible to make Employee Elective Deferrals as of the following Plan Year.

> *An Example*: Assume you are hired by the University on September 1, 2011 and are scheduled to work less than 20 hours per week. If you actually complete 1,000 or more Hours of Service during 2012, you will be eligible to make Employee Elective Deferrals to the Retirement Plan beginning with the 2013 Plan Year.

- **Student Workers**. You are a student whose compensation is exempt from FICA withholding.

  *An Example*: Assume you are hired by the University as a student worker and your compensation is FICA exempt. Assume further that six months later, your compensation ceases to be FICA exempt, you will be eligible to make Employee Elective Deferrals at that time if you are scheduled to work 20 or more hours per week.

- **Non-Resident Aliens**. You are a non-resident alien and you are not receiving U.S. sourced income as described in Section 410(b)(3)(C) of the Internal Revenue Code.

If you subsequently transfer to a Non-Eligible Employee position, your eligibility to make Employee Elective Deferrals to the Retirement Plan will cease.

## Employees Eligible to Receive University Contributions

If you are an Eligible Employee and at least 20 years old, you are eligible to receive University Contributions while you are classified as a:

- **Faculty, Exempt Staff or Campus Police Employee**. You are eligible to receive University Matching Contributions as described in the *University Contributions* Section.
- **Union Employee**. You are eligible to receive University Matching Contributions and University Fixed Contributions as described in the *University Contributions* Section.
- **Non-Exempt Staff Employee**. You are eligible to receive University Matching Contributions and University Fixed Contributions as described in the *University Contributions* Section.

You are not eligible to receive University Matching Contributions if you are a Seasonal Athletic Staff Member, an Adjunct Professor, a Post-Doctoral Researcher, or a Transient Worker. If you subsequently transfer to a position not enumerated above, your eligibility to receive University Matching Contributions will cease. If you transfer back to an eligible position, you will again be eligible to receive University Matching Contributions as of the pay check following your transfer date.

## Employment Status and Work Schedule

Your employee status, scheduled hours, job position or classification is determined by the payroll or personnel records maintained by the University and such determination is binding and conclusive for all purposes of the Retirement Plan. For example, if you are not classified as a common law employee by the University at the time services are performed, *i.e.*, you are classified as an independent contractor or an individual whose services are performed pursuant to a leasing agreement, you are not eligible to retroactively participate in the Retirement Plan regardless of any judicial or administrative reclassification or subsequent reclassification by the University.

# Employee Elective Deferrals

If you are an Eligible Employee, you are eligible to make Employee Elective Deferrals to the Retirement Plan upon your date of hire and for so long as you are an Eligible Employee.

## Salary Reduction Agreement

### *Entering into a Salary Reduction Agreement*

You must enter into a Salary Reduction Agreement with the University to make Employee Elective Deferrals to the Retirement Plan. The Salary Reduction Agreement is available on both the TIAA-CREF/Stevens and Office of Human Resources websites. If you cannot obtain a Salary Reduction Agreement from the websites or need assistance completing your Salary Reduction Agreement, contact the Benefits Coordinator.

**Salary Reduction Agreement**

You can obtain a Salary Reduction Agreement from the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens or the Office of Human Resources website at http://www.stevens.edu/hr/forms.shtml.

***You must submit a completed Salary Reduction Agreement to the Benefits Coordinator to start contributing to the Plan.***

### *Completing Your Salary Reduction Agreement*

In the Salary Reduction Agreement, you elect the amount of Employee Elective Deferrals you want to contribute on a pay period basis by entering a whole percentage of your Eligible Earnings or by indicating the "maximum" as permitted by law. For dollar limits on Employee Elective Deferrals, see below.

**Maximum Contribution Calculator**

If you wish to contribute up to the maximum Employee Elective Deferral Limit, you can use the *Maximum Tax Deferral* calculator tool that is available to you through the TIAA-CREF National Web Center at: www.tiaa-cref.org.

- **Age 50+ Catch-Up Employee Elective Deferrals**. If you are age 50 or will attain age 50 by the end of the calendar year, you may make additional Employee Elective Deferrals on a pay period basis up to the age 50+ dollar limit by entering a flat dollar amount of your Eligible Earnings or by indicating the "maximum" as permitted by law. For dollar limits on Age 50+ Catch-Up Employee Elective Deferrals, see below.

- **Salary Reduction Agreement for Less than $200**. If your Employee Elective Deferrals are less than $200 for a calendar year, your Salary Reduction Agreement will not be put into effect. In such case, you will be notified and you will have the opportunity to complete a new Salary Reduction Agreement that meets the $200 minimum threshold.

### ***Effective Date of Salary Reduction Agreement***

Your Salary Reduction Agreement will be applied against your next paycheck if administratively practicable or the next paycheck thereafter following the date you submit your Salary Reduction Agreement to the Benefits Coordinator. Once your Salary Reduction Agreement is put into effect, it will remain in effect for the current calendar year and each calendar year thereafter until you change or terminate it or it is automatically suspended as described in the *Changing Your Salary Reduction Agreement* Section below.

## Dollar Limit on Employee Elective Deferrals

For each calendar year, your Employee Elective Deferrals and, if applicable, your Age 50+ Catch-Up Employee Elective Deferrals cannot exceed the maximum dollar limits set by federal tax law for that calendar year. Because the dollar limits are adjusted from time to time for cost of living adjustments, the IRS releases the dollar limits prior to the beginning of each calendar year. NOTE: The Age 50+ dollar limit applies so long as you attain age 50 by the end of the calendar year.

**2012 Elective Deferral Dollar Limits**

***Under Age 50 Dollar Limit***: $17,000.

***Age 50+ Catch-up Amount***: $5,500

***Age 50+ Dollar Limit***: $22,500

To find out the dollar limits in effect for subsequent calendar years, visit the Office of Human Resources website at: www.stevens.edu.

The maximum dollar limits are applied on an ***individual*** basis and not on a per plan basis. This means your Employee Elective Deferrals and, if applicable, your Age 50+ Catch-Up Employee Elective Deferrals made to the Retirement Plan when added to any elective before-tax or Roth contributions that you make to any other non-University qualified 401(a) employer plan or 403(b) tax-sheltered annuity plan during the same calendar year count toward the maximum dollar limits. If your Employee Elective Deferrals exceed the general dollar limit or the age 50+ dollar limit for a calendar year, see the *Reporting Excess Elective Deferrals* Section below.

## Changing Your Salary Reduction Agreement

You may change your Salary Reduction Agreement to increase or decrease your Employee Elective Deferrals and, if applicable, Age 50+ Catch-Up Employee Elective Deferrals at any time by submitting a new Salary Reduction Agreement to the Benefits Coordinator. A change to your Salary Reduction Agreement will be applied against your next paycheck if administratively practicable or the next paycheck thereafter following the date you submit a new Salary Reduction Agreement. Keep in mind that if you decrease your Employee Elective Deferrals, your University Matching Contributions may also decrease or stop entirely.

**Automatic Suspension of Salary Reduction Agreement**. Your Salary Reduction Agreement will automatically be suspended as follows:

- ***Maximum Dollar Limit***. If your Employee Elective Deferrals and, if applicable, your Age 50+ Catch-Up Employee Elective Deferrals to the Retirement Plan reach the dollar limits during the calendar year, your Salary Reduction Agreement will be suspended for the remainder of the calendar year. For applicable dollar limits, see the Dollar Limit on Employee Elective Deferrals Section above. If you ***don't*** change or terminate your Salary Reduction Agreement prior to the beginning of the next calendar year, your Salary Reduction Agreement as in effect prior to reaching the dollar limit will automatically be reinstated and applied to your first paycheck in January. If you ***do*** change or terminate your Salary Reduction Agreement after you reach your dollar limit, your new contribution rate or zero contribution rate will be applied to your first paycheck in January. In each case, your Salary Reduction Agreement will stay in effect until you change it.

- ***Hardship Withdrawal***. If you take a hardship withdrawal from the Retirement Plan, federal tax laws require that your Employee Elective Deferrals and, if applicable, your Age 50+ Catch-Up Employee Elective Deferrals to the Retirement Plan (and, if applicable, your contributions to the University's 457(b) Plan) be suspended for six months. If you ***don't*** change or terminate your Salary Reduction Agreement during the six-month suspension period, your Salary Reduction Agreement as in effect prior to your hardship withdrawal will automatically be reinstated and applied to the first paycheck you receive following the end of your suspension period. If you ***do*** change or terminate your Salary Reduction Agreement during your suspension period, your new contribution rate or zero contribution rate will be applied to the first paycheck you receive following the end of your suspension period. In each case, your Salary Reduction Agreement will stay in effect until you change it. For further information regarding hardship withdrawals, see the Distributions from Your Account Section.
- **Authorized Leave With Pay**. During a sabbatical or leave of absence with full or partial pay, your Salary Reduction Agreement will remain in effect and will be applied against your Eligible Earnings then being paid by the University so long as you remain an Eligible Employee throughout such leave. If you are eligible to receive University Matching Contributions or University Fixed Contributions throughout your leave, the amount you will receive is based on your Eligible Earnings then being paid by the University.
- **Authorized Leave Without Pay**. During a leave of absence without pay, your Salary Reduction Agreement will be suspended. If you ***don't*** change or terminate your Salary Reduction Agreement during your leave, your Salary Reduction Agreement as in effect prior to your leave will automatically be reinstated effective as of your first pay date following the end of your leave and corresponding University Matching Contributions or University Fixed Contributions, if applicable, will automatically resume. If you ***do*** change or terminate your Salary Reduction Agreement during your leave, your new contribution rate or zero contribution rate will be implemented as of the first pay date following the end of your leave and corresponding Matching Contributions, if applicable, will automatically resume. In each case, your Salary Reduction Agreement will stay in effect until you change it.

## Selecting Your Investment Funds

After you complete your Salary Reduction Agreement, you must allocate your Employee Elective Deferrals (and any applicable University Contributions) among the various Investment Funds offered by the Retirement Plan by completing an Enrollment Form. It is important that you carefully review the Investment Fund Disclosure Packet that will be provided to you before complete your Enrollment Form because the benefits payable from the Retirement Plan depend on the performance of the Investment Funds you choose.

### *Complete Enrollment Form*

To allocate your Employee Elective Deferrals (and any applicable University Contributions) among the various Investment Funds offered by the Retirement Plan, you must complete an online Enrollment Form. Your allocation may be to one Investment Fund or among any of the Investment Funds offered by the Retirement Plan in such amounts (or in such percentages) as established by TIAA-CREF. **NOTE**: You can change your Investment Fund selections for future Employee Elective Deferrals (and any applicable University Contributions) at any time.

**Online submission of Enrollment Form**

You must complete your enrollment form online through the TIAA-CREF/Stevens website that you can access at:

www.tiaa-cref.org/stevens

If you need assistance completing your enrollment form online, contact TIAA-CREF directly at (800) 842-2888 or the Benefits Coordinator at (201) 216-5123, Monday through Friday, between 9:00 a.m. and 5:00 p.m.

### *Default Investment Fund*

If you do not select the Investment Funds in which you want your Employee Elective Deferrals (and any applicable University Contributions) invested, they will be automatically invested in the Retirement Plan's default Investment Funds until you complete an Enrollment Form and designate a different Investment Fund allocation.

For further information regarding the Retirement Plan's Investment Funds, changing your Investment Fund selections, and default Investment Funds selected for your Investment Company, see the *Investing Your Plan Contributions* Section.

## Tax Treatment of Employee Elective Deferrals

Your Employee Elective Deferrals including any Age 50+ Catch-Up Employee Elective Deferrals made to the Retirement Plan are made on a before-tax basis. This means that your Eligible Earnings for each pay period is reduced by your Employee Elective Deferrals before federal and most state taxes are withheld. This lowers your current taxable income and allows you to pay less in income taxes. Employee Elective Deferrals, however, do not reduce your Eligible Earnings for purposes of computing your Social Security and Medicare taxes.

| Let's assume your annual Eligible Earnings are $50,000. | | | |
|---|---|---|---|
| When you contribute… | You pay taxes on | At an approximate tax rate of… | So, you pay in taxes… |
| Nothing (0%) of your Eligible Earnings | $50,000 | 25% | $12,500 |
| 5% of your Eligible Earnings | $47,500 | 25% | $11,875 |
| Your tax savings would be $625 per year and, if you are eligible, you will also receive University Matching Contributions. | | | |

## Reporting Excess Employee Elective Deferrals

If your Employee Elective Deferrals made to the Retirement Plan exceed the maximum dollar limits described in the *Dollar Limit on Employee Elective Deferrals* Section above for a calendar year, the excess as adjusted for any allocable income or loss (beginning first with Employee Elective Deferrals that are not matched by the University) will be distributed to you by April 15th following that calendar year. Excess Employee Elective Deferrals are taxable in the calendar year made and any allocable income is taxable in the calendar year of distribution. You will receive a Form 1099-R reporting that excess Employee Retirement Contributions occurred in the prior calendar year. University Matching Contributions that are attributable to any excess Employee Elective Deferrals and any allocable income or loss will also be removed from your Account. You are responsible for any tax obligation that you may have as the result of excess Employee Elective Deferrals to the Retirement Plan.

If your Employee Elective Deferrals made to the Retirement Plan exceed the maximum dollar limit for a calendar year because you made elective before-tax or Roth contributions to a qualified 401(a) employer plan or 403(b) tax-sheltered annuity plan not maintained by the University:

- **Notify the Office of Human Resources**. You are responsible for notifying the Benefits Coordinator if you have excess Employee Elective Deferrals as a result of before-tax contributions made to a plan not maintained by the University. You must report any excess Employee Elective Deferrals to the Benefits Coordinator by March 1st following the calendar year in which your Employee Elective Deferrals exceed the maximum dollar limit. Excess Employee Elective Deferrals reported by March 1st as adjusted for any allocable income or loss (beginning first with Employee Elective Deferrals that are not matched by the University) will be distributed to you by April 15th. University Matching Contributions that are attributable to any excess Employee Elective Deferrals and any allocable income or loss will also be removed from your Account. You will receive a Form 1099-R reporting that excess Employee Elective Deferrals occurred in the prior year.
- **Double Taxation**. If you do not report excess Employee Elective Deferrals to the Benefits Coordinator by March 1st, then your excess Employee Elective Deferrals are taxed twice: Once for the tax year in which you make the excess Employee Elective Deferrals, and later when the excess Employee Elective Deferrals are withdrawn or distributed from the Retirement Plan.

To the extent that you have excess Employee Elective Deferrals as a result of contributions made to a plan not maintained by the University, the University is not liable for any tax obligation that you may have as the result of excess Employee Elective Deferrals to the Retirement Plan or any other applicable retirement plan.

## Vesting of Employee Elective Deferrals

You are always fully and immediately vested in your Employee Elective Deferrals. This means that your Employee Elective Deferrals as adjusted for earnings, losses, etc., belong to you and cannot be forfeited for any reason. However, the Plan Administrator retains the right to remove Employee Elective Deferrals and/or earnings from your Account that were allocated in error and you are responsible for any fees and charges that may be imposed by the Investment Companies or under your selected Investment Funds.

# University Contributions

Building retirement income is a shared responsibility between you and the University. If you are eligible to receive University Contributions and you make the required Employee Elective Deferrals, the University will make University Matching Contributions. In the case of Non-Exempt Staff Employees and Union Employees, the University will also make a University Fixed Contributions.

## Faculty, Exempt Staff or Campus Police Employees

If you make Employee Elective Deferrals of at least five percent (5%) of your Eligible Earnings each pay period, the University will make a University Matching Contribution for that pay period the amount of which is based on your age as determined each July 1:

| Age as of July 1 | University Matching Contribution Percentage |
|---|---|
| Less than or equal to 29 years | 6% of Eligible Earnings for the pay period |
| Greater than 29 years, but less than or equal to 39 years | 7% of Eligible Earnings for the pay period |
| Greater than 39 years, but less than or equal to 49 years | 8% of Eligible Earnings for the pay period |
| Greater than 49 years, but less than or equal to 59 years | 9% of Eligible Earnings for the pay period |
| Greater than 59 years | 10% of Eligible Earnings for the pay period |

You may supplement your retirement income by making Employee Elective Deferrals in excess of 5% of your Eligible Earnings up to the maximum dollar limit as described in the *Employee Elective Deferrals* Section. The University, however, does not match Employee Elective Deferrals made in excess of 5% of your Eligible Earnings.

## Union Employees

For each pay period, the University will make a University Fixed Contribution equal to two percent (2%) of your Eligible Earnings for that pay period. If you make Employee Elective Deferrals for each pay period, the University will also make a University Matching Contribution in accordance with the following table:

| Employee Elective Deferral Percentage | University Matching Contributions |
|---|---|
| At least 1% of Eligible Earnings | 3% of Eligible Earnings for the pay period |
| At least 4% up to a maximum of 10% of Eligible Earnings | Amount equal to your Employee Elective Deferrals for the pay period not to exceed 10% of Eligible Earnings |

You may supplement your retirement income by making Employee Elective Deferrals in excess of 10% of your Eligible Earnings up to the maximum dollar limit as described in the *Employee Elective Deferrals* Section. The University, however, does not match Employee Elective Deferrals made in excess of 10% of your Eligible Earnings.

## Non-Exempt Staff Employees

For each pay period, the University will make a University Fixed Contribution equal to two percent (2%) of your Eligible Earnings for that pay period. If you make Employee Elective Deferrals of at least one percent (1%) of your Eligible Earnings for each pay period, the University will also make a University Matching Contribution equal to three percent (3%) of your Eligible Earnings for that pay period.

You may supplement your retirement income by making Employee Elective Deferrals in excess of 1% of your Eligible Earnings up to the maximum dollar limit as described in the *Employee Elective Deferrals* Section. The University, however, does not match Employee Elective Deferrals made in excess of 1% of your Eligible Earnings.

## Eligible Earnings

Generally, Eligible Earnings for a pay period is your base salary. This means that your Eligible Earnings includes Employee Elective Deferrals that you make pursuant to a Salary Reduction Agreement to the Retirement Plan as well as any amounts you contribute to the University's welfare and fringe benefit plans such as health plans, flexible spending accounts, and the qualified transportation plan. Base salary does not include accrued vacation pay.

### *Eligible Earnings in Excess of Compensation Limit*

Eligible Earnings do not include amounts in excess of the compensation limit imposed by the Internal Revenue Code. This means that Eligible Earnings in excess of the "Compensation Limit" (measured on a Plan Year basis) is not taken into account for purposes of computing your University Contributions. Compensation Limit is adjusted from time to time for cost of living increases.

**2012 Eligible Earnings Limit**

The compensation limit in effect for the 2012 Plan Year is $250,000.

To find out the Compensation Limit in effect for subsequent Plan Years, visit the Office of Human Resources website at:

www.stevens.edu.

### *Post-Termination Eligible Earnings*

As required by tax laws, Eligible Earnings paid after termination of employment cannot be treated as Eligible Earnings unless paid by the end of the calendar year that includes your termination date or, if later, within 2½ months following your termination date.

# Vesting of University Contributions

## *Vesting Schedule*

Although the University will begin contributing to the Retirement Plan on your behalf as soon as you are eligible to receive University Contributions, you are not entitled to your University Matching Contributions or, if applicable, University Fixed Contributions until you become vested. You will vest in your University Contributions upon the first to occur:

- If you reach your Normal Retirement Age (age 65) while employed by the University;
- If you die while employed by the University or while performing Qualified Military Service;
- If you become Disabled while employed by the University; or
- If you complete three (3) Years of Vesting Service.

Once you are vested, your University Contributions as adjusted for earnings, losses, etc., belong to you and cannot be forfeited for any reason. However, the Plan Administrator retains the right to remove University Contributions and/or earnings from your Account that were allocated in error and you are responsible for any fees and charges that may be imposed by the Investment Companies or under your selected Investment Funds.

## *Computation of Vesting Service*

You will be credited with a Year of Vesting Service for each vesting computation period during which you complete 1,000 Hours of Service. All Hours of Service are taken into account in determining whether you have a completed a Year of Vesting Service. Hours of Service are credited to you using an hour equivalency or actual hours as follows:

- **Exempt Employee**. If you are an exempt employee (monthly paid), you will be credited with 190 Hours of Service for each month in which you are paid for at least one (1) Hour of Service.
- **Non-Exempt Employee**. If you are a non-exempt employee (bi-weekly paid), you will be credited with an Hour of Service for each hour you are paid or entitled to payment.

**Vesting Computation Period**

Your **"Vesting Computation Period"** is the 12-consecutive month period that begins on your hire date and each anniversary of that date unless your Vesting Computation Period is changed as described below.

If you incur a 1-Year Break in Vesting Service (as defined in the *Break in Vesting Service* section below), following termination of employment, your **Vesting Computation Period** will be changed to the 12-consecutive month period that begins on your rehire date and each anniversary of that date.

## *Reinstatement of Vesting Service*

If your employment terminates and you are subsequently rehired by the University, whether your Years of Vesting Service is reinstated depends on two factors: (1) whether you were a vested Participant on your termination date and (2) whether your "1-Year Breaks in Vesting Service" equals or exceed five (5). See *Break in Vesting Service* section below for information regarding 1-Year Breaks in Vesting Service.

- **Vested Participants**. You are a vested Participant on your termination date if you made any Employee Elective Deferrals to the Retirement Plan. If you are rehired by the University, your Years of Vesting Service will be reinstated upon your rehire date. However, if your 1-Year Breaks in Vesting Service equals or exceeds five (5), your Years of Vesting Service earned after your rehire date will not restore previously forfeited University Contributions and will not be taken into account to redetermine whether you are vested in University Contributions made prior to your termination date.

  - **An Example.** Marie, who is under age 65, terminates employment with $5,000 in Employee Elective Deferrals and $5,000 in University Matching Contributions. At the time of termination, Marie completed two (2) Years of Vesting Service and, therefore, is vested in her Employee Elective Deferrals but is not vested in her University Matching Contributions. Following rehire, Marie completes another Year of Vesting Service, accumulates an additional $2,500 in Employee Elective Deferrals and $2,500 in University Matching Contributions, and again terminates employment.

    - *1-Year Breaks in Vesting Service Less Than Five (5)*. If Marie's 1-Years Breaks in Vesting Service following her first termination date is less than five (5), her two (2) Years of Vesting Service will be reinstated and taken into account in determining whether she is vested in both her pre-termination University Matching Contributions of $5,000 and her post-rehire University Matching Contributions of $2,500. In other words, upon Marie's second termination date, she is 100% vested in both her pre-termination University Matching Contributions of $5,000 and her post-rehire University Matching Contributions of $2,500 because she completed three (3) Years of Vesting Service (the two (2) Years of Vesting Service reinstated upon her rehire date plus the one (1) Year of Vesting Service completed after her rehire date).

    - *1-Year Breaks in Vesting Service Equals or Exceeds Five (5)*. If Marie's 1-Years Breaks in Vesting Service following her first termination date equals or exceeds five (5), her two (2) Years of Vesting Service will be reinstated and taken into account in determining whether she is vested in her post-rehire University Matching Contributions of $2,500 but will not be taken into account to restore or redetermine vesting in her pre-termination University Matching Contributions of $5,000. In other words, upon Marie's second termination date, she will be 100% vested in her post-rehire University Matching Contributions of $2,500 because she has three (3) Years of Vesting Service (two (2) Years of Vesting Service reinstated upon her rehire date plus the one (1) Year of Vesting Service completed after her rehire date) but her pre-termination University Matching Contributions of $5,000 will remain forfeited.

- **Non-Vested Participants**. You are a non-vested Participant if you are a Union Employee or Non-Exempt Staff Employee and your Account is comprised solely of non-vested University Fixed Contributions on your termination date or you chose not to participate in the Retirement Plan. If you are rehired by the University, your Years of Vesting Service will be reinstated upon your rehire date if your 1-Year Breaks in Vesting Service is less than five (5).

If your 1-Year Breaks in Vesting Service is five (5) or more, your Years of Vesting Service will not be reinstated upon rehire by the University.

- **An Example.** Scott, who is a Union Employee and under age 65, terminates employment with $2,000 in University Fixed Contributions. At the time of termination, Scott completed two (2) Years of Vesting Service and, therefore, is not vested his University Fixed Contributions. Following rehire, Scott completes another Year of Vesting Service, accumulates an additional $1,000 in University Fixed Contributions, and again terminates employment.

  - *1-Year Breaks in Vesting Service Less Than Five (5).* If Scott's 1-Year Breaks in Vesting Service following his first termination date is less than five (5), his two (2) Years of Vesting Service will be reinstated and taken into account in determining whether he is vested in his post-rehire University Fixed Contributions of $1,000. In other words, upon Scott's second termination date, he is 100% vested in both his pre-termination University Fixed Contributions of $2,000 and his post-rehire University Fixed Contributions of $1,000 because he completed three (3) Years of Vesting Service (the two (2) Years of Vesting Service reinstated upon his rehire date plus the one (1) Year of Vesting Service completed after his rehire date).

  - *1-Year Breaks in Vesting Service Equals or Exceeds Five (5).* If Scott's 1-Year Breaks in Vesting Service following his first termination date equals or exceeds five (5), his two (2) Years of Vesting Service will not be reinstated on his rehire date. In other words, upon Scott's second termination date, he will not be vested in his post-rehire University Fixed Contributions of $1,000 because he has only one (1) Year of Vesting Service as his two (2) Years of Vesting Service completed prior to his first termination date are disregarded. Scott also is not entitled to his pre-termination University Fixed Contributions of $2,000 because they were forfeited upon his first termination date and he was not entitled to restoration upon his rehire date because his 1-Year Breaks in Vesting Service following his first termination date equaled or exceeded five (5).

## Break in Vesting Service

You will incur a 1-Year Break in Vesting Service for each Vesting Computation Period (beginning with the Vesting Computation Period in which you terminate employment) in which you complete less than 501 Hours of Service. This means:

- You will incur a 1-Year Break in Vesting Service during the Vesting Computation Period that includes your termination date if you complete less than 501 Hours of Service.

- You will incur a 1-Year Break in Vesting Service for each Vesting Computation Period thereafter, in which you complete less than 501 Hours of Service.

In addition, the hour equivalency described in the *Computation of Vesting Service* section above will also apply for purposes of determining whether you have incurred a 1-Year Break in Vesting Service.

If you terminate employment due to a FMLA leave or due to maternity/paternity reasons, *i.e.*, (1) pregnancy, (2) the birth or adoption of a child, or (3) to care for a newly born or adopted child, you may reduce the number of your 1-Year Breaks in Vesting Service. In the case of a termination of employment due to maternity/paternity reasons, you must notify the Benefits Coordinator of your maternity/paternity reason prior to your termination date.

## *Forfeiture of Non-Vested University Contributions*

If you terminate employment before you are vested in your University Contributions, your University Contributions will be forfeited (removed from your Account) on the earlier of:

- **Upon Termination of Employment**. Non-vested University Fixed Contributions will be forfeited upon termination of employment if your Account is comprised solely of non-vested University Fixed Contributions, *i.e.*, you are a Union Employee or Non-Exempt Staff Employee and you did not make any Employee Elective Deferrals to the Retirement Plan.

- **Distribution**. Non-vested University Contributions will be forfeited once you request a total distribution of your Employee Elective Deferrals.

- **1-Year Breaks in Vesting Service equals or exceeds five (5)**. Non-vested University Contributions will be forfeited once your 1-Year Breaks in Vesting Service equals or exceeds five (5).

All forfeitures are used to reduce future University Contributions, to restore forfeited University Contributions (described below) or to pay plan expenses.

## *Restoration of Forfeited University Contributions*

If you are rehired by the University and your University Contributions were forfeited as described above, the amount forfeited (unadjusted for gains or losses) will be restored to your Account if your 1-Year Breaks in Vesting Service is less than five (5). If you are rehired after your 1-Year Breaks of Vesting Service equals or exceed five (5) years or more, forfeited University Contributions will not be restored to your Account.

# Other Plan Contribution Information

## Rollover Contributions

If you wish to make a rollover to the Retirement Plan, you must contact TIAA-CREF directly using the contact information at the right. All Rollover Contributions to the Retirement Plan are subject to rules established by TIAA-CREF.

**To contact TIAA-CREF:**

Call TIAA-CREF at (877) 518-9161 or visit the TIAA-CREF National Web Center at www.tiaa-cref.org.

### *Eligible Rollover Distributions*

Generally, however, you may roll over all or a portion of an "eligible rollover distribution" from another retirement plan to the Retirement Plan. An eligible rollover distribution is typically any cash distribution other than an annuity payment, a required minimum distribution, a distribution that is part of a fixed period payment of ten years or more, or a hardship withdrawal. ***NOTE: The Retirement Plan cannot accept eligible rollover distributions of Roth contributions***.

In most cases, TIAA-CREF will approve the following type of rollovers:

- **Before-Tax Contributions**. An eligible rollover distribution of tax deductible amounts from an individual retirement account or annuity (IRA) described in Section 408(a) or 408(b) of the Internal Revenue Code and before-tax contributions from a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code, or an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- **After-Tax Contributions (Non-Roth Contributions)**. An eligible rollover distribution of after-tax contributions from a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code or a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code; provided, that (1) the rollover is accomplished by a direct rollover and (2) the distributing employer plan provides sufficient information so that TIAA-CREF can separately account for your rollover of after-tax contributions. The Retirement Plan cannot accept any rollovers of non-deductible contributions from an IRA (an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code).

### *Vesting of Rollover Contributions*

You are always fully and immediately vested in your Rollover Contributions. This means that your Rollover Contributions as adjusted for earnings, losses, etc., belong to you and cannot be forfeited for any reason. However, the Plan Administrator retains the right to remove Rollover Contributions and/or earnings from your Account that were allocated in error and you are responsible for any fees and charges that may be imposed by the Investment Companies or under your selected Investment Funds.

# Make-Up Plan Contributions Following Qualified Military Service

If you return to work following Qualified Military Service, you are eligible to contribute make-up Employee Elective Deferrals and to receive any applicable University Contributions.

- **Employee Elective Deferrals**. The period during which you can contribute make-up Employee Elective Deferrals is equal to three (3) times the period of your Qualified Military Service, up to a maximum of five (5) years. For example, if your Qualified Military Service period was one year, you have three years following the date of your reemployment to contribute make-up Employee Elective Deferrals. The amount of your make-up Employee Elective Deferrals is subject to the Employee Elective Deferral dollar limits that applied during your Qualified Military Service. You may change, terminate, or resume your make-up Employee Elective Deferrals during the make-up period without penalty for termination.
- **University Matching Contributions**. If you contribute make-up Employee Elective Deferrals, the University will contribute make–up University Matching Contributions at the rate that was in effect during your Qualified Military Service.

  - **An Example.** Alex, who is a Campus Police Employee, is 39 years old during his Qualified Military Service and during his Qualified Military Service he would have been eligible to receive University Matching Contributions of 7% of his Eligible Earnings. When Alex returns to employment with the University, he is 40 years old and is eligible to receive University Matching Contributions of 8% of his Eligible Earnings. If Alex contributes make-up Employee Elective Deferrals of at least 5% of the amount of Eligible Earnings he would have received but for his Qualified Military Service, the University will contribute a make-up University Matching Contributions of 7% of his "deemed" Eligible Earnings, *i.e.*, the rate that was in effect during Alex's Qualified Military Service.

- **University Fixed Contributions**. If you would have been eligible to receive University Fixed Contributions but for your Qualified Military Service, the University will contribute make–up University Fixed Contributions at the rate that was in effect during your Qualified Military Service and on the amount of Eligible Earnings you would have received but for your Qualified Military Service upon your return to employment.

For further information regarding make-up contributions following Qualified Military Service, please contact the Benefits Coordinator.

# Overall Plan Contribution Limit

## *Nondiscrimination Rules*

University Matching Contributions are subject to an annual nondiscrimination test. If you are considered highly compensated, your University Matching Contributions may be limited. You will be notified if you are affected by the nondiscrimination limits.

## *Dollar Limit*

In addition to the Employee Elective Deferral dollar limit, federal tax laws also impose a dollar limit on the amount of Employee Elective Deferrals and University Contributions that can made to the Retirement Plan ("Plan Contribution Limit"). Employee Elective Deferrals that are Age 50+ Catch-Up Employee Elective Deferrals and Rollover Contributions do not account toward the Plan Contribution Limit.

The Plan Contribution Limit is very high and, in most cases, will not limit your Employee Elective Deferrals or University Contributions made to the Retirement Plan. The Plan Contribution Limit is the lesser of (1) the dollar limit in effect for the calendar year as increased from time to time for cost-of-living adjustments or (2) 100% of your "Includible Compensation," generally your W-2 wages for the calendar year.

**2012 Plan Contribution Dollar Limit**

The dollar limit in effect for the 2012 is $50,000.

To find out the dollar limit in effect for subsequent calendar years, visit the Office of Human Resources website at:

www.stevens.edu.

## *Special Aggregation Rule for Outside Employment*

If a company controlled by you makes contributions on your behalf to a tax-qualified defined contribution plan (*e.g.*, a profit-sharing plan, 401(k) plan, money purchase pension plan), your Employee Elective Deferrals and University Contributions made under the Retirement Plan must be aggregated with amounts contributed under your company plan in determining whether you have exceeded the Plan Contribution Limit for the calendar year. If, in aggregate, the contributions exceed the Plan Contribution Limit, federal tax laws require that the excess amount be treated as "excess contributions" under the Retirement Plan (and not your company plan) and, generally, must be included in your taxable income for the year in which the excess contributions were made. Excess contributions held in your Account will not jeopardize the tax-deferred status of your remaining Account ***if*** your Investment Company separately accounts for your excess contributions. If separate accounting is not maintained by your Investment Company for the year in which the excess contributions were made and each year thereafter, the IRS can treat your entire Account held under the Retirement Plan as taxable. It is your responsibility to notify the Benefits Coordinator or your Investment Company by March 1st following the calendar year in which you have excess contributions. If you fail to timely notify the Benefits Coordinator or your Investment Company and your Investment Company does not separately account for your excess contributions, the University is not liable for any tax obligation that you may have as the result of excess contributions to the Plan.

- ***Controlled Company***. Generally, if you own more than 50% of a company then the company is treated as a company controlled by you. For example, if you are a 100% shareholder of a corporation or operate a sole proprietorship that corporation or sole proprietorship is a company controlled by you. The tax laws regarding controlled companies are complex. If you are involved with or operate a business outside the University and you participate in a tax-qualified defined contribution retirement plan maintained by that business, you should consult with your tax advisor to determine whether these special aggregation rules apply to you.

- ***Distribution of Excess Contributions***. To the extent permitted by your Investment Fund, you may request a distribution of your excess contributions and allocable income at any time.
- ***6% Excise Tax***. If your Account is invested in mutual funds, you may be subject to a 6% excise tax on any excess contribution. The excise tax does not apply to excess contributions invested in the TIAA Retirement Annuity or CREF Accounts. See the *Investing Your Plan Contributions* Section for further information regarding the different types of Investment Vehicles offered under the Plan. Also, the tax is more fully described in IRS Publication 571. You may obtain a copy of IRS Publication 571 from the IRS web site at www.irs.gov.

➢ **An Example**. Jim, who is age 60, contributes $17,000 in Employee Elective Deferrals and receives corresponding University Matching Contributions of $25,000 for a total contribution of $42,000. Jim is also a 100 percent shareholder of a professional corporation that maintains a qualified defined contribution plan in which Jim participates. For the same calendar year, Jim also receives $20,000 in employer contributions under the plan maintained by his professional corporation. Jim's contributions of $42,000 under the Retirement Plan and his contributions of $20,000 under his professional corporation's plan must be aggregated to determine whether Jim's aggregate contributions are within the Plan Contribution Limit because Jim controls his professional corporation.

Assume the calendar year is 2012 when the dollar limit is $50,000. Jim's total aggregate contributions of $62,000 ($42,000 + $20,000) exceed the Plan Contribution Limit of $50,000 by $12,000. Assuming the $12,000 is attributable to his University Matching Contributions, the amount is taxable to Jim in 2012. The excess contribution will not jeopardize the tax-deferred status of his remaining Account held under the Retirement Plan if Jim timely notifies the Benefits Coordinator or his Investment Company that separate accounting for the $12,000 is required. However, a 6% excise tax may apply until the excess contribution is distributed.

# Investing Your Plan Contributions

**NOTE: The information provided in this Section is a summary only. Prior to making your initial Investment Fund selections and, at least annually thereafter, you will receive Investment Fund Disclosures that contain detailed information, as described in the *Investment Fund Disclosures* section below, about the Retirement Plan's Investment Funds.**

## Investment Companies

### *TIAA-CREF*

The Retirement Plan offers a variety of Investment Funds managed by TIAA-CREF. Effective May 1, 2009, ***Plan Contributions may only be deposited with or transferred to TIAA-CREF.*** Contact information for TIAA-CREF is provided at the right.

**To contact TIAA-CREF:**

Call TIAA-CREF at (800) 842-2252 or visit the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens.

### *VALIC*

***Effective May 1, 2009, Plan Contributions may not be deposited or transferred to VALIC. However, amounts deposited prior to that date may be transferred among VALIC Investment Funds.*** Contact information for VALIC is provided at the right.

**To contact VALIC:**

Call VALIC at (800) 448-2542 or visit VALIC's website at www.valic.com (Plan ID 51059).

The Plan Administrative Committee reserves the right to cease future Plan Contributions to an Investment Company or to add a new Investment Company. Similarly, the Plan Administrative Committee reserves the right to close or cease future Plan Contributions to an Investment Vehicle or any Investment Fund or to add a new Investment Vehicle or Investment Fund

## Investment Funds

The Investment Companies offer a wide range of Investment Funds. A summary of the types of Investment Funds offered under the Retirement Plan is as follows:

### *TIAA Traditional Annuity*

The TIAA Traditional Annuity is a guaranteed investment option issued by TIAA-CREF. Contributions to the TIAA Traditional Annuity are used to purchase a contractual or guaranteed amount of future retirement benefits. Once purchased, the guaranteed benefit of principal plus interest cannot be decreased, but it can be increased by dividends. Dividends, if any, may increase or decrease and changes are usually gradual.

### *TIAA Real Estate Account and CREF Accounts*

The TIAA Real Estate Account and CREF Accounts are variable annuity contracts issued by TIAA-CREF. Contributions to the TIAA Real Estate Account and CREF Accounts are used to purchase accumulation units, or shares of participation in the underlying investment fund. The TIAA Real Estate Account and each CREF Account has its own investment objective and portfolio of securities and the value of the accumulation units changes each business day. There is no guaranteed rate of return.

### *TIAA-CREF and VALIC Mutual Funds*

Contributions to a TIAA-CREF or VALIC Mutual Fund are used to purchase accumulation units, or shares of participation in the fund. Each Mutual Fund has its own investment objective and portfolio of securities and the value of the units or shares changes each business day. There is no guaranteed rate of return.

## Investment Vehicles

It is important for you to understand the types of Investment Vehicles under which Investment Funds are offered. The Retirement Plan offers the Investment Funds through a variety of Investment Vehicles as described below:

### *TIAA Traditional Annuity*

The TIAA Traditional Annuity is currently offered through the following types of Investment Vehicles: An individual retirement annuity contract (RA), a group supplemental retirement annuity contract (GSRA) or an individual supplemental retirement annuity contract (SRA) issued by TIAA-CREF.

> If all or a portion of your Account is invested in the TIAA Traditional Annuity and you do not know whether your TIAA Traditional Annuity is offered under a RA, GSRA or SRA, contact TIAA-CREF directly.

Transfers to other Investment Funds and lump sum distributions following termination of employment may be restricted depending on the type of Investment Vehicle under which your TIAA Traditional Annuity is offered. Generally, however, the following restrictions apply:

> You can obtain a detailed summary regarding the restrictions on transfers and lump sum distributions from the Office of Human Resources website at: http://www.stevens.edu/hr/forms.shtml

- **Restriction on Transfers**. If your TIAA Traditional Annuity is held under a RA, transfers from your TIAA Traditional Annuity to other Investment Funds must be made in 10 payments over a 9-year period (Transfer Payout Annuity) and the minimum transfer is $10,000 or your entire balance in the TIAA Traditional Annuity if less. However, if your total balance is $2,000 or less, you can transfer your entire TIAA Traditional Annuity balance in a single sum as long as you do not have an existing Transfer Payout Annuity in force. If your TIAA Traditional Annuity is held under a GSRA or SRA, transfers from your TIAA Traditional Annuity to other Investment Funds may be made at any time.

- **Restriction on Lump Sum Distributions Following Termination of Employment**. If your TIAA Traditional Annuity is held under a RA, a lump sum distribution is *not* available and distributions must be made in 10 payments over a 9-year period or in the form of a lifetime annuity. However, if your total balance in the TIAA Traditional Annuity is $2,000 or less, you can elect a lump sum distribution of your entire TIAA Traditional Annuity balance as long as (1) you do not have an existing Fixed Period Option or Transfer Payout Annuity in force and (2) you elect a lump sum distribution of all amounts invested in TIAA-CREF Investment Funds at the same time. If your TIAA Traditional Annuity is held under a GSRA or SRA, lump sum distributions are available.

### *TIAA Real Estate Account and CREF Accounts*

Transfers out and withdrawals from the TIAA Real Estate Account are limited to once per calendar quarter. Transfers out and withdrawals are limited to three times per month. In each case, the minimum transfer or withdrawal amount is $1,000 (or your entire balance in the TIAA Real Estate Account or a CREF Account if it totals less than $1,000).

### *TIAA-CREF and VALIC Mutual Funds*

The Mutual Funds are offered through a group custodial agreement established by TIAA-CREF and VALIC. There are generally no restrictions on transfers and withdrawals from the Mutual Funds. However, each Mutual Fund has or may adopt its own frequent trading policy as disclosed in its prospectus and the Investment Companies reserve the right, with or without notice, to implement restrictions or block fund transactions if such transactions are identified by the Mutual Fund as violating its frequent trading policy. For further information regarding the frequent trading policies, see the *Transferring Amounts Among Investment Funds* section below.

## Investment Fund Disclosures

It is important that you carefully review all the Investment Fund information that will be provided to you and carefully choose your Investment Funds because the benefits payable from the Retirement Plan depend on the performance of the Investment Funds you choose over the years. Before you make your initial investment elections and, at least annually thereafter, you will receive Investment Fund Disclosures that contain both "plan-related information" and "investment-related information."

### *Plan-Related Information*

Plan-related information includes the following:

- **General Plan Information**. General plan information consists of information about the structure and mechanics of the plan such as an explanation of how to give investment instructions under the Retirement Plan and a current list of the Retirement Plan's Investment Funds. You can view prospectuses (if available) online and financial statements and reports relating to the Investment Funds by visiting the Investment Companies websites:

- **TIAA-CREF**. To view the prospectuses online for Investment Funds offered by TIAA-CREF, go to the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens, scroll to the bottom of the page and click on "Prospectuses." If you prefer, you can obtain paper copies of the prospectuses by calling TIAA-CREF at (877) 518-9161.
- **VALIC**. To view the prospectuses online for Investment Funds offered by VALIC, go to the VALIC website at www.valic.com (Plan ID 51059). If you prefer, you can obtain paper copies of the prospectuses by calling VALIC at (800) 448-2542.

Please note that when you select your Investment Funds you will be asked to confirm that you have received and accessed the relevant prospectus(es) for your Investment Fund choices.

- **Administrative Expenses Information**. An explanation of any fees and expenses for general plan administrative services that may be charged to or deducted from your Account.

- **Individual Expenses Information**. An explanation of any fees and expenses that may be charged to or deducted from your Account based on services provided solely for your benefit, *e.g*., service fees, if any, for taking a participant loan (see the *Participant Loan Program* Section) or processing a qualified domestic relations order (see the *Distributions from Your Account* Section).

## *Investment-Related Information*

Investment -related information includes the following:

- **Performance Data**. Specific information about historical investment performance. 1-, 5- and 10-year returns of Investment Funds that do not have a fixed or stated rate of return, *e.g*., the Mutual Funds and for Investment Funds that have a fixed or stated rate of return, *e.g*., the Traditional Annuity, the annual rate of return and the term of the investment.

- **Benchmark Information**. The name and returns of an appropriate broad-based securities market index over 1-, 5-, and 10-year periods so you can benchmark the Investment Funds.

- **Fee and Expense Information**. The total annual operating expenses expressed as both a percentage of assets and as a dollar amount for each $1,000 invested, and any shareholder-type fees or restrictions that may affect your ability to purchase or transfer from Investment Funds that do not have a fixed or stated rate of return, *e.g*., the Mutual Funds and any shareholder-type fees or restrictions on your ability to purchase or withdraw from Investment Funds that have a fixed or stated rate of return, *e.g*., the Traditional Annuity.

- **Internet Web Site Address**. Information how to access additional or more current investment-related information online.

- **Glossary**. A general glossary of terms to assist you to understand the Retirement Plan's Investment Funds or instructions how to obtain a general glossary.

When appropriate, investment-related information will be furnished in a chart or similar format designed to facilitate a comparison of the Investment Funds offered under the Retirement Plan.

# Selecting Your Investment Funds

***Plan Contributions may not be allocated to VALIC Investment Funds.***

After you complete your Salary Reduction Agreement, you must allocate your Employee Elective Deferrals (and any applicable University Matching Contributions) among the various Investment Funds offered by the Retirement Plan by completing an Enrollment Form.

## *Complete Enrollment Form*

To allocate your Employee Elective Deferrals (and any applicable University Contributions) among the various Investment Funds offered by the Retirement Plan, you must complete an online Enrollment Form. Your allocation may be to one Investment Fund or among any of the Investment Funds offered by the Retirement Plan in such amounts (or in such percentages) as established by TIAA-CREF. **NOTE**: You can change your Investment Fund selections for future Employee Elective Deferrals (and any applicable University Contributions) at any time as described below.

**Online submission of Enrollment Form**

You must complete your enrollment form online through the TIAA-CREF/Stevens website that you can access at:

www.tiaa-cref.org/stevens

If you need assistance completing your enrollment form online, contact TIAA-CREF directly at (800) 842-2888 or the Benefits Coordinator at (201) 216-5123, Monday through Friday, between 9:00 a.m. and 5:00 p.m.

## *Default Investment Fund*

If you fail to complete an online Enrollment Form, your Employee Elective Deferrals (and any applicable University Contributions) will be invested in one of the Retirement Plan's default Investment Funds until you complete an Enrollment Form and designate a different Investment Fund allocation. Your Employee Elective Deferrals (and any applicable University Contributions) will also remain invested in the default Investment Fund until you transfer your balance to one or more Investment Funds.

**TIAA-CREF Lifecycle Funds**

The Retirement Plan's default Investment funds are the TIAA-CREF Lifecycle Funds. Lifecycle funds are invested using model asset-allocations based on your age and years to retirement.

If your Plan Contributions are defaulted to a TIAA-CREF default Investment Fund, they will be invested in a fund that is closest to the year in which you will attain age 65.

To obtain further information regarding the Retirement Plan's default Investment Funds, review the Investment Fund Disclosures or contact TIAA-CREF.

# Monitoring Your Investment Funds

Once you have selected your Investment Funds, it is important that you regularly review your Investment Funds to ensure that they continue to meet your personal investment objectives. You can monitor your Investment Funds by:

**Contacting Your Investment Company**. You can access your Account information such as the mutual fund share values and annuity unit values, as updated each business day, for each investment fund as well as the current interest rates applicable to the TIAA Traditional Annuity.

- You have 24/7 access to your Account information by using the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens or the VALIC website at www.valic.com (Plan ID 51059).
- You may also access your Account information by calling TIAA-CREF at (800) 842-2252, Monday – Friday 8 a.m. to 10 p.m. (EST) and Saturday, 9 a.m. to 6 pm (EST) or VALIC at (800) 448-2542.

Once you commence participation in the Retirement Plan, TIAA-CREF will send you information how to access your Account information online. You will need to register and create a User ID as well as a password. If you have forgotten your User ID or password, you can reset it online or contact TIAA-CREF or, if applicable, VALIC by telephone.

**Reviewing your Quarterly Benefit Statements**. The Investment Companies provide either by mail or, at your election, electronic delivery, quarterly benefit statements that shows fund balances, a summary of transactions made during the quarter period and the number and value of the units or shares you own in each Annuity or Mutual Fund. If you invested Plan Contributions in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account, your TIAA-CREF quarterly benefit statements will also show the interest credited under the TIAA Traditional Annuity and the number and value of the accumulation units you own in the TIAA Real Estate Account and in each CREF Account. You may receive from time to time, *Premium Adjustment Notices* that summarize adjustments made to Plan Contributions invested in your TIAA Traditional Annuity. General information on diversifying the investment of your Account is also included on your quarterly statement.

**Reviewing Your Annual Investment Fund Disclosures**. You will receive either by mail or, at your election, electronic delivery, annual disclosures of "plan-related information" and "investment-related information" described above.

**Arranging a "One-on-One" Appointment**. You may also review your Investment Funds by speaking with a TIAA-CREF or VALIC representative by telephone or, in the case of TIAA-CREF, arranging a "one-on-one" on-campus individual counseling session with a TIAA-CREF representative.

# Reallocating Your Future Plan Contributions

***Future Plan Contributions may not be allocated to VALIC Investment Funds.***

You may reallocate your future Employee Elective Deferrals and any applicable University Contributions among the various Investment Funds, at any time by visiting the TIAA-CREF/Stevens website or by calling TIAA-CREF. Changes in Investment Funds are generally effective as of your next pay date.

**To contact TIAA-CREF:**

Call TIAA-CREF at (800) 842-2252 or visit the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens.

*If you need assistance in reallocating your future Plan Contributions, contact TIAA-CREF directly at (800) 842-2888 or the Benefits Coordinator at (201) 216-5123, Monday through Friday, between 9:00 a.m. and 5:00 p.m.*

# Transferring Existing Balances among Investment Funds

## *Transfers Within An Investment Company*

You may transfer existing fund balances among the various Investment Funds at any time and at no charge subject to the following:

- Fund balances invested with TIAA-CREF may be transferred to any other Investment Funds offered by TIAA-CREF and fund balances invested with VALIC may be transferred to other Investment Funds offered by VALIC. ***You may not transfer fund balances invested with TIAA-CREF to VALIC.***
- Transfers from TIAA-CREF Investment Vehicles may be subject to restrictions as described below.

**To contact TIAA-CREF:**

Call TIAA-CREF at (800) 842-2252 or visit the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens.

**To contact VALIC:**

Call VALIC at (800) 448-2542 or visit the VALIC website at www.valic.com (Plan ID 51059).

*If you need assistance transferring existing fund balances among the Investment Funds, contact TIAA-CREF directly at (800) 842-2888 or the Benefits Coordinator at (201) 216-5123, Monday through Friday, between 9:00 a.m. and 5:00 p.m.*

## *Transfers From VALIC To TIAA-CREF*

If you wish to transfer all or a portion of your Account with VALIC to TIAA-CREF, you must complete both the VALIC asset transfer out form and the TIAA-CREF asset transfer in form. Submit the completed forms to TIAA-CREF along with any additional required documentation. TIAA-CREF will send a letter of acceptance to VALIC to initiate the transfer of funds. Amounts transferred from VALIC may be subject to certain early surrender charges. You must contact VALIC directly at (800) 448-2542 to determine if such fees will apply to your transfer.

## *TIAA-CREF Transfer Restrictions*

Transfers from TIAA-CREF Investment Funds may be restricted depending on the type of Investment Vehicle and type of Investment Fund in which your Account is invested. Generally, however, the following restrictions apply:

> You can obtain a detailed summary regarding transfer restrictions from TIAA-CREF Investment Vehicles from the Office of Human Resources website at: http://www.stevens.edu/hr/forms.shtml

- **TIAA Traditional Annuity**. If your TIAA Traditional Annuity is held under a Retirement Annuity (RA), you can transfer amounts from the TIAA Traditional Annuity to another Investment Fund only in 10 substantially equal annual amounts over a period of 9 years. Transfers are made through the Transfer Payout Annuity (TPA) and are subject to the terms of the TPA contract. However, if the total balance in the TIAA Traditional Annuity is $2,000 or less, you can transfer your entire TIAA Traditional Annuity balance in a single sum as long as you do not have an existing TPA in force. If your TIAA Traditional Annuity is held under a Supplemental Retirement Annuity (SRA), you can transfer amounts from the TIAA Traditional Annuity to another Investment Fund at any time. In each case, the minimum transfer amount is $10,000 (or your entire balance in the TIAA Traditional Annuity if it totals less than $10,000). If all or portion of your Account is invested in the TIAA Traditional Annuity and you do not know whether your TIAA Traditional Annuity is invested under a GSRA, RA or SRA, contact TIAA-CREF directly.
- **TIAA Real Estate Account or a CREF Account**. You can transfer amounts from the TIAA Real Estate Account to another Investment Fund once each calendar quarter. You can transfer amounts from a CREF Accounts to another Investment Fund three times per month. In each case, the minimum transfer amount is $1,000 (or your entire balance in the TIAA Real Estate Account or a CREF Account if it totals less than $1,000).
- **TIAA-CREF Mutual Funds**. You can transfer amounts from any TIAA-CREF Mutual Fund to another TIAA-CREF Mutual Funds at any time. The current minimum transfer amount is $1,000 (or your entire balance in the Mutual Fund if it totals less than $1,000). Each Mutual Fund has or may adopt its own frequent trading policy as disclosed in its prospectus and TIAA-CREF reserves the right, with or without notice, to implement restrictions or block fund transactions if such transactions are identified by the Mutual Fund as violating its frequent trading policy. Please read the prospectus issued for any Mutual Fund in which you invest, to determine if the fund imposes any trading restrictions or redemption fees. You may obtain TIAA-CREF's *Intermediary Frequent Trading Policy* through the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens.

## *VALIC Transfer Restrictions*

In the case of Mutual Funds offered by VALIC, there is no current minimum transfer amount. Each Mutual Fund has or may adopt its own frequent trading policy as disclosed in its prospectus and VALIC reserves the right, with or without notice, to implement restrictions or block fund transactions if such transactions are identified by the Mutual Fund as violating its frequent trading policy. Please read the prospectus issued for any Mutual Fund in which you invest, to determine if the fund imposes any trading restrictions or redemption fees. You may obtain VALIC's frequent trading policy by calling VALIC at (800) 448-2542.

## Investing Your Account after Termination of Employment

Once you terminate employment or if you cease to be an active Participant in the Retirement Plan, your Account will remain invested in your designated Investment Funds. Therefore, it is important that you continue to regularly monitor and review your Investment Funds. Your Account will continue to participate in the market experience of its respective Investment Funds or, in the case, of amounts invested in the TIAA Traditional Annuity will continue to be credited with the same interest as they would have been had you continued employment with the University or continued participation in the Retirement Plan. Keep in mind that you continue to have access to Account and Investment Fund information and the flexibility to make transfers among the Investment Funds in the same manner as described above.

*Please note: The Retirement Plan is intended to constitute a plan described in Section 404(c) of ERISA. Under this ERISA provision, you are responsible for any investment gains or losses that result from your investment decisions because you are permitted to choose your own investments. This means that fiduciaries of the Retirement Plan, including the University and Plan Administrative Committee, are not liable if the value of your Account declines because of investment losses or fails to increase because of lack of gains based on your investment decisions. Accordingly, it is important that you review all available materials to ensure that your investment decisions meet your personal investment objectives. You also may want to consult your investment or financial advisor to assist you in making your investment decisions.*

# Participant Loans

The Investment Companies administer all participant loans under the Retirement Plan. To obtain information regarding the Retirement Plan's Participant Loan Programs or to request a participant loan, contact the applicable Investment Company.

## TIAA-CREF Loan Program

If you are a Participant (whether active or terminated), you may obtain a loan under the TIAA-CREF Loan Program based on the balance of your Account invested with TIAA-CREF, *i.e.*, amounts invested with VALIC are not taken into account in determining the balance of your Account. If you wish to take a loan based on amounts invested with VALIC, you must transfer those amounts to TIAA-CREF.

Set forth below is a brief summary of loan details that are specific to the TIAA-CREF Loan Program. The rules may vary depending on the type of TIAA-CREF Investment Vehicles under which your Account is held. Detailed information regarding the TIAA-CREF Loan Program is contained the *TIAA-CREF Loans from Your Retirement Accounts* pamphlet.

**Contact TIAA-CREF:**

If you wish to determine the amount you can borrow, the amount of your loan repayments, to apply for a loan, or to obtain the *TIAA-CREF Loans from Your Retirement Accounts* pamphlet, you must contact TIAA-CREF directly:

- Visit the TIAA-CREF National Web Center at: www.tiaa-cref.org/public/support/help/transactions/loans; or
- Call the TIAA-CREF at (800) 842-2252.

**Loan Amount**. The minimum amount that you may borrow is $1,000, and the maximum amount is the lesser of: (1) **45%** of the balance of your Account invested with TIAA-CREF or (2) $50,000 (reduced by your highest outstanding loan balance within the last 12 months). For example, if you have $40,000 invested with TIAA-CREF, you may borrow up to $18,000. For purposes of computing your maximum loan amount, loans taken under the TIAA-CREF Loan Program and the VALIC Loan Program are aggregated.

**Collateral**. A portion of your Account invested with TIAA-CREF – that is, an amount equal to **110%** of the loan amount – must serve as collateral for your loan and will be invested in the TIAA Retirement Loan Contract. For example, if you borrow $18,000, $19,800 (110% of $18,000) must serve as collateral for your loan and will be invested in the TIAA Retirement Loan Contract; the remaining $20,200 may be invested among any of the other Investment Funds. Also, amounts invested in the TIAA Retirement Loan Contract are not available for benefit payouts until you have repaid your loan.

**Collateral Sweep**. As you repay the loan, a portion of the collateral being held in the TIAA Retirement Loan Contract is "swept" out of that contract back to the CREF Money Market. Once the sweep is completed, you may then request that the funds be transferred to other Investment Funds. The collateral sweep will take place only if/when a loan payment causes the amount in the TIAA Retirement Loan Contract to exceed 110% of the existing loan balance (*i.e.*, the collateral requirement) by at least $100. If the excess collateral resulting from the loan payment is less than $100, a sweep will not occur until a subsequent loan payment causes the excess collateral to equal or exceed $100.

**Interest Rate**. You will be charged a variable rate of interest on your loan; the interest rate is subject to change after the first year and then annually thereafter.

**Loan Set-Up Fee**. Currently, none. Please refer to your loan application materials for applicable fees, if any.

## VALIC Loan Program

If you are a Participant (whether active or terminated), you may obtain a loan under the VALIC Loan Program based on the balance of your Account invested with VALIC, *i.e.*, amounts invested with TIAA-CREF are not taken into account in determining the balance of your Account. If you wish to take a loan based on amounts invested with TIAA-CREF, you must obtain the loan under the TIAA-CREF Loan Program.

**Contact VALIC:**

If you wish to determine the amount you can borrow, the amount of your loan repayments, or to apply for a loan, you must contact VALIC directly:

- Visit VALIC's website at www.valic.com (Plan ID 51059); or
- Call VALIC at (800) 448-2542.

Set forth below is a brief summary of loan details that are specific to the VALIC Loan Program. Detailed information regarding the VALIC Loan Program can be obtained from VALIC using the contact information above.

**Loan Amount**. The amount you may borrow from that portion of your Account invested with VALIC is a minimum amount of $1,000 and a maximum amount of the lesser of: (1) **50%** of that portion of your Account invested with VALIC or (2) $50,000 (reduced by your highest outstanding loan balance within the last 12 months). For example, if you have $40,000 invested with VALIC, you may borrow up to $20,000 from your Account. For purposes of computing your maximum loan amount, loans taken under the VALIC Loan Program and the TIAA-CREF Loan Program are aggregated.

**Collateral**. A portion of your Account invested with VALIC – that is, an amount equal to **100%** of the loan amount – must serve as collateral for your loan. That portion of your Account serving as collateral is not available for benefit payouts until you have repaid your loan.

**Interest Rate**. You will be charged a fixed rate of interest on your loan.

**Loan Set-Up Fee**. Currently, none. Please refer to your loan application materials for applicable fees, if any.

## Number of Loans

There is no limit on the number of loans you may have outstanding at one time. However, at no time may the total amount of such loans exceed the lesser of: (1) 50% of your Account or (2) $50,000 (reduced by your highest outstanding loan balance within the last 12 months).

## Loan Term

Under both the TIAA-CREF Loan Program and VALIC Loan Program, you can take up to five years to repay your loan (up to 10 years if the loan proceeds are used to purchase your principal residence). You can repay your loan early without penalty.

## Loan Payments

Under both the TIAA-CREF Loan Program and VALIC Loan Program, loans can be repaid either quarterly or monthly. Loan payments must be sent directly to TIAA-CREF or VALIC as applicable. Under the TIAA-CREF Loan Program, payments must be made by automatic deduction from your bank account if you choose to repay your loan on a monthly basis. Loan payments under both Programs cannot be made by payroll deduction.

## Default

If you miss a loan payment, you will be considered in default on the entire outstanding loan balance. Generally, if the total overdue amount is not paid by the end of the calendar quarter following the calendar quarter in which repayment was due, your loan will be in default and the outstanding loan balance (including accrued interest) will be reported to the IRS as current taxable income to you and may be subject to penalties for early distribution. Your loan will remain outstanding and that portion of your Account held as collateral for your loan, *e.g.*, the amount invested in the TIAA Retirement Loan Contract is not available for benefit payments until you have repaid your loan. Repayment may be made either by direct repayment or by deemed repayment through a plan loan offset (that is, repayment of your outstanding loan by application of your loan collateral up to the amount that is due at such time as permitted by law).

## Spousal Consent

If you are married at the time you make a loan request, your spouse must consent to the loan. Your spouse's consent must be in writing and witnessed by a notary public. Unless a Qualified Domestic Relations Order requires otherwise, your spouse's consent is not required if you are legally separated or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish that you have no spouse or that he or she cannot be located.

## Qualified Military Service

At your request, loan payments will be suspended while you are performing Qualified Military Service. Also, if you take a loan and are then called to Qualified Military Service, the Servicemembers Civil Relief Act ("SCRA") requires that the interest rate on your loan cannot exceed 6% during your Qualified Military Service if you provide written notice of your call to military service and a copy of your military orders (or any order extending your military service) to TIAA-CREF or VALIC, as applicable, within 180 days after you terminate service or are released from military service. You should contact TIAA-CREF or VALIC, as applicable, for additional information prior to your Qualified Military Service if you wish to take advantage of these options.

# Distributions from Your Account

| Contact Your Investment Company |
| --- |
| The Investment Companies administer all withdrawals and distributions under the Retirement Plan. To request a withdrawal or distribution:<br>▪ **TIAA-CREF**. Visit the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens or call TIAA-CREF at (800) 842-2252.<br>▪ **VALIC**. Visit the VALIC website at www.valic.com (Plan ID 51059) or call (800) 448-2542. |

## While You Are Employed by the University

You may withdraw all or portion of your Account while you are employed by the University to the extent permitted under terms of your Investment Funds as set forth below. Participant loans are also permitted; see the *Participant Loan Program* Section for further information.

- **Attainment of age 59½.** You may withdraw all or a portion of your Employee Elective Deferrals at any time on or after attaining age 59½.
- **Rollover Contributions**. You may withdraw all or a portion of your Rollover Contributions and related earnings thereon at any time.
- **Upon Hardship.** You may withdraw all or portion of your Employee Elective Deferrals upon hardship as described below.
- **Upon Disability.** You may withdraw all or a portion of your Account at any time during the period you are receiving disability benefits from the University's long-term disability plan; provided, that you must be totally and permanently disabled if you are under age 59½.

Except as provided above, you may not make withdrawals from your Account while employed by the University. If you wish to request a withdrawal, contact your Investment Company to obtain a withdrawal application. In-service withdrawals are subject to federal income tax when you receive them and you may be subject to a 10% penalty tax if you are under age 59½. See the *Tax Information* section below for further information.

## Hardship Withdrawals

You may request a hardship withdrawal of your Employee Elective Deferrals. You may not withdraw earnings credited after December 31, 1988 on account of hardship.

### *General Requirements*

Hardship withdrawals are administered by the Investment Companies in accordance with the "safe harbor" rules set forth in Treasury Regulations. The amount of your hardship withdrawal cannot exceed the exact amount needed to cover your financial need, plus any income taxes or penalties reasonably anticipated to result from the hardship withdrawal. In addition, in order to receive approval for a hardship withdrawal:

- You must first obtain all other distributions, other than hardship distributions, and all nontaxable (at the time of the loan) loans from the Retirement Plan; and
- You may not make Employee Elective Deferrals to the Retirement Plan or before-tax contributions to any other University deferred compensation plan, *e.g.*, the 457(b) Plan, for six months from the date of your hardship withdrawal.

### *Immediate and Heavy Financial Need*

Your Investment Company will approve a hardship withdrawal only on account of an "immediate and heavy financial need" arising from:

- Unreimbursed medical expenses for you, your spouse, a dependent, or a properly designated primary beneficiary;
- Purchase of your principal residence (vacation homes are excluded), excluding mortgage payments;
- Post-secondary education (*e.g.*, college), tuition and related educational fees and room and board expenses for the next 12 months for you, your spouse, a dependent, or a properly designated primary beneficiary;
- Amounts necessary to prevent foreclosure or eviction from your principal residence (*e.g.*, unpaid rent or mortgage payments);
- Unreimbursed burial or funeral expenses for your spouse, a dependent, a properly designated primary beneficiary, or a deceased parent;
- Unreimbursed expenses for the repair of damage to your principal residence that qualifies for the casualty loss deduction under Section 165 of the Internal Revenue Code (without regard to whether the loss exceeds 10% of adjusted gross income); or
- Such other expenses that the IRS may later define as giving rise to an immediate and heavy financial need.

For purposes of the above, a "primary beneficiary" means a primary beneficiary of the portion of your Account invested with the Investment Company.

## After You Terminate Employment

After you terminate employment, you can commence distributions from your Account at any time. The value of your Account will depend on the amount of Plan Contributions made on your behalf and the investment performance under the Investment Funds you selected. Once you decide to start receiving distributions, you have the flexibility to start distribution from the various Investment Funds on different dates and you can elect different forms of payment under the various Investment Funds as follows:

- **Different Benefit Commencement Dates**. If you have amounts invested in multiple Investment Funds, *e.g*., the TIAA Traditional Annuity, a CREF Account, and various Mutual Funds, you can elect different benefit commencement dates for each Investment Fund. For example, you can elect that amounts invested in your Mutual Funds be distributed immediately following termination and defer distribution of amounts invested in the TIAA Traditional Annuity and the CREF Account.
- **Different Forms of Payment**. If you have amounts invested in multiple Investment Funds, *e.g*., the TIAA Traditional Annuity, a CREF Account, and various Mutual Funds, you can also elect different forms of payment under each Investment Fund. In the case of the TIAA Traditional Annuity, the TIAA Real Estate Account, and CREF Accounts, however, you must have at least $10,000 for each form of annuity account payment. For example, assume you have $20,000 in the TIAA Traditional Annuity and $10,000 each in two CREF Accounts. You can elect up to four different forms of payment with spousal consent if applicable. Keep in mind that lump sum distributions may not be permitted from the TIAA Traditional Annuity. For further information regarding the TIAA Traditional Annuity, see the *Investing Your Plan Contributions* Section. Also, if you elect to have amounts invested in Mutual Funds paid in the form of a lifetime annuity, you must transfer those amounts to the TIAA Traditional Annuity, the TIAA Real Estate Account, or to a CREF Account. For further information regarding the different forms of payment, see *Normal Form of Payment* and *Optional Forms of Payment* sections below.

Distributions are subject to federal income tax when you receive them and you may be subject to penalty tax if you are under age 59½. See the *Tax Information* section below for further information.

## Starting Distributions

To start distributions from one or more of your Investment Funds, you must contact your Investment Company.

To request a distribution online or through a service representative, your termination date must be on file with the Investment Company. Contact the Benefits Coordinator should you need assistance updating this date with the Investment Company.

To request distributions by form, your Investment Company will send you a distribution packet that will include a distribution election form, detailed information about the available payment options, and tax information on distributions from the Retirement Plan.

Your distribution election form will require certification of your termination of employment by the Benefits Coordinator. You may obtain this certification either by mailing your completed application to the Benefits Coordinator or by scheduling an appointment with the Benefits Coordinator during business hours. To elect annuity payments, you should submit your distribution election form to the Benefits Coordinator at least a month before the date on which you want your annuity payments to begin.

## Normal Form of Payment

If you are married on the date you commence distribution from an Investment Fund, the Investment Company is required to pay distributions in the form of a Qualified Joint and Survivor Annuity unless you and your spouse waive the Qualified Joint and Survivor Annuity and your spouse consents to an optional form of payment. Under a Qualified Joint and Survivor Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your lifetime and, at your death if your spouse survives you, he or she will receive payments equal to 50% of your lifetime payment. After your surviving spouse dies, all payments stop.

If you are not married on the date you commence distribution from an Investment Fund, the Investment Company is required to pay distributions in the form of a Single Life Annuity unless you waive the Single Life Annuity and elect an optional form of payment. Under a Single Life Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your lifetime, and at your death, all payments stop.

If you or your spouse does not waive the normal form of payment form for amounts invested in TIAA-CREF Mutual Funds, you must transfer those amounts to the TIAA Traditional Annuity, the TIAA Real Estate Account, or to a CREF Account if you wish to commence distributions.

## Optional Forms of Payment

### *Description of Forms of Payment*

The optional forms of payment vary depending on the Investment Funds in which your Account is invested and the Investment Vehicles under which your Account is held and, are governed by the terms of your Investment Funds and Investment Vehicles. For information regarding the Retirement Plan's Investment Funds and Investment Vehicles, see *Investing Your Plan Contributions* Section. The optional forms of payment currently include:

- **Single Life Annuity Option**. This option enables you to receive amounts invested in annuity accounts in the TIAA Traditional Annuity, the TIAA Real Estate Account, a CREF Account or VALIC accounts in the form of monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) for life with payments stopping at your death. A single life annuity provides you with a larger payment than the survivor annuity options. This option is also available with a 10, 15, or 20 year guaranteed payment period (but not exceeding your life expectancy at the time you begin annuity payments). If you die during the guaranteed period, payments in the same amount that you would have received continue to your Beneficiary(ies) for the rest of the guaranteed period.
- **Survivor Annuity Option**. This option enables you to receive amounts invested in annuity accounts in the TIAA Traditional Annuity, the TIAA Real Estate Account, a CREF Account or VALIC accounts in the form of periodic payment (or, in the case of small payments, quarterly, semi-annual, or annual payments) for life, and if your co-annuitant lives longer

than you, he or she continues to receive a periodic payment (or, in the case of small payments, quarterly, semi-annual, or annual payments) for his or her life. The amount of the payment continuing to your co-annuitant depends on which of the following four options you choose:

- **Half Benefit to Co-Annuitant**. Payments continue as long as you live. If you die and your co-annuitant survives you, he or she will receive one-half of the payment you would have received if you had lived.
- **Full Benefit to Co-Annuitant**. Payments continue as long as either you or your co-annuitant is living.
- **75% Benefit to Co-Annuitant**. Payments continue as long as you live. If you die and your co-annuitant survives you, he or she will receive 75% of the payment you would have received if you had lived.
- **66-2/3% Benefit to Survivor**. At the death of either you or your co-annuitant, payments are reduced to two-thirds of the amount that would have been paid if both of you had lived, and the reduced payment is continued to the survivor for life.

All survivor annuities are also available with a 10, 15, or 20 year guaranteed period, but not exceeding the joint life expectancies of you and your co-annuitant at the time you begin annuity payments.

▪ **Retirement Transition Benefit Option**. This option enables you to receive a one-time lump sum payment of up to 10% of amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account at the time you start payments under an annuity option. The one-time payment cannot exceed 10% of the amounts then being converted to an annuity. *This option is only available if the foregoing TIAA-CREF Investment Funds are held under a Retirement Annuity (RA) Investment Vehicle.*

▪ **Interest Payment Retirement Option (IPRO)**. This option enables you to receive payment from the TIAA Traditional Annuity equal to the contractual interest rate plus dividends that would otherwise be credited to your TIAA Traditional Annuity <u>and</u> is available only if (1) you are between the ages of 55 and 69½ and (2) you have at least $10,000 in the TIAA Traditional Annuity. Under the IPRO, your invested amount is not reduced because monthly payments are limited to the interest earned. Interest payments made under the IPRO must continue for at least 12 months and thereafter will continue until you begin or must begin receiving payments under an annuity option. When you do begin annuity payments from the TIAA Traditional Annuity, you may choose any of the available annuity options. If you die while receiving interest payments under the IPRO, your Beneficiary will receive the amount of your balance, plus interest earned but not yet paid. *This option is only available if the TIAA Traditional Annuity is held under a Retirement Annuity (RA) Investment Vehicle.*

▪ **Fixed Period Option**. For the TIAA-CREF SRA or VALIC accounts, this option enables you to receive amounts over a fixed-period of time. You may select a fixed period between two (2) and 30 years. However, with respect to amounts invested in the TIAA Traditional Annuity that are held under a Retirement Annuity (RA) Investment Vehicle, you are limited to a fixed period of 10 years. At the end of the selected period, all payments stop. If you die during the selected period, payments will continue in the same amount to your Beneficiary for the duration of your selected period. *This option is currently not available for amounts invested in TIAA-CREF Mutual Funds.*

- **Minimum Distribution Option (MDO)**. This option enables you to automatically comply with federal tax law distribution requirements _and_ is available only in the year you attain age 70½ or retire, if later. Under the MDO, you will receive the minimum distribution that is required by federal tax law while preserving as much of your Account as possible. If you die while receiving payments under the MDO, your Beneficiary will receive the remaining portion(s) of your Account. *This option is currently not available for amounts invested in the TIAA-CREF Mutual Funds.*
- **Lump Sum or Partial Lump Sum Distribution Option**. This option enables you to receive all or a portion of amounts invested in your Investment Funds in the form of a lump sum distribution or partial lump sum distributions. Partial lump sum distributions are administered through the Investment Company's systematic withdrawal service. This service (provided free of charge) allows you to specify the amount and frequency of payments. Currently, the initial amount must be at least $100 per investment fund. Once payments begin, they will continue at the frequency you specify, *i.e.*, monthly, quarterly, semi-annually, or annually. You can change the amount and frequency of payments, as well as stop and restart payments as your needs dictate. Once you receive the entire amount invested in such Investment Funds, no future benefits from those Investment Funds will be payable to you, your spouse, or Beneficiary upon your death. *This option does not apply to amounts invested in the TIAA Traditional Annuity that is held under a Retirement Annuity (RA) except as provided immediately below.*
- **One-Time Lump Sum Distribution Option**. This one-time lump sum option enables you to receive amounts invested in the TIAA Traditional Annuity that is held under a Retirement Annuity (RA) if the amount invested in the TIAA Traditional Annuity does not exceed $2,000 and (1) you do not have an existing Fixed Period Option (described above) or an existing Transfer Payout Annuity in force and (2) you elect a lump sum distribution of all amounts invested in TIAA-CREF Investment Funds at the same time. Once paid, no future distributions from your TIAA-CREF Investment Funds will be paid to you, your spouse, or Beneficiary upon your death. See the _*Investing Your Plan Contributions*_ Section for information regarding the TIAA-CREF Transfer Payout Annuity.

The above descriptions of the optional forms of payment are summaries. In the event there is an inconsistency between the above descriptions and the payment form available under the terms of your Investment Funds and Investment Vehicles, the terms of your Investment Funds and Investment Vehicles will govern.

## *Amount of Lifetime Payments*

If you elect to have all or a portion of your Account paid in the form of lifetime annuity payments, the amount of your annuity payments will depend on a number of factors – the amount subject to the payment option, the annuity option elected, your age, and if applicable, your co-annuitant's age at time payments commence.

**Contact TIAA-CREF**

The rules used to determine lifetime benefit payments under the different payment options are somewhat complex. Contact TIAA-CREF for details.

For example, the amount of your lifetime annuity payments will be greater under the Single Life Annuity Option versus a Survivor Annuity Option. This is because your payments under a Survivor Annuity Option are reduced to take into account that payments continue to your spouse or other Beneficiary after your death. Also keep in mind that federal tax laws may limit the length of a guaranteed period or the amount of a survivor annuity if you name a co-annuitant who is not your spouse.

## Electing an Optional Form of Payment

The election of an optional form of payment must be made during the 180-day period before distributions payments begin. If you are married when distributions begin and you wish to elect an optional payment form or a co-annuitant other than your spouse, your spouse must consent within the same 180-day period. The waiver also may be revoked during the same 180-day period but cannot be revoked after payments begin.

Your spouse's consent must be in writing and witnessed by a notary public and must contain his or her acknowledgment as to the effect of the consent and that it is irrevocable. Your spouse must either consent to a specific form of payment or provide a general consent that expressly permits you to choose an optional form of payment without his or her consent. Your spouse's consent is not required if you are legally separated unless a Qualified Domestic Relations Order (described below) requires otherwise or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish that you have no spouse or that he or she cannot be located.

## Direct Rollovers

If you receive a distribution that is an "eligible rollover distribution," you may roll over all or a portion of it either directly or within 60 days after receipt into an individual retirement account or annuity (IRA) described in Section 408(a) or 408(b) of the Internal Revenue Code, including a Roth IRA described in Section 408A of the Internal Revenue Code, a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code, a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, or an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts your eligible rollover distribution and to the extent required, separately accounts for your eligible rollover distribution. An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment, a payment that is part of a fixed period payment over ten or more years, or a hardship withdrawal.

Eligible rollover distributions are subject to a mandatory federal income tax withholding rate of 20% *unless* it is rolled over directly to an IRA or other eligible retirement plan; this process is called a "direct rollover." If you have an eligible rollover distribution paid to you, then 20% of the distribution must be withheld even if you intend to roll over the money into an IRA or other eligible retirement plan. This means that, in order to roll over the entire distribution in a 60-day rollover to an IRA or other eligible retirement plan, you must use other funds to make up for the 20% withheld. To avoid withholding, request your Investment Company to directly roll over an eligible rollover distribution.

## Required Minimum Distributions

Generally, distributions from your Account must commence no later than April 1 of the calendar year following the year in which you attain age 70½, or, if later, April 1 following the calendar year in which you terminate employment from the Institute. The amount of your required minimum distribution depends on the value of your Account and whether you elect to have your required minimum distributions calculated over your life expectancy or the joint life expectancy of you and a designated Beneficiary. You may satisfy the minimum distribution requirement by taking your entire required minimum amount from either the Retirement Plan or any other 403(b) plan in which you have an account balance. The payment of your required minimum distributions is extremely important because federal tax laws impose a 50% excise tax on the difference between the required minimum distribution amount and the amount actually distributed if it is less than the required minimum distribution amount. The foregoing rule does not apply to amounts contributed to TIAA-CREF prior to January 1, 1987 if such amounts were accounted for separately by TIAA-CREF. For further information regarding the special rules that apply to amounts accumulated prior to January 1, 1987, contact TIAA-CREF. To ensure that your required minimum distributions are made timely and in the proper amount, you can elect the Minimum Distribution Option described under the *Optional Forms of Payment* section above. You should keep the Investment Companies informed of your current mailing address. The University is not responsible for any excise taxes that may be imposed if you cannot be located at the time a required minimum distribution is due.

## Qualified Domestic Relations Orders

The Retirement Plan will comply with a decree or order issued by a court that establishes the rights of another person (referred to as an **"Alternate Payee"**) to all or a portion of your Account to the extent that the decree or order is a "Qualified Domestic Relations Order" or "QDRO". A decree or order is a QDRO if it is consistent with the terms and conditions of the Retirement Plan and your Investment Funds. A QDRO may preempt the usual requirements that your spouse be considered your primary Beneficiary for all or a portion of your Account. The Investment Companies will determine if a decree or order meets the requirements of a QDRO:

- **TIAA-CREF**. With respect to your Account invested with TIAA-CREF, you or your attorney can obtain a description of the procedures for QDRO determinations ("QDRO Procedures") as well as a model TIAA-CREF QDRO at no charge from the TIAA-CREF National Web Center at www.tiaa-cref.org or by calling TIAA-CREF at (800) 842-2252. Requests for determination as to whether a decree or order is a QDRO can be sent to TIAA-CREF as follows:
  - **By Delivery**: 8500 Andrew Carnegie Blvd., Charlotte, NC 28262
  - **By Mail**: P.O. Box 1259, Charlotte, NC 28201
  - **By Facsimile**: (800) 842-5916

- **VALIC.** With respect to your Account invested with VALIC, you or your attorney can obtain a description of the procedures for QDRO determinations ("QDRO Procedures") as well as a model VALIC QDRO at no charge from the VALIC website at www.valic.com

(Plan ID 51059) or by calling (800) 448-2542. Requests for determination as to whether a decree or order is a QDRO can be sent to VALIC as follows:

- **By Delivery**: 2271 S.E. 27th Street, Amarillo TX 79103
- **By Mail**: P.O. Box 45648, Amarillo, TX 79105-5648
- **By Facsimile**: (877) 202-0187 Attn: Document Control

It is recommended that prior to filing a decree or order with the court, you or your attorney should send a draft decree or order to TIAA-CREF or VALIC for review. By doing so, required revisions can be made prior to filing and you will avoid multiple filings with the court.

An Alternate Payee may request a distribution (to the extent permitted under the QDRO) as soon as administratively practicable following the date the domestic relations order is determined to be a QDRO and prior to the Participant's termination date. The process by which the amount awarded is paid to the Alternate Payee shall be determined by the Investment Company including, but not limited to, the issuance or establishment of separate Investment Vehicles on behalf the Alternate Payee.

# Tax Information

Distributions from the Retirement Plan are subject to federal income tax when you receive them. Some of the rules that affect the taxation of your distributions are as follows:

**Lifetime Annuity Payments**. Annuity payments paid over your lifetime are not subject to mandatory federal income tax withholding. You may elect that withholding not apply to your payments but if you do nothing, federal income tax will be withheld as if you are married claiming three withholding allowances. You may not roll over annuity payments to an IRA or other eligible retirement plan. The election to waive tax withholding will be included in the distribution packet sent to you by TIAA-CREF or VALIC and must be completed before annuity payments can commence.

**Periodic Payments**. Periodic payments may or may not be subject to mandatory federal income tax withholding. If your periodic payments are scheduled to last for a period of less than 10 years, the payments are treated as lump sum distributions and are subject to tax as described below. If your periodic payments are scheduled to last for a period of 10 years or more, the payments are treated like lifetime annuity payments and are subject to tax withholding as described above. You also may be required to pay an additional 10% tax penalty if one or more of your periodic payments are an early distribution as described below.

**Lump Sum Distributions**. Lump sum distributions are subject to a mandatory federal income tax withholding rate of 20% to the extent you do not elect a direct rollover to an IRA or other eligible retirement plan. See the <u>*Direct Rollover*</u> Section above for further information regarding direct rollovers. If you roll over all or a part of your lump sum distribution within 60 days, that portion will not be subject federal income tax in the year of distribution and will continue to be tax-deferred. Portions that are not timely rolled over are treated as taxable income in the year of distribution and you may be required to pay income taxes in addition to the 20% withheld when you file your tax return for that year.  You also may be required to pay an additional 10% tax penalty if your distribution is an early distribution as described below.

**Early Distribution Penalty**.  If you receive a distribution prior to age 59½, the portion you do not roll over to another tax-deferred retirement vehicle is subject to an additional 10% penalty federal excise tax unless the distribution is made because:

- You terminate employment with the University at age 55 or older;
- You die or become disabled;
- You elect to receive distributions as part of a series of substantially equal periodic payments (not less frequently than annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your Beneficiary; or
- The distribution is received pursuant to a Qualified Domestic Relations Order.

The tax information described above is not intended to give specific tax advice to you (or your Beneficiaries).  A more detailed summary, *Special IRS Tax Notice Regarding Plan Payments*, contains more information and is available from the Investment Companies.  Tax laws are complicated and change often.  They also affect different individuals in different ways.  A professional tax advisor is your best source of information about the tax laws applicable to distributions from the Retirement Plan.

# Death Benefits

| Contact Your Investment Company |
|---|
| The Investment Companies administer the payment of death benefits from the Retirement Plan. To request a death benefit payment:<br>▪ **TIAA-CREF**. Visit the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens or call TIAA-CREF at (800) 842-2252.<br>▪ **VALIC**. Visit the VALIC website at www.valic.com (Plan ID 51059) or call (800) 448-2542. |

## Amount of Death Benefit

If you die *after* you commence distributions under an Investment Fund, the amount payable to your Beneficiary or, if applicable, your co-annuitant will depend on the payment option you elected. For example, if you elected that amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account be paid in the form of a survivor annuity, then your co-annuitant will receive the survivor benefit you elected. Alternatively, if you elected a lump sum distribution or a single life annuity from the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account, your surviving spouse or other Beneficiary will receive nothing.

If you die *before* you commence distributions under an Investment Fund or you elected periodic lump sum distributions from an Investment Fund, the entire value (or remaining value) of your investment funds is payable as a death benefit. If you are not married at the time of your death, the entire value of your Investment Funds will be paid to your designated Beneficiary(ies). If you are married at the time of your death, at least 50% of the entire value (or remaining value) of your Investment Funds is payable to your spouse in the form of a Qualified Pre-Retirement Survivor Annuity (as described below) unless your spouse waives the Qualified Pre-Retirement Survivor Annuity or waives the Qualified Pre-Retirement Survivor Annuity and consents to a non-spouse Beneficiary as described below.

## Forms of Payments for Death Benefits

- **Qualified Pre-Retirement Survivor Annuity**. If you are married on the date of your death, your Investment Company is required to pay at least 50% of your death benefits in the form of a Qualified Pre-Retirement Survivor Annuity to your surviving spouse. Under a Qualified Pre-Retirement Survivor Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your spouse's lifetime, and at his or her death, all payments stop. Your surviving spouse may waive the Qualified Pre-Retirement Survivor Annuity and elect an optional payment form. Alternatively, you may choose the form of payment to your spouse during your lifetime if you do so in a manner acceptable to your Investment Company.
- **Optional Forms of Payment**. A surviving spouse who waives the Qualified Pre-Retirement Survivor Annuity or a non-spouse Beneficiary may elect any optional payment form.

Alternatively, you may choose the form of payment to your Beneficiary during your lifetime if you do so in a manner acceptable to your Investment Company. The optional payment forms available are similar to the optional payment options described in the *Distributions from Your Account* Section. For further information regarding distributions to Beneficiaries and available forms of payment, contact your Investment Company. If your death benefits are paid in the form of an eligible rollover distribution, a surviving spouse and non-spouse Beneficiary may elect a direct rollover as described in the *Distributions from Your Account* Section. A non-spouse Beneficiary, however, may only elect a direct rollover to an individual retirement account or an individual retirement annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code, respectively, that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) of the Internal Revenue Code.

## Designating your Beneficiary

### *Beneficiary Designation Form*

It is important for you to designate one or more Beneficiaries by completing a Beneficiary Designation Form or separate Beneficiary Designation Forms if you have amounts invested with TIAA-CREF and VALIC. Your Beneficiary is the person who will receive your death benefits, if any.

**Online submission of Beneficiary Designation Form**

You are encouraged to complete your Beneficiary Designation Form online through the Investment Companies websites.

Please note the following:

- If you are not married, you can name anyone as your Beneficiary.
- If you are married at the time of your death, your spouse is automatically entitled to 50% of your death benefits. You can name anyone as your Beneficiary with respect to the remaining 50% of your death benefits. If you wish to designate a Beneficiary other than your spouse to receive more than 50% of your death benefits, your spouse must consent to your choice of Beneficiary or Beneficiaries. ***For additional information regarding the designation of a non-spouse Beneficiary, see below.***

To complete a Beneficiary Designation Form:

- **TIAA-CREF**. To designate a Beneficiary for amounts invested with TIAA-CREF, you can complete your TIAA-CREF Beneficiary Designation Form online through the TIAA-CREF/Stevens website at www.tiaa-cref.org/stevens. If you are married and designate a Beneficiary other than your spouse to receive more than 50% of your death benefits, your beneficiary designation is not complete (or effective) until you mail a signed and notarized Spousal Consent Form to TIAA-CREF at the address below:

TIAA-CREF
P.O. Box 1268
Charlotte, N.C. 28201

If you do not wish to complete your TIAA-CREF Beneficiary Designation Form online, you may print a paper copy from the TIAA-CREF/Stevens website or you may request a paper copy by calling TIAA-CREF at (800) 842-2252. You must send the TIAA-CREF Beneficiary Designation Form and, if applicable, Spousal Consent Form to TIAA-CREF at the address above.

- **VALIC.** To designate a Beneficiary for amounts invested with VALIC, you can complete your VALIC Beneficiary Designation Form online through the VALIC website at www.valic.com (Plan ID 51059). If you are married and designate a Beneficiary other than your spouse to receive more than 50% of your death benefits, your beneficiary designation is not complete (or effective) until you mail a signed and notarized Spousal Consent Form to VALIC at the address below:

  VALIC Client Care Center
  P.O. Box 15648
  Amarillo, TX 79105-5648

  If you do not wish to complete your VALIC Beneficiary Designation Form online, you may print a paper copy from the VALIC website or you may request a paper copy by calling (800) 448-2542. You must send the VALIC Beneficiary Designation Form and, if applicable, Spousal Consent Form to VALIC at the address above.

## *Failure to Properly Designate a Beneficiary*

A Beneficiary Designation Form that is filed with one Investment Company is not effective with respect to amounts held by another Investment Company. If you fail to designate a Beneficiary, improperly designate a Beneficiary, or if no Beneficiary survives you, your death benefits, if any, will be distributed as set forth below:

**A Beneficiary Designation is not effective until a complete Beneficiary Designation Form and, if required, Spousal Consent Form, is received by your Investment Company.**

- If you are not married on the date of your death and a Beneficiary Designation Form is not on file with your Investment Company on the date of your death or your designated Beneficiary does not survive you, 100% of your death benefits, if any, will be paid to your estate.
- If you are married on the date of your death and a Beneficiary Designation Form is not on file with your Investment Company on the date of your death or your designated Beneficiary does not survive you, 50% of your death benefits, if any, will be paid to your spouse and 50% will be paid to your estate. If you improperly designated a non-spouse Beneficiary, for example, you filed a Beneficiary Designation Form with TIAA-CREF designating that 100% of your death benefits be paid to a non-spouse Beneficiary but failed to file a completed Spousal Consent Form with TIAA-CREF prior to your death, 50% of your death benefits will

be paid to your designated non-spouse Beneficiary but the remaining 50% of your death benefits will be paid to your spouse.

### Periodic Review of Your Designated Beneficiary

You should review your beneficiary designation periodically to make sure the person you want to receive your death benefit is properly designated. For example, if your marital status changes, you should review your beneficiary designation. If you marry, your new spouse is automatically the Beneficiary with respect to 50% of your death benefits as a matter of law absent a Qualified Domestic Relations Order providing otherwise. However, your divorce will not automatically revoke a beneficiary designation naming your former spouse as your Beneficiary. You can change your Beneficiary at any time (subject to the spousal consent requirement) by submitting a new TIAA-CREF Beneficiary Designation Form or VALIC Beneficiary Designation Form as applicable. You may obtain Beneficiary Designation Forms and, if applicable, a Spousal Consent Form from your Investment Company.

## Designation of Non-Spouse Beneficiary

If you are married and you wish to designate a Beneficiary other than your spouse for more than 50% of your death benefits, the following rules apply:

### Applicable Election Period

You may designate a non-spouse Beneficiary at any time but you may not designate a non-spouse Beneficiary with respect to more than 50% of your death benefits until your applicable election period that begins on the later of (1) the first day of the Plan Year in which you attain age 35 or (2) the day you first becomes a Participant. If you terminate employment with the University prior to the first day of the Plan Year in which you will attain age 35, the applicable election period begins on the date of your termination. The applicable election period ends on the first to occur: (1) the date of your death or (2) the date you start receiving benefit payments. You may also revoke your designation during the applicable election period. If you designate a non-spouse Beneficiary prior to the time you are permitted to do so, such designation will not be treated as an effective designation with respect to 50% of your death benefits but will be treated as an effective designation with respect to amounts not required to be paid to your spouse. Also, consent by a former spouse is not effective with respect to a subsequent spouse.

### Spousal Consent

Your spouse must waive the Qualified Pre-Retirement Survivor Annuity and consent to your Beneficiary or Beneficiaries. Your spouse's waiver and consent must be in writing and witnessed by a notary public and must contain his or her acknowledgment as to the effect of the waiver and consent and that it is irrevocable. Your spouse may provide a general consent that expressly permits you to designate a Beneficiary without any further consent by your spouse. If a designated Beneficiary dies, a new consent is necessary unless your spouse gave his or her express consent of your right to designate a new one without further spousal consent. Your spouse's consent is not required if you are legally separated unless a Qualified Domestic Relations Order requires otherwise or if you have been abandoned (within the meaning of local law) and you have a court order to such effect.  See the *Distributions from Your Account* Section, for further information regarding Qualified Domestic Relations Orders.  Spousal consent is also not required if you can establish that you have no spouse or that he or she cannot be located.

## Required Minimum Distributions

Generally, death benefits must be distributed by December 31 of the fifth calendar year after your death.  Under a special rule, death benefits may be payable over the life or life expectancy of your Beneficiary.  If your Beneficiary is your spouse, distributions under the special rule can be deferred until December 31 of the calendar year that you would have attained age 70½ had you continued to live.  If your Beneficiary is not your spouse, distributions must commence not later than December 31 of the calendar year immediately following the calendar year of your death.  The distribution of death benefits in accordance with these rules is extremely important. Federal tax law imposes a 50 percent excise tax on the difference between the amount of distribution required by law and the amount actually distributed if it is less than the required minimum amount.  The foregoing rule does not apply to amounts contributed to TIAA-CREF prior to January 1, 1987 if such amounts were accounted for separately by TIAA-CREF.  For further information regarding the special rules that apply to amounts accumulated prior to January 1, 1987, contact TIAA-CREF.  The Investment Companies will notify your Beneficiary of the applicable requirements at the time he or she notifies them of your death.  If your Beneficiary fails to timely notify an Investment Company of your death, the University is not responsible for any excise taxes that may be imposed if your death benefits are not distributed timely.

# Claims and Appeals Procedures

## Claims Procedures

If all or part of your claim for benefits (or a claim by your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) is denied under the Retirement Plan, the Plan Administrator or its delegate (claim administrator) will send you (or your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) or an authorized representative a written or electronic explanation of denial setting forth (1) the specific reasons for the denial, (2) references to the Retirement Plan's provisions upon which the denial is based, (3) a description of any missing information or material necessary to process your claim (together with an explanation why such material or information is necessary), (4) an explanation of the appeals procedures for the Retirement Plan, as applicable, and (5) a statement of your right to bring a civil action under Section 502(a) of ERISA if your claim is denied upon appeal.

An explanation of denial will be sent within 90 days following receipt of your benefit claim by the claim administrator unless the claim administrator determines that special circumstances require an extension of time for processing your claim.  In the event an extension is necessary, you will receive written or electronic notice of the extension prior to the expiration of the initial 90-day period.  The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered.  In no event shall the period of the extension exceed 90 days from the end of the initial 90-day period.

## Appeals Procedures

If your claim for benefits is denied and you (or your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) or an authorized representative wish to appeal the denial of your claim, you must submit a written appeal to the Plan Administrative Committee, in care of the Benefits Coordinator, <u>within 60 days</u> after you receive the denial notice.  You must exhaust the appeal procedures under the Retirement Plan prior to seeking any other form of relief.  Under the Retirement Plan's appeals procedures:

- You may include written comments, documents, records and other information relating to your claim.
- You may review all pertinent documents and, upon request, shall have reasonable access to or be provided free of charge, copies of all documents, records, and other information relevant to your claim.

The Plan Administrative Committee will provide a full and fair review of the appeal and will take into account all your claim related comments, documents, records, and other information submitted without regard to whether such information was submitted or considered under the initial determination.

The Plan Administrative Committee will send you written or electronic notice of the decision rendered with respect to your appeal within 60 days following its receipt and all necessary documents and information unless the Plan Administrative Committee determines that special circumstances require an extension of time for processing the appeal. In the event an extension is necessary, a written or electronic notice of the extension will be sent to you prior to the expiration of the initial 60-day period. The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In no event shall the period of the extension exceed 60 days from the end of the initial 60-day period.

In the case of a denial of an appeal, the written or electronic notice of such denial shall set forth (1) the specific reasons for the denial, (2) references to the Retirement Plan's provisions upon which the denial is based, (3) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relating to your claim for benefits, and (4) a statement of your right to bring a civil action under Section 502(a) of ERISA.

Any decision of the Plan Administrative Committee made hereunder shall be final, conclusive and binding upon you, the Retirement Plan, and the University, and the Office of Human Resources will take appropriate action to carry out such decision.

# Other Plan Information

## Plan Administrator

The Plan Administrator is the University. The University has delegated administrative and investment oversight duties to the Plan Administrative Committee and the discretionary power and authority to carry out its duties.

## Plan Administrative Committee

The Plan Administrative Committee has the duty to establish reasonable rules and procedures for the Retirement Plan's administration and has the power to delegate day-to-day administration of the Retirement Plan. The Plan Administrative Committee has the discretionary power and authority to determine all questions relating to the administration of the Retirement Plan, including, but not limited to, reconciling any question or dispute arising under the Retirement Plan, and interpreting the plan document. Any determination made by the Plan Administrative Committee shall be final, conclusive and binding final and, if subject to judicial review, shall be given deference and overturned only if arbitrary or capricious.

## Collective Bargaining Units

The Plan is maintained in part pursuant to collective bargaining agreements between the University and Local 641 of International Brotherhood of Teamsters.

## Amendment and Termination of the Plan

The University has reserved the right to terminate the Retirement Plan or to amend the Retirement Plan under circumstances that the University deems advisable (including, but not limited to, cost or plan design considerations). Current participation in the Retirement Plan does not vest in any Participant any rights to any particular benefit coverage in the future. In the event of termination or amendment or elimination of benefits, the rights and obligations of Participants prior to the date of such event shall remain in effect, and changes shall be prospective, except to the extent that the University or applicable law provides otherwise.

## Creditor Claims

By law, no one other than you and your Beneficiary have any claims to the benefits payable under the Retirement Plan. This means that you cannot assign or pledge your benefits to any creditor or other person, and a third party's claims for Retirement Plan benefits payable to you are ineffective. There is an exception to this rule. The Retirement Plan will comply with a Qualified Domestic Relations Order that directs the Retirement Plan to pay a specified portion of your Retirement Plan benefits to a spouse, former spouse, and/or for child support. See the *Distributions from Your Account* Section for further information.

## Cost of Plan Administration

All costs of administering the Retirement Plan will be paid by the Retirement Plan except as otherwise provided in this Summary Plan Description or plan document.

## Pension Benefit Guaranty Corporation (PBGC)

Benefits under the Retirement Plan are not insured by the PBGC. The PBGC is the government agency that guarantees certain types of benefits under certain type of plans.

# Your ERISA Rights

You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that you shall be entitled to:

## Receive Information about the Plan and Benefits

As a Participant, you are entitled to receive the following information about the Retirement Plan and your benefits:

- Examine, without charge, at the Office of Human Resources and at other specified locations, such as worksites, all documents governing the Retirement Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual reports (Form 5500 Series) filed by the Retirement Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Office of Human Resources, copies of documents governing the operation of the Retirement Plan, including annuity contracts or custodial account agreements, and copies of the latest annual reports (Form 5500 Series) and updated Summary Plan Description. The Office of Human Resources may make a reasonable charge for the copies.
- Receive a summary of the Retirement Plan's annual reports. The Plan Administrator is required by law to furnish each Participant with a copy of these summary annual reports.
- Obtain statements reflecting the value of your total Account held on your behalf under the Retirement Plan which is the current amount available to you at normal retirement age if you do not commence benefit payments sooner. These statements must be requested in writing and is not required to be given more than once every twelve (12) months. The Office of Human Resources must provide the statement free of charge.

## Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants of the Retirement Plan, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans. The people who operate the Retirement Plan, called "fiduciaries" of the Retirement Plan, have a duty to do so prudently and in the interest of you and other Participants of the Retirement Plan and their Beneficiaries. No one, including the University, the Plan Administrative Committee, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

## Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual reports from the Office of Human Resources and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Office of Human Resources. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan Administrative Committee's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that the Retirement Plan's fiduciaries misuse the Retirement Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## Assistance with Your Questions

If you have any questions about the Retirement Plan, you should contact the Office of Human Resources. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the University, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

# Plan References

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| **Name of Plan**: | Stevens Institute of Technology Defined Contribution Retirement Plan |
| **Plan Numbers**: | Retirement Plan: 001<br>When requesting additional information about the Retirement Plan from the Department of Labor, refer to the above plan number. |
| **Employer/ Plan Administrator:** | Stevens Institute of Technology<br>c/o Benefits Coordinator, Office of Human Resources<br>1 Castle Point Terrace<br>Hoboken, NJ 07030<br>(201) 216-5123<br>OfficeOfHumanResources@Stevens.edu<br>Employer Identification Number: 22-1487354 |
| **Plan Administrative Committee:** | Stevens Institute of Technology<br>ERISA Plan Administrative Committee<br>c/o Benefits Coordinator, Office of Human Resources<br>1 Castle Point Terrace<br>Hoboken, NJ 07030<br>(201) 216-5123<br>OfficeOfHumanResources@Stevens.edu |
| **Investment Companies:** | Teachers Insurance and Annuity Association-<br>College Retirement Equities Fund (TIAA-CREF)<br>730 Third Avenue<br>New York, NY 10017<br>(800) 842-2252<br>www.tiaa-cref.org<br><br>The Variable Annuity Life Insurance Company (VALIC)<br>2929 Allen Parkway<br>Houston, TX 77019<br>(800) 428-2542<br>www.valic.com |
| **Agent for Service of Legal Process**: | Stevens Institute of Technology<br>c/o The Office of the General Counsel<br>1 Castle Point Terrace<br>Hoboken, NJ 07030<br>(201) 216-5667 |

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| | Legal process may also be served on the Investment Companies. |
| **Plan Year**: | January 1 through December 31<br>The Retirement Plan's accounting records are maintained on the basis of the Plan Year. |