

# **UNIVERSITY OF ALASKA RETIREMENT PROGRAM**

A Plan Document Containing the Terms and Conditions of  
Three Retirement Plans:

1. University of Alaska Pension Plan  
(A Defined Contribution Plan Qualified Under Code Section 401(a))
2. University of Alaska Optional Retirement Plan I  
(A Defined Contribution Plan Qualified Under Code Section 401(a))
3. University of Alaska Optional Retirement Plan II  
(A Tax-deferred Annuity Program Under Code Section 403(b))

Amended and Restated  
Effective January 1, 2016

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## PREAMBLE

This Retirement Program is a plan document (hereinafter, the “Plan Document”) which contains the terms and conditions of the following three retirement plans that are each sponsored by the University of Alaska (the “Employer”), and which each constitute a “governmental plan” within the meaning of Code Section 414(d):

1. University of Alaska Pension Plan, consisting of employer-paid pension benefits under a plan for eligible employees that is qualified under Code Section 401(a), as described in Article 11 and applicable provisions of Articles 1 through 10 of this Plan Document (hereinafter, the “Pension Plan”),
2. University of Alaska Optional Retirement Plan I, consisting of employer-paid pension benefits, for eligible employees who elect to participate, under a plan that is qualified under Code Section 401(a), as described in Article 12 and applicable provisions of Articles 1 through 10 of this Plan Document (hereinafter, the “ORP I”) and
3. University of Alaska Optional Retirement Plan II, consisting of mandatory employer-paid retirement benefits, for eligible employees who elect to participate, under a plan that complies with Code Section 403(b), as described in Article 12 and applicable provisions of Articles 1 through 10 of this Plan Document (hereinafter, the “ORP II”).

As approved by the Employer on January 14, 2002, the Pension Plan, ORP I and ORP II (collectively, the “Plans”) were each amended and restated in this consolidated Plan Document, effective as of January 1, 2001. As of that date, this Plan Document was restated to conform to amendments of the Code (commonly referred to as “GUST” amendments), and amendments enacted by the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”), and the Plans shall be interpreted in a manner consistent with applicable provisions of the Code.

The Internal Revenue Service delivered favorable determination letters, dated November 29, 2002, confirming the qualified status of the ORP I and Pension Plan under Code Section 401(a).

Effective July 1, 2005, this Retirement Program was amended and restated to include a modification of the ORP consisting of a new Employer contribution rate, as stated in Section 12.5(b), for certain Employees with Employment Dates after July 1, 2005 and before July 1, 2006.

Effective July 1, 2006, the ORP was amended to establish a Tier 3, and the Pension Plan was amended to establish a Tier B, for certain Eligible Employees with Employment Dates on or after that date.

Effective January 1, 2009, this Retirement Program was amended and restated to incorporate all amendments that had become effective between January 1, 2002, and January 1, 2009.

The Internal Revenue Service delivered a favorable determination letter for the ORP I on November 5, 2012, and for the Pension Plan on March 8, 2013, each confirming the continued qualifying status under Code Section 401(a) of the ORP I and Pension Plan, respectively.

Effective January 1, 2016, this Plan Document is amended and restated to incorporate all amendments that have become effective between January 1, 2009, and January 1, 2016.

NOW THEREFORE, the Employer hereby adopts this 2016 Restatement of the University of Alaska Retirement Program, effective January 1, 2016, and make other clarifying changes.

UNIVERSITY OF ALASKA

Date: December 18, 2015

By: James R. Johnsen

Name: James R. Johnsen

Title: President



# Article 1

## DEFINITIONS

The terms and phrases defined in this Article have the following meanings throughout this document, unless a different meaning is plainly required by the context. Capitalized terms are used throughout the text for terms defined by this and other Articles.

### 1.1 Account

“Account” means a Participant's individual record-keeping account reporting the value of the Participant's benefits under the Pension Plan (in the case of a Participant in the Pension Plan) and the ORP (in the case of a Participant in the ORP) and which consists of the sum of the Participant's Pension Plan Tier A Account, Pension Plan Tier B Account, ORP I Tier 1 Account, ORP I Tier 2 Account, ORP 1 Tier 3 Account, ORP II Account and including any Rollover Account (together with any additional accounts that the Retirement Committee may establish from time to time, and including any subaccount that may be maintained under an existing Account), as described further herein. Depending on the context, “Account” may refer to all such Accounts of a Participant combined, or fewer than all such Accounts.

### 1.2 Alternate Payee

“Alternate Payee” means a spouse, former spouse, child or other dependent of a Participant who has a right under one or more Plans to receive all or a portion of a Participant's benefit, or who has a contingent right to receive benefits as a named Beneficiary of a Participant, according to the terms of a Qualified Domestic Relations Order.

### 1.3 Annuity Starting Date

“Annuity Starting Date” is synonymous with “Benefit Commencement Date,” as defined in Section 1.6. The latter term is used throughout this Plan Document.

### 1.4 Appeals Committee

“Appeals Committee” means the committee to whom the Plans and the Retirement Committee have delegated, full authority and discretion to review and decide an appeal of a denial of a claim by a Claims Administrator. The Appeals Committee shall have the authority and responsibility delegated by the Retirement Committee pursuant to Section 8.3(b), and shall have the full authority and discretion to perform the duties and functions described for the Appeals Committee in Section 8.4. The Appeals Committee shall have three members who shall be appointed by the President, and the President shall designate one of such members as the Chair of the Appeals Committee. Members of the Appeals Committee may, but need not be, members of the Retirement Committee.

1.5 Beneficiary

“Beneficiary” means the individual (or entity, to the extent permitted by a Fund Sponsor) designated by the Participant in writing to receive benefits in the event of the Participant's death, pursuant to Section 6.6(e).

1.6 Benefit Commencement Date

“Benefit Commencement Date” means the first day of the first period for which a Plan benefit is payable as an annuity or the first day on which all events have occurred which entitle the Participant to a benefit in any other form. A Benefit Commencement Date may include, by way of example, the date as of which the amount of a lump-sum is determined for purposes of a distribution or rollover (whichever applies under the terms of the Plan), or the date as of which a Participant or Beneficiary starts receiving a series of annuity payments (either in cash or pursuant to an annuity contract) or any other optional form of benefit which may be available from a Fund Sponsor.

1.7 Benefits-Eligible Position

“Benefits-Eligible Position” means a position of employment with the Employer in which the Employee is eligible to actively participate in TRS, PERS, ORP and/or the Pension Plan, according to the terms and conditions of such retirement plans as are then in effect.

1.8 Board

“Board” means the Board of Regents of the University of Alaska.

1.9 Claims Administrator

“Claims Administrator” means the person or persons designated by the Statewide Director of Benefits to determine claims for benefits. The Claims Administrator shall have the full authority and discretion to perform the duties and functions described for the Claims Administrator in Section 8.4.

1.10 Code

“Code” means the Internal Revenue Code of 1986, as amended and including all regulations promulgated pursuant thereto.

1.11 Covered Wages

“Covered Wages” mean a Participant's earned income from the Employer, earned while a Participant, including geographic differentials, and holiday, sick and annual leave payments, (1) prior to deductions such as voluntary deferred payment arrangements, adjustments for tax-deferred annuities, flexible benefits reimbursement accounts and other salary reduction agreement amounts, and (2) prior to adjustments for housing, vehicle, moving and representational allowances, and other benefits. “Covered Wages” excludes sick leave death benefit payoffs, early retirement bonuses and awards, contract

termination settlements and awards, severance pay and other similar post-termination compensation, and payments for leave not used by the employee whether those leave payments are scheduled payments (e.g., for leave taken immediately prior to termination, such as terminal annual leave or terminal sick leave), lump-sum payments, donations or cash-ins.

Notwithstanding the foregoing, for purposes of calculating any contribution under ORP I or ORP II, where the contribution is based upon a percentage of Covered Wages, the Plans shall comply with Code Section 401(a)(17) by disregarding the dollar amount by which Covered Wages for a Plan Year exceed the maximum permissible dollar limitation permitted by Code Section 401(a)(17), as that statutory limit may be amended from time to time, and as that limit may be adjusted from year to year to the full extent authorized by the Internal Revenue Service (that limit being, for example, \$265,000 for Plan Year 2016).

“Covered Wages” shall also include differential wage payments made by an Employer to an Employee for any period during which such individual is performing services in the uniformed services while on active duty for a period of more than 30 days, to the extent required by Code Section 414(u)(12).

#### 1.12 Effective Date

“Effective Date” means with respect to each Plan, the date the Plan first became effective, as stated in Section 11.1 for the Pension Plan and Section 12.1 for ORP I and ORP II.

#### 1.13 Eligible Employee

“Eligible Employee” means any Employee who, based on the Employee’s primary assignment, is an “Eligible Employee for the Pension Plan” and/or an “Eligible Employee for the ORP.”

“Eligible Employee for the Pension Plan” shall have the meaning stated in Section 11.2.

“Eligible Employee for the ORP” shall have the meaning stated in Section 12.2.

Notwithstanding the foregoing, “Eligible Employee” (and the related defined terms for Eligible Employees for the Pension Plan or ORP) excludes:

- (a) a Leased Employee and any other person who performs services for the Employer but is on the payroll of a third party leasing organization; and
- (b) an individual who is not treated by the Employer as an Employee for payroll tax purposes, but who is subsequently determined by government agency, by conclusion or settlement of threatened or pending litigation or otherwise to be (or to have been) a common law employee of the Employer. Such an individual shall not be eligible to become a Participant in any of the Plans.

#### 1.14 Eligible Retirement Program

“Eligible Retirement Program” means any of the following entities that accepts eligible rollover distributions:

- (a) an individual retirement account described in Code Section 408(a);
- (b) an individual retirement annuity described in Code Section 408(b);
- (c) an annuity plan described in Code Section 403(a);
- (d) an annuity contract described in Code Section 403(b);
- (e) a qualified trust described in Code Section 401(a); or
- (f) an eligible plan under Code Section 457(b), 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, and which agrees to separately account for amounts transferred into such plan from this Plan.

Only for the purpose of Section 2.6 and 6.8, “Eligible Retirement Program” shall also mean a Roth IRA described in Code Section 408A.

#### 1.15 Employee

“Employee” means any person employed by the Employer as a common law employee and any Leased Employee who is considered an Employee of the Employer pursuant to Section 1.20. Leased Employees are included solely for purposes of demonstrating compliance with any applicable provision of the Code that requires the Plan to take account of the number of such Leased Employees.

#### 1.16 Employer

“Employer” means the University of Alaska.

#### 1.17 Employment Date or Reemployment Date

“Employment Date” or “Reemployment Date” means (a) in the case of a faculty member, the job start date of his or her appointment (or re-appointment), (b) for all other newly hired (or rehired) Employees, means the first day upon which an hour of service for performance of his or her duties is completed upon hire or rehire. In the case of a reclassified Employee with a transfer or reclassification that changes his or her eligibility from PERS to TRS or vice versa, or a reclassification of the type described in Section 12.2(a)(iii), the reclassification shall be treated for purposes of this Retirement Program as a simultaneous termination and Reemployment Date effective as of the job start date as of which the reclassification occurs.

1.18 Fund Sponsor

“Fund Sponsor” means a company providing services to the Plans as described in Article 4, that is either:

- (a) an insurance company authorized to issue and manage annuity contracts for participants in plans governed by Code Section 401(a) and 403(b),
- (b) a regulated investment company authorized to offer and manage custody accounts for participants in plans governed by Code Section 401(a) and 403(b), or
- (c) any other type of company or entity authorized by law to offer and manage Funding Vehicles for participants in plans governed by such Code sections. The fiduciary duties and other responsibilities of each Fund Sponsor shall be as stated in this Plan Document, including without limitation in Sections 4.2 and 8.5.

1.19 Funding Vehicle

The term “Funding Vehicle” means an investment fund, offered and managed by a Fund Sponsor (either directly or through a business relationship with another company) in which a Participant may elect to direct the investment of some or all of the balance of his or her Pension Account, ORP I Account or ORP II Account (whichever is applicable), and to which a Participant may elect to direct the investment of some or all of his or her Employee contributions and/or Employer contributions to any of his or her Accounts in accordance with Section 4.2.

1.20 Leased Employee

The term “Leased Employee” means any person (other than an Employee of the recipient) who, pursuant to an agreement between the Employer and any other person (“leasing organization”), has performed services for the Employer (or for the recipient and related persons determined in accordance with Code Section 414(n)(6)) on a substantially full-time basis for a period of at least one year, and such services are performed under primary direction or control by the Employer.

A Leased Employee shall be considered an Employee of the Employer, unless: (a) such employee is covered by a money purchase pension plan providing (i) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Code Section 415(c)(3), (ii) immediate participation, and (iii) full and immediate vesting; and (b) Leased Employees do not constitute more than 20 percent of the Employer’s nonhighly compensated workforce.

1.21 Limitation Year

“Limitation Year” means a calendar year.

1.22 Normal Retirement Age

“Normal Retirement Age” means attainment of age 60.

1.23 ORP

“ORP” means the Optional Retirement Plan and is a term that is used to refer, collectively, to ORP I and ORP II, as further described in Article 12 and in applicable provisions of Articles 1 through 10 of this Plan Document.

1.24 ORP I

“ORP I” means the University of Alaska Optional Retirement Plan I, consisting of an employer-paid defined contribution benefit plan, which is designed as a money purchase pension plan that is qualified under Code Section 401(a). The ORP I is further described in applicable provisions of Article 12 and the other applicable terms and conditions of Articles 1 through 10 of this Plan Document.

1.25 ORP II

“ORP II” means the University of Alaska Optional Retirement Plan II, consisting of an employee-paid defined contribution benefit plan, with mandatory employee contributions for any Eligible Employee for the ORP who wishes to qualify for employer-paid benefits under ORP I. ORP II is designed as a tax-deferred annuity plan offered by the Employer in accordance with Code Section 403(b). The ORP II is further described in applicable provisions of Article 12 and the other applicable terms and conditions of Articles 1 through 10 of this Plan Document.

1.26 ORP I Account

“ORP I Account” means the separate account that is established for each Participant in the ORP, and which is the individual record-keeping account to which Employer contributions to the ORP I and earnings thereon will be credited (net of expenses chargeable to the ORP I Accounts) by the Fund Sponsors elected by the Participant.

1.27 ORP II Account

“ORP II Account” means the separate account that is established for each Participant in the ORP, and which is the individual record-keeping account to which Employee contributions to the ORP II and earnings thereon will be credited (net of expenses chargeable to the ORP II Accounts) by the Fund Sponsors elected by the Participant.

1.28 Participant

“Participant” means any Employee or former Employee who participates in either or both of the Pension Plan and the ORP, in accordance with applicable provisions of Article 2, Article 11 and Article 12. A Participant shall be considered an active Participant in a Plan during any period for which contributions are being made to such Plan, and a Participant

shall be considered an inactive Participant at all other times, until such time as the Participant's Account in the Plan may be fully distributed or converted to an annuity contract.

“Participant in the Pension Plan” means any active or former Employee who is or was an Eligible Employee for the Pension Plan and who then actively or inactively participates in the Pension Plan.

“Participant in the ORP” means any active or former Employee who is or was an Eligible Employee for the ORP and who then actively or inactively participates in the ORP.

#### 1.29 Participating Position for the ORP

“Participating Position” means a position which has been designated as a position of employment that qualifies the current incumbent Employee (but not necessarily any future incumbent) to be an Eligible Employee for the ORP, as stated in Section 12.2.

#### 1.30 Pension Plan

“Pension Plan” means the University of Alaska Pension Plan, as described in Article 11 and in applicable provisions of Articles 1 through 10 of this Plan Document.

#### 1.31 Pension Plan Account

“Pension Plan Account” means the separate account that is established for each Participant in the Pension Plan, and which is the individual record-keeping account to which Employer contributions to the Pension Plan and earnings thereon will be credited (net of expenses chargeable to the Pension Plan Accounts) by the Fund Sponsor selected by the Participant.

#### 1.32 PERS

“PERS” means the Public Employees Retirement System offered and administered by the State of Alaska. PERS is available to certain eligible non-faculty Employees. The Employer is a participating employer in PERS. The terms and conditions of PERS are not contained in this Plan Document. Moreover, the Employer is neither the PERS administrator nor responsible for rule-making, interpreting or communicating the terms of PERS, or deciding claims or appeals for benefits under PERS.

#### 1.33 Plan or Plans

“Plan” or “Plans” means the University of Alaska Pension Plan, the University of Alaska Optional Retirement Plan I and/or the University of Alaska Optional Retirement Plan II, individually or collectively (in accordance with the context), as described in the terms and conditions of this Plan Document, as it may be amended from time to time.

1.34 Plan Document

“Plan Document” means the Plan document or documents which embody the terms of the Plans. The “Plan Document” for all three of the Plans is this University of Alaska Retirement Program document, as it may be amended from time to time.

1.35 Plan Year

“Plan Year” means the twelve (12) consecutive month period beginning on January 1 and ending on December 31.

1.36 President

“President” means the President of the University of Alaska.

1.37 Required Beginning Date

“Required Beginning Date” means the April 1 following the Plan Year in which the Participant attains age 70½ or terminates employment with the Employer, whichever is later.

1.38 Retirement Committee

“Retirement Committee” means the University of Alaska Retirement Committee as constituted and appointed by the President to oversee the administration of the Plans pursuant to Article 8.

1.39 Rollover Account

“Rollover Account” means the account that may be established for a Participant who elects, with the approval of the applicable Fund Sponsor, to engage in a tax-free rollover of assets from an Eligible Retirement Program into one of the Plans. A Participant’s rollover into a Plan shall be credited to a separate Rollover Account in the custody of the Fund Sponsor under the applicable Plan. A Participant’s Rollover Account(s) shall be fully vested at all times.

1.40 Statewide Director of Benefits

The term “Statewide Director of Benefits” means the Employee who holds a position bearing that title (or any successor title), and the term shall also include any person to whom such Employee delegates any of the responsibilities assigned to him or her under this Plan Document.

1.41 Tier 1 (Prior to July 1, 2005)

For the ORP, as further described in Sections 5.2(a) and 12.5(b), the term “Tier 1” shall refer to the Employer contribution rate and vesting provisions under ORP I for



Employees who elected ORP where the effective date of the individual's initial ORP election was prior to July 1, 2005.

1.42 Tier 2 (July 1, 2005 - June 30, 2006)

For the ORP, as further described in Sections 5.2(a) and 12.5(c), the term "Tier 2" shall refer to the Employer contribution rate and vesting provisions under ORP I for Employees who elected ORP, where the effective date of the individual's initial ORP election was on or after July 1, 2005 and prior to July 1, 2006.

1.43 Tier 3 (July 1, 2006 and Later)

For the ORP, as further described in Sections 5.2(b) and 12.5(d), the term "Tier 3" shall refer to the Employer and Employee contribution rates and vesting provisions under the ORP, and certain vesting provisions applicable to ORP I, for Employees who elect ORP where the effective date of the individual's initial ORP election is on or after July 1, 2006.

1.44 Tier A (Prior to July 1, 2006)

For the Pension Plan, as further described in Sections 5.2(a) and 11.5(f)(i), the term "Tier A" shall refer to the vesting and benefit provisions of the Pension Plan that applies to all current and future Employer contributions for a Participant who first commenced participation in the Pension Plan prior to July 1, 2006, whether or not the Participant's active participation ceases and resumes at any later date.

1.45 Tier B (July 1, 2006 and Later)

For the Pension Plan, as further described in Sections 5.2(b) and 11.5(f)(ii), the term "Tier B" shall refer to the vesting and benefit provisions of the Pension Plan that applies to all current and future Employer contributions for a Participant who first commences participation in the Pension Plan on or after July 1, 2006.

1.46 TRS

"TRS" means the Teachers Retirement System offered and administered by the State of Alaska. TRS is available to certain eligible academic Employees. For an Employee eligible for TRS with an Employment Date prior to July 1, 2006, TRS provides an optional defined benefit pension plan as an alternative to Tier 1 or Tier 2 of the ORP, and for an Employee eligible for TRS with an Employment Date on or after that date, TRS offers an optional defined contribution individual-account plan as an alternative to Tier 3 of the ORP. The Employer is a participating employer in TRS. The terms and conditions of TRS are not contained in this Plan Document. Moreover, the Employer is neither the TRS administrator nor responsible for rule-making, interpreting or communicating the terms of TRS, or deciding claims or appeals for benefits under TRS.

#### 1.47 Trusts or Funds

The term “Trusts” or “Funds,” for each Plan, refers to the Plan assets held for the benefit of Participants and Beneficiaries of the Pension Plan, the ORP I and the ORP II, respectively, in accordance with the terms of each of the respective Plans, in the form of annuity contracts held by any Fund Sponsors that are insurance companies and in the form of custodial accounts held by Fund Sponsors that are registered investment companies or other entities authorized to maintain such custodial accounts for plans complying with Code Section 401(a) and 403(b). Such annuity contracts and custodial accounts for the Pension Plan and the ORP I Plan assets held by the Fund Sponsors are intended to meet the trust requirement of Code Section 401(a) in accordance with the provisions of Code Section 401(f). Furthermore, as further provided in Section 8.5(c), the Employer has the discretion to appoint one or more trustees to maintain oversight of the custody and management of Plan assets. The “Trusts” or “Funds” are further described in Sections 4.2 and 8.5.

#### 1.48 Years of UA Service

Subject to the second paragraph of this Section, the term “Years of UA Service,” for purposes of determining whether an Employee is entitled to vest in a benefit under Section 5.2 that is not fully and immediately vested, shall mean a number of whole and fractional years based on the result of dividing: (a) the number of calendar days that have elapsed from an Employee’s most recent Employment or Reemployment Date for a Benefits-Eligible Position to the Employee’s next termination of employment from the Employer (or, if earlier, the date of change in employment status to a position that is not a Benefits-Eligible Position); by (b) 365.

In the case of a former active Participant in ORP Tier 3 and/or Pension Plan Tier B who is re-employed into a Benefits-Eligible Position on a Reemployment Date that is not more than 365 days later than his or her most recent termination of employment from a Benefits-Eligible Position with the Employer, his or her prior whole and fractional Years of UA Service shall be restored to him or her upon his or her Reemployment Date.

Notwithstanding the prior paragraph or any other provision of this definition, when calculating Years of UA Service, the first day credited shall be the first Employment Date or Reemployment Date that coincides with an Employee’s first day of coverage under a tier of the ORP or Pension Plan that is subject to a three-year vesting schedule. Any period of employment with the Employer prior to the first day of coverage that is subject to such a vesting schedule shall not be taken into account for vesting of any benefit earned on or after the date of entry into a tier that is subject to the three-year vesting schedule.

For purposes of this definition, a period of approved absence or leave (whether for time off, weekends, vacation, holidays or personal holiday, sabbatical, sick leave or other purposes), whether paid or unpaid, shall be considered a continuation of employment until the date the Employee is terminated from employment on the payroll records of the Employer. For purposes of calculating Years of UA Service, Employment Dates,

Reemployment Dates and termination dates that are recorded in the payroll records of the Employer shall be presumed to be accurate, in the absence of persuasive evidence presented by a Participant to the contrary that is reviewed and approved by a Claims Administrator.

## Article 2

### PARTICIPATION

#### 2.1 Participation

Each Participant is entitled to the benefits and is bound by all of the terms, provisions, and conditions of each Plan, including any and all amendments which from time to time may be adopted, and any contract and/or certificate which may be issued by a Fund Sponsor under any of the Plans.

(a) ORP.

An Eligible Employee for the ORP may voluntarily elect to become a Participant in ORP I and ORP II in accordance with Section 12.3.

(b) Pension Plan

An Eligible Employee for the Pension Plan shall become a Participant in the Pension Plan in accordance with Section 11.3.

#### 2.2 Notification

(a) ORP

For an Eligible Employee for the ORP, the Employer shall adopt procedures reasonably intended to notify the Employee when he or she is eligible to elect to participate in the ORP, and the Eligible Employee's failure to affirmatively elect to participate in the ORP within the applicable 30-day election period shall cause the Employee to participate in PERS or TRS (whichever is applicable to him or her) by default.

(b) Pension Plan

For an Eligible Employee for the Pension Plan, participation is automatic and the Employer shall adopt procedures reasonably intended to notify the Eligible Employee of such participation; provided, however, that the Retirement Committee may implement the default procedures for the selection of a Fund Sponsor and Funding Vehicle(s), as stated elsewhere in this Plan Document, in the event that an Employee fails to deliver enrollment elections.

#### 2.3 Sabbatical and Special Leave

Temporary appointment to sabbatical or special leave does not terminate participation in a Plan or eligibility for contributions based on any Covered Wages which may actually continue to be paid during any or all of such period of leave.

#### 2.4 Reemployment and Reclassification

An Employee who is reclassified or reemployed by the Employer will be eligible for participation in each Plan (subject to the terms and conditions of Articles 11 and 12 pertaining to eligibility and participation in the respective Plans) upon his or her classification, reclassification or reemployment as an Eligible Employee.

#### 2.5 Enrollment in Plan

A Participant shall be enrolled in the Pension Plan in accordance with Section 11.4, and enrolled in ORP I and II according to Section 12.4.

#### 2.6 Cessation of Participation

Participation in a Plan will cease upon:

- (a) full disbursement of benefits under that Plan through the direct payment of benefits or the delivery of an annuity contract;
- (b) rollover of a Participant's Account to another Eligible Retirement Program; or
- (c) termination of that Plan.

## Article 3

### PLAN CONTRIBUTIONS

#### 3.1 Employer Contributions

Employer contributions to the Pension Plan shall be made in accordance with the terms of Section 11.5, and Employer contributions to the ORP I shall be made in accordance with the terms of Section 12.5.

#### 3.2 Employee Contributions

For a Participant in the ORP, Employee contributions to the ORP II shall be made in accordance with the terms of Section 12.6. Except for rollover contributions made pursuant to Section 3.7, no other Employee contributions shall be permitted to the ORP or to the Pension Plan.

#### 3.3 Employer's Remittance of Contributions to Fund Sponsors

For active Participants in the Plans, Employer contributions to each Pension Plan Account and each ORP I Account, and Employee contributions to each ORP II Account, shall be remitted by the Employer no less frequently than monthly to the Fund Sponsor selected by a Participant in accordance with procedures established by the Employer.

Any determination as to the amount of Plan contributions by the Employer which is evidenced by a remittance and statement delivered to the Fund Sponsor is final and binding on all Participants, their Beneficiaries or contingent annuitants, and on any other person or persons claiming an interest in or derived from the contributions payment, subject to the rights afforded to a Participant (or a Beneficiary or Alternate Payee, where applicable) by Section 8.4 ("Claims and Appeals Procedures").

#### 3.4 Account Statements

Records for each Participant, Beneficiary or Alternate Payee under each Plan shall be maintained on a calendar-year basis by the applicable Fund Sponsor for each Account held for the benefit of the Participant, Beneficiary, or Alternate Payee. At least once a year, the Fund Sponsor will send each Participant, Beneficiary or Alternate Payee and the Employer a statement summarizing the status of the Participant's Account(s). If, within the time period specified by the Fund Sponsor, the Participant, Beneficiary or Alternate Payee makes no written objection to the Fund Sponsor, the Account statement shall become binding on the Participant and any Beneficiary or Alternate Payee.

#### 3.5 No Reversion

Under no circumstances (including, by way of example, upon Plan termination) will any Plan contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the Employer; except, in the event that Plan contributions are made by the Employer by

mistake of fact, such Plan contributions may be returned to the Employer within one (1) year of the date that such Plan contributions were made (as further described in Section 8.6(h)).

### 3.6 Maximum Contributions

Contributions and other additions to a Participant's Accounts in the Plans, shall not exceed the limitations prescribed under Code Section 415 and the regulations thereunder, which are incorporated herein by reference. If contributions or other additions to a Participant's Pension Plan Account and ORP I Account would otherwise exceed the limitations prescribed under Code Section 415 and the regulations thereunder, contributions and other additions shall be reduced first in the Participant's Pension Plan Account, then in the Participant's ORP I Account.

Compensation, for this purpose, for any tax year means taxable pay reportable on IRS Form W-2 under Code Sections 6051(a)(3) and 3401(a), disregarding limitations based on the nature or location of employment or the services performed, plus: i) the Participant's elective deferrals under Code Section 402(g)(3), plus ii) amounts contributed at the election of the Participant that are excludable from gross income pursuant to Code Section 125, plus iii) amounts contributed at the election of the Participant that are excludable from gross income pursuant to Code Section 132(f)(4).

Compensation, for this purpose, shall also include payments for services performed (including salary, overtime, shift differentials, commissions, bonuses and other similar payments) made by the later of:

- (a) 2½ months after severance from employment; or
- (b) the end of the calendar year that includes the date of severance from employment;

if, absent a severance from employment such payment would have been paid to the Employee while the Employee continued in employment with an Employer. No other post-severance payments shall be included.

### 3.7 Rollovers from Other Plans

#### (a) Rollover Request

A Participant may request that the Plan accept a valid rollover contribution as described in Section 3.7(b) to ORP I, ORP II or the Pension Plan. If, in accordance with administrative guidelines established by the Retirement Committee, the Fund Sponsor reasonably concludes that the rollover amount is a valid rollover contribution, the Fund Sponsor shall accept the rollover. If the Retirement Committee later determines that a rollover contribution was not a valid rollover contribution, the amount of the invalid rollover, plus earnings (if any) shall be distributed to the Participant within a reasonable time after the determination.

(b) Valid Rollover Contribution

A valid rollover contribution is one that meets each of the following terms and conditions as substantiated by proof acceptable to the Fund Sponsor:

- (i) The amount must have been distributed to the Participant from an Eligible Retirement Program.
- (ii) The amount must be a direct rollover, or must be contributed within 60 days after the Participant's receipt of the distribution (except where a longer period may apply pursuant to Code Section 402(c)(3)(B)).
- (iii) The amount must be in cash or cash equivalents, and not be any other type of property.

In addition, the Plans will not accept a rollover of after-tax funds or of funds distributed from a Roth IRA or designated Roth account. The Fund Sponsor may impose additional restrictions on rollover contributions.



## Article 4

### ACCOUNT ADMINISTRATION AND INVESTMENT OF FUNDS

#### 4.1 Types of Accounts

All contributions under a Plan shall be paid to the Fund Sponsor selected by the Participant for his or her Account under such Plan. The Fund Sponsor shall maintain, for such Participant, the type of Account applicable to such Plan, as follows.

(a) Pension Plan

For each Participant in the Pension Plan, there shall be a Pension Plan Account. The operation of such Account is more fully described in Article 11.

(b) ORP

For each Participant in the ORP, there shall be an ORP I Account and an ORP II Account. The operation of such Accounts are more fully described in Article 12.

For a Participant in any of the Plans who elects to roll over assets from an Eligible Retirement Program to any of the Plans in accordance with Section 3.7, a separate Rollover Account shall be established by the applicable Fund Sponsor for the custody, investment and record-keeping of such rollover assets.

#### 4.2 Fund Sponsors and Funding Vehicles

(a) Employee Discretion to Select Fund Sponsor and Funding Vehicles

Each Account for a Participant shall be invested in one or more authorized Funding Vehicles selected by the Participant, which are maintained by a Fund Sponsor authorized under this Plan Document by the Retirement Committee. The Participant may subsequently select a different Fund Sponsor, and may redirect the investment of contributions and Account balances, as further described in Sections 4.3 through 4.6 below.

(b) Employer and Retirement Committee Not Liable for Investments

Neither the Employer nor the Retirement Committee will be liable for the selection by any Participant, Beneficiary or Alternate Payee of any Fund Sponsor or any Funding Vehicle, nor shall the Employer or Retirement Committee be liable for investment results of any Fund Sponsor or Funding Vehicle. The previous sentence shall apply without regard to whether the Participant made an affirmative investment selection or an Account is invested in a default fund as a consequence of failure to submit an investment selection form (as described in Section 4.2(d) below).

(c) Fund Sponsors and Funding Vehicles Available to Participants

Accounts shall be invested in accordance with this Article 4.

The authorized Fund Sponsors and authorized Funding Vehicles offered to Participants in the Pension Plan or the ORP may be modified by the Employer without notice from time to time, subject to the protections afforded to Participants by Section 9.2. The stated investment objectives and the securities held by an authorized Funding Vehicle may be modified at any time, without advance notice to Participants, by the Fund Sponsor offering such Funding Vehicle.

A Participant may elect to invest any of his or her Accounts under the ORP or the Pension Plan in any one or more Funding Vehicles offered by a Fund Sponsor shown in the chart below; provided, that a Participant must select a Funding Vehicle which:

- (i) is not an excluded Funding Vehicle (as determined by the Retirement Committee), and
- (ii) is not a prohibited investment for Code Section 401(a) plans (in the case of a Participant's Pension Plan Account or ORP I Account) or for Code Section 403(b) plans (in the case of a Participant's ORP II Account).

Fund Sponsors
Fidelity Investments
Lincoln National Life Insurance Company
Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)
Variable Annuity Life Insurance Company (VALIC)

(d) Default Investments

If a Participant does not notify the Employer, in a manner designated by the Retirement Committee, of his or her selection of a Fund Sponsor for each Account, the default procedure under the applicable Plan shall provide for an Account for the benefit of the Participant to be established with a default Fund Sponsor.

If a Participant does not notify a Fund Sponsor, in a manner designated by the Fund Sponsor, of his or her selection of Funding Vehicles for each Account, the default procedure under the applicable Plan shall provide for the allocation of the Account held by the Fund Sponsor for the benefit of the Participant to be allocated to one or more default Funding Vehicles.

The Retirement Committee shall determine the Fund Sponsor and one or more Funding Vehicles for each Plan which shall constitute the default investment of each Plan. Nothing in this paragraph is intended to modify the default enrollment in PERS or TRS (whichever is applicable) if a Participant fails to affirmatively elect to participate in the ORP, as described in Section 12.4.

4.3 Changing Investments of Future Contributions

An investment election shall remain effective with regard to all subsequent amounts credited to a Participant's Account, until changed in accordance with the provisions of this Article.

A Participant may elect to change his or her selection for investment of future Employer contributions (or Employee contributions, in the case of the ORP II) between authorized Funding Vehicles of the same Fund Sponsor at the dates and times specified by the Fund Sponsor.

A Participant may change his or her selection of a Fund Sponsor for investment of future contributions with respect to any future pay period, under procedures to be established by the Retirement Committee.

4.4 Changing Investments of Existing Balances Between Fund Sponsors

Subject to a Fund Sponsor's rules and penalties for transfers and in accordance with the provisions of the Code for maintaining the tax deferral of the Account, a Participant may transfer, all or part of the balance in his or her Account (plus earnings through the date of transfer) to an authorized Funding Vehicle of another Fund Sponsor approved for receipt of current Employer contributions. The Retirement Committee may limit, restrict, or require such transfers when, in the opinion of the Retirement Committee, such action is in the best interest of the Plan or the Participants considered as a whole.

4.5 Changing Investments of Existing Balances Between Funding Vehicles of a Fund Sponsor

Subject to the Fund Sponsor's rules and penalties for transfers, a Participant may elect to transfer all or part of the balance in his or her Account to another authorized Funding Vehicle of the same Fund Sponsor at the dates, times, and in the manner specified by the Fund Sponsor.

4.6 Transfers From Restricted or Discontinued Funding Vehicles

Subject to the terms of any agreement between the Fund Sponsor and the Participant, the Retirement Committee may authorize or require the transfer of Account balances from any restricted or discontinued Funding Vehicle to one or more authorized Funding Vehicles.

## Article 5

### VESTING

#### 5.1 Vesting in ORP II

Except as provided under Section 8.6(h) (in the case of correcting an erroneous contribution) or Section 8.6(i) (in the case of a Participant, Beneficiary or Alternate Payee who cannot be located), a Participant shall at all times be 100% vested in Employee contribution amounts credited to a Participant's ORP II Account, including accumulated earnings thereon (net of accumulated losses and any applicable expenses charged to the Account).

#### 5.2 Vesting in ORP I and Pension Plan

##### (a) Immediate Vesting for ORP I Tiers 1 and 2, Pension Plan Tier A and Rollover Account

Except as provided under Section 8.6(h), 8.6(i), a Participant shall at all times be 100% vested in:

- (i) the Participant's Tier 1 or Tier 2 Account in ORP I,
- (ii) the Participant's Tier A Pension Plan Account, and
- (iii) a Rollover Account in ORP I or the Pension Plan.

100% vested status shall apply to both Employer contributions and all accumulated earnings on such Tier 1 or 2 ORP I Accounts, Tier A Pension Plan Accounts and Rollover Accounts (net of accumulated losses and any applicable expenses charged to the Accounts).

##### (b) 3-Year Vesting for ORP I Tier 3 and Pension Plan Tier B

Except as provided under Section 8.6(h) and 8.6(i), a Participant's ORP I Tier 3 Account and Pension Plan Tier B Account shall be:

- (i) 0% vested if the Employee has not accrued three Years of UA Service, and
- (ii) 100% vested if the Employee has accrued three Years of UA Service.

Once a Participant's Pension Plan Tier B Account or ORP I Tier 3 Account becomes 100% vested, that Account including any future contributions to such Account and earnings (net of accumulated losses and any applicable expenses charged to the Account), shall thereafter remain 100% vested.

(c) Vesting for ORP I Tier 3 and Pension Plan Tier B on Death or Disability

In addition, a Participant's ORP I Account Tier 3 and Pension Plan Tier B Account shall be 100% vested upon the occurrence of one of the following events while an Employee is in active service with the Employer:

- (i) Death of the Participant, or
- (ii) Onset of a Participant's disability that is certified by the administrator of the Employer-sponsored long term disability plan and that, prior to any recovery from the disability, results either in death or termination of employment due to the disability.

5.3 Forfeitures and Restorations of Accounts and Service

(a) Terminate Nonvested

Upon a Participant's termination of employment from the Employer (or cessation of employment in a Benefits-Eligible Position) at a time that his or her Pension Plan Tier B Account or ORP I Tier 3 Account balance is not vested, any such unvested balance shall be forfeited as of the date the Participant's termination of employment is processed by the recordkeeping system maintained by the Fund Sponsor, which shall be no later than three business days from the date the Fund Sponsor receives notice from the Employer of the Participant's terminated status.

Any balance that is forfeited as described in the prior paragraph shall be subject to potential restoration as described in subsection (b) below. The dollar amount of any such forfeited balance shall be preserved in the recordkeeping system until it is determined whether that balance shall later be restored or permanently forfeited in accordance with paragraphs (b) through (h) below.

(b) Rehire Within One Year

In the event that a Participant has a Reemployment Date in a Benefits-Eligible Position with the Employer on or before the 365th day following his or her prior termination of employment from a Benefits-Eligible Position (as described in subsection (a)), any balance that was forfeited under subsection (a) shall be restored to the Account from which it was forfeited.

The dollar amount restored to the Account shall be equal to the dollar amount previously forfeited from that Account, without adjustment for any hypothetical investment gains or losses which might otherwise have occurred if the Account balance had remained invested rather than been forfeited.

In addition, the Participant's prior (pre-termination) whole and fractional Years of UA Service (i.e. the accumulated days of such service) shall be re-credited to the Employee.

In the event that a Plan's forfeitures for a Plan Year are insufficient to fund the restorations to such Plan occurring during such Plan Year, the Employer shall make one or more additional contributions to the Plan in an amount sufficient to fully fund any such restorations.

(c) Rehire After One Year

In the event that a Participant does not have a Reemployment Date into a Benefits-Eligible Position on or before the 365th day following his or her termination of employment from a Benefits - Eligible Position any forfeited balances, and any accumulated whole or fractional Years of UA Service, shall remain forfeited and shall not be eligible to be restored under any circumstances thereafter.

(d) Forfeitures

Forfeitures under the ORP I shall be first applied to fund ORP I restorations and then to reduce ORP I Employer contributions in the current Plan Year or the next following Plan Year.

Forfeitures under the Pension Plan shall be first applied to fund any restorations of Pension Plan Accounts and then to reduce Employer contributions to the Pension Plan in the current Plan Year or the next following Plan Year.

## **Article 6**

### **BENEFITS**

#### 6.1 Eligibility for Benefits

##### (a) Participant

A Participant shall be eligible to receive a distribution of his or her vested Accounts under a Plan upon:

- (i) termination of employment with the Employer (without regard to age or years of service);
- (ii) transfer to a non-Benefits-Eligible Position, and attainment of Normal Retirement Age;
- (iii) attainment of age seventy and one-half (70 ½); or
- (iv) Plan termination.

A Participant who elects a distribution pursuant to Sections 6.1(a)(i) or 6.1(a)(ii) may not elect a Benefit Commencement Date that is earlier than forty-five days following the date the criteria in Sections 6.1(a)(i) or 6.1(a)(ii), respectively, are satisfied.

Notwithstanding the foregoing, if a Participant becomes entitled to a distribution under Section 6.1(a)(i) due to termination of employment and later becomes an Employee before the Benefit Commencement Date, the Participant shall no longer be eligible to receive a distribution attributable to such prior termination of employment. Similarly, if a Participant terminated employment and took a partial distribution, and later becomes an Employee, the Participant may not receive any further distribution until the Participant later satisfies one of the distribution events in Section 6.1(a)(i) through 6.1(a)(iv) above.

Further notwithstanding the foregoing, if a Participant becomes entitled to a distribution under Section 6.1(a)(ii), and then transfers back to a Benefits-Eligible Position before the Benefit Commencement Date, the Participant shall no longer be eligible to receive a distribution attributable to such transfer. Similarly, if such a Participant took a partial distribution before transferring back to a Benefits-Eligible Position, the Participant may not receive any further distribution until the Participant later satisfies one of the distribution events in Section 6.1(a)(i) through 6.1(a)(iv) above.



(b) Beneficiary

A Participant's Beneficiary shall be eligible to receive a distribution of the Participant's Accounts pursuant to Section 6.6 upon the death of the Participant.

(c) Alternate Payee

Benefits under the Plan may be paid to an Alternate Payee, rather than to the Participant or the designated Beneficiary, at the time and in the manner provided by an order that is determined by the Retirement Committee to be a Qualified Domestic Relations Order, pursuant to Section 7.1.

6.2 Benefit Commencement

Except as otherwise provided in this Article, benefits shall be paid within a reasonable time following a request for benefit commencement and determination of the amount of payment under Section 6.3, recognizing that benefit commencement may be subject to normal processing delays and other administrative exigencies or special circumstances. Participants, Beneficiaries and Alternate Payees may request benefit commencement as described below:

(a) Participant

A Participant who is eligible for benefits pursuant to Sections 6.1(a)(i), 6.1(a)(ii) or 6.1(a)(iii) may request benefit commencement under one or more of the Plans at any time after becoming eligible for benefits and before ceasing to be eligible for a distribution pursuant to Section 6.1(a). Unless a Participant who is eligible for benefits pursuant to Sections 6.1(a)(i), 6.1(a)(ii) or 6.1(a)(iii) requests a distribution, he or she will be deemed to have elected to defer distribution of his or her benefits to a later date. In no event, however, may benefits commence after the Participant's Required Beginning Date.

In the case of a Participant who remains actively employed with the Employer at the time of attaining age 70½, the Participant shall have a right, but shall not be required, to elect to commence his or her benefit as of April 1 following the year of attaining age 70½. In such a case, if the Participant elects to commence benefits during active employment, the amount of the benefit shall be adjusted annually to reflect the additional accruals and the receipt of benefits.

(b) Commencement of Benefits to Beneficiary

Payment of death benefits to a Beneficiary shall commence as provided in Section 6.6.

(c) Alternate Payee

An Alternate Payee who is eligible for benefits may submit a request for benefit commencement to the Retirement Committee (or its designee) at any time

permitted by the Qualified Domestic Relations Order; provided that in no event may benefits commence after the Participant's Required Beginning Date.

(d) Minimum Required Distributions

Notwithstanding any Plan provision to the contrary, distributions will begin no later than the Required Beginning Date.

Such distributions shall be determined and made in accordance with Code Section 401(a)(9) and the Final and Temporary 401(a)(9) Treasury Regulations published April 17, 2002, and any subsequent changes to those regulations and, the incidental death benefit requirement in Code Section 401(a)(9)(G).

This Section 6.2(d) shall override any distribution options in a Plan that are inconsistent with Code Section 401(a)(9).

(e) Application for Benefits

A Participant, Beneficiary or Alternate Payee who is entitled to a distribution must contact the Fund Sponsor directly to initiate a benefit distribution, and may request a complete distribution from a Fund Sponsor, or a partial distribution if permitted by the Fund Sponsor. Benefits will be payable by the Fund Sponsor upon receipt of a satisfactorily completed application for benefits, required supporting documents, and confirmation from the Employer that the payee is eligible for benefits. Necessary forms will be provided by the Fund Sponsor upon request of the Participant, Beneficiary or Alternate Payee.

6.3 Amount of Payment

The amount distributed shall be based on the current value of the Participant's Account in each Plan from which a distribution is made, through the most recent valuation date for the Participant's selected Funding Vehicles. The actual amount distributed from an Account shall be determined in accordance with the forms of payment offered by each Fund Sponsor and the form elected by the Participant, Beneficiary or Alternate Payee.

6.4 Form of Payment

A Participant may elect any form of payment offered by a Fund Sponsor at the time of distribution, with respect to his or her Accounts held by that Fund Sponsor; provided, however, as further described in Sections 6.6(e) and 8.6(j), in the event a married Participant elects a form of distribution other than a fifty percent (50%) (or higher percentage) joint and survivor annuity, such election shall be invalid unless his or her current spouse delivers a signed written consent which names the distribution form and is notarized. Forms of payment offered by each Fund Sponsor may change from time to time. A Fund Sponsor shall provide a written explanation of the currently available forms of payment upon a Participant's or Beneficiary's request.

A Participant whose Benefit Commencement Date occurs on or after May 1, 2009, may elect a lump sum distribution as a form of benefit under the ORP I and/or ORP II.

#### 6.5 Payment of Benefits

The Payment of benefits is the responsibility of the Fund Sponsor(s) holding the Participant's Account. Payment of benefits shall not be the responsibility of the Board, the Employer or the Retirement Committee.

#### 6.6 Death Benefits

Upon the death of the Participant, the Beneficiary shall receive a distribution of the Participant's Accounts at the time and in the form described below, with respect to each Plan:

##### (a) Benefit Commencement

##### (i) Death After Benefit Commencement

If the Participant dies after a complete or partial distribution of his or her Account has begun, and the Participant elected a form of payment which continues after death, the remaining portion of the Account which the Participant has elected to receive will continue to be distributed to the Beneficiary at least as rapidly as under the method of distribution being used prior to the Participant's death. The Beneficiary may not elect another form of payment with respect to amounts for which the Participant has already elected a form of payment.

##### (ii) Death Before Benefit Commencement or After Partial Distribution

If the Participant dies prior to commencing distribution of his or her Account, or after receiving a partial distribution (but before commencing distribution of the remaining Account balance), then the distribution of the Participant's Account shall be completed by December 31 of the calendar year containing the fifth anniversary of Participant's death except to the extent that an election is made to receive distributions in accordance with (A) or (B) below:

(A) if any portion of the Participant's Account is payable to a designated Beneficiary, distributions may be made either as an annuity for the life of the designated Beneficiary or a series of payments over a period certain, not greater than the life expectancy of the designated Beneficiary, but, in either case, commencing on or before December 31 of the calendar year following the year in which the Participant died; or

(B) if the designated Beneficiary is the spouse to whom the Participant was married on the date of death, the date distributions are required

to begin in accordance with (A) above shall be the later of December 31 of the calendar year immediately following the calendar year in which the Participant died, or December 31 of the calendar year in which the Participant would have attained age seventy and one-half (70½).

(b) Application for Benefits

A Beneficiary entitled to benefits under subparagraph 6.6(a)(ii) must apply for benefits. If a Beneficiary fails to request benefit commencement, he or she shall be deemed to have requested that benefits equal to the minimum required distribution amount commence either:

- (i) in the case of a Beneficiary other than the spouse, as of December 31 of the year following the year of the Participant's death, or
- (ii) in the case of a Beneficiary who was married to the Participant on the date of death, as of the later of:
  - (A) December 31 of the calendar year following the year of the death or
  - (B) The Participant's Required Beginning Date.

(c) Amount of Payment

The amount distributed to a Beneficiary entitled to benefits under subparagraph 6.6(a)(ii) shall be determined in accordance with Section 6.3.

(d) Form of Payment

A Beneficiary entitled to benefits under subparagraph 6.6(a)(ii) may elect any form of payment offered by a Fund Sponsor at the time of distribution with respect to Accounts held by that Fund Sponsor, under which benefits will be completed by the times required in Section 6.6(a) above. Forms of payment offered by each Fund Sponsor may change from time to time. A Fund Sponsor shall provide a written explanation of the currently available forms of payment upon a Beneficiary's request.

In the event a Beneficiary fails to request benefit commencement and benefits are required to commence under Section 6.6(b), benefits shall be paid as a single-life annuity for the remaining life of the Beneficiary.

(e) Beneficiary

A Beneficiary designation may be changed at any time prior to the earlier of the Benefit Commencement Date or the Participant's date of death. As further described in Sections 6.4 and 8.6(j), in the event a married Participant designates

someone other than his or her current spouse as Beneficiary or elects a form of distribution other than a fifty percent (50%) (or higher percentage) joint and survivor annuity, such initial designation or election or subsequent change shall be invalid unless his or her current spouse delivers a signed written consent which names the designated Beneficiary and/or distribution form and is notarized.

Upon the dissolution of marriage or divorce of a Participant, any designation of the Participant's former spouse as a Beneficiary shall be void on the effective date of the dissolution of marriage or divorce, except as provided in a Qualified Domestic Relations Order. The Participant must execute another Beneficiary designation on or after the date of dissolution of marriage or divorce.

In the case of the death of a Participant who has not yet commenced receiving a benefit, if the Participant fails to designate a Beneficiary or no designated Beneficiary survives the Participant or exists, the death benefit shall be paid to:

- (i) the spouse to whom the Participant was married on the date of death, so long as such spouse survives the Participant for thirty (30) days; or, if none;
- (ii) the Participant's estate.

#### 6.7 Benefits For Terminated Participants

Benefits under the Plan shall be determined and paid in accordance with the provisions of the Plan in effect on the date the Participant's benefit commences.

#### 6.8 Directed Rollovers

Neither the Pension Plan nor the ORP shall prohibit a Participant or Beneficiary from electing a direct rollover of a lump sum distribution to an Eligible Retirement Program pursuant to the terms of this Section.

##### (a) General Rule

A Participant, spouse Beneficiary, spouse or former spouse Alternate Payee, or non-spouse Beneficiary ("Distributee") who is entitled to a lump sum distribution or annual installments for a number of years less than ten may direct the Fund Sponsor to pay part or all of the benefit to a trustee or custodian of any one or more Eligible Retirement Programs that accepts such directed rollovers, subject to the following provisions:

- (i) if the Distributee has a benefit under more than one Plan, the Distributee shall have a separate right to designate a benefit (and a directed rollover, if desired) under each respective Plan;
- (ii) a Distributee may not request a directed rollover of an amount distributed due to the minimum required distribution provision under Section 6.2(d);

- (iii) the rollover of a distribution from any of the Plans may be directed to any one or more Eligible Retirement Programs, including, by way of example, a rollover from any of the Plans described in this Plan Document to any other such Plan, subject, however, to any conditions or limitations required by a Fund Sponsor;
- (iv) a rollover direction regarding installments shall apply to all installments from that Plan held by the Fund Sponsor unless the direction is changed by the Distributee;
- (v) a surviving spouse Beneficiary or a former spouse who is an Alternate Payee pursuant to Article 7 may direct a rollover under the same terms and conditions as a Participant;
- (vi) a non-spouse Beneficiary (who is not a former spouse Alternate Payee) may direct a rollover pursuant to this Section only to an inherited individual retirement plan described in Code Section 402(c)(11); and
- (vii) no amount shall be directly rolled over pursuant to this Section 6.8 unless and until it would otherwise be distributed or paid to the Distributee and all information or documentation reasonably requested by the Retirement Committee or Fund Sponsor is provided.
- (viii) any amount directly rolled over in accordance with this Section 6.8 shall be a distribution from the Plan and shall discharge any liability to the Distributee under the Plan to the same extent as payment directly to the Distributee.

(b) Notice to Participants

In accordance with Code Section 402(f), the Employer or Fund Sponsor shall furnish Participants a notice of the direct rollover opportunity and related withholding consequences of not choosing a directed rollover. The notice must be provided in writing to each Participant (or Beneficiary, where applicable) who is eligible for a directed rollover under this Article from any of the Plans and must explain the directed rollover opportunity and related withholding consequences of not choosing a directed rollover and include a description of the consequences of failing to defer receipt of benefits from the Pension Plan, ORP I and/or ORP II. The notice must be provided within a reasonable period (at least thirty (30) but not more than one hundred eighty (180) days) prior to the Participant's Benefit Commencement Date. Notwithstanding the prior sentence, a Participant may elect to waive the 30-day minimum election period and may request that the Fund Sponsor act on the election less than 30 days after delivery of the application for benefits. The Employer may delegate to the Fund Sponsor(s) the task of providing this notice.

## Article 7

### DOMESTIC RELATIONS ORDERS

#### 7.1 Requirements for Qualification

Notwithstanding any Plan provisions to the contrary, benefits under a Plan may be paid to someone other than the Participant or Beneficiary, pursuant to a Qualified Domestic Relations Order (sometimes referred to as a “QDRO”). A legal judgment, decree or court order (an “Order”) may qualify as a QDRO to the extent that the Retirement Committee (or its designee) determines that the Order meets the requirements of this Plan Document and applicable law. To qualify as a QDRO, an Order must:

- (a) relate to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant;
- (b) be made pursuant to a state domestic relations law (including a community property law);
- (c) create or recognize the existence of an Alternate Payee's right to, or assign to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under the Plan;
- (d) specify the name and last known address of the Participant and each Alternate Payee;
- (e) specify the amount or method of determining the amount of benefit payable to an Alternate Payee from each Fund Sponsor and Funding Vehicle;
- (f) specify the number of payments or period to which such Order applies and name each Plan to which the Order applies;
- (g) not require payment of benefits which exceed the amount of benefit otherwise provided under the Plan;
- (h) not require any type or form of benefit, or option, that is not otherwise provided by the Plan and the respective Fund Sponsors and Funding Vehicles;
- (i) not require payment of any annuity benefits payable under an annuity contract which has already been purchased for or issued to the Participant;
- (j) not require a joint and survivor annuity with respect to the Alternate Payee and the Alternate Payee's spouse; and
- (k) not conflict with a prior QDRO that meets the requirements of this Article.

The Retirement Committee may direct that the Plan charge a reasonable fee to the Account of each Participant with respect to which an Order is received. During any

period when such fees are charged, all Accounts for which an Order is received shall be uniformly charged the same fee and all fees charged shall be used to pay reasonable expenses incurred by the Plan in determining if such Orders are QDROs and administering such QDROs.

#### 7.2 Commencement of Payment

After the Order has been determined to be a Qualified Domestic Relations Order, all benefits shall be distributed to an Alternate Payee in accordance with the Order.

#### 7.3 Determination of Status of Order

The Retirement Committee (or its designee) shall determine whether an Order meets the requirements of this Article within a reasonable period after receiving an Order. An Order shall be considered received by the Plan when it is received and recorded by the Statewide Office of Human Resources, University of Alaska, 212 Butrovich Building, P.O. Box 755140 Fairbanks, Alaska, 99775. The Participant and any Alternate Payee shall be notified that an Order has been received and of the procedures for determining the qualified status of an Order. If the Retirement Committee (or its designee) determines that an Order does not qualify as a QDRO, the parties may correct any deficiencies in the Order and resubmit the Order to the Statewide Office of Human Resources, or the determination may be appealed to the Appeals Committee. The appeal must be in writing and delivered to the Appeals Committee within 60 days of the notice of the denial. An appeal may be submitted by the Participant or the proposed Alternate Payee.

#### 7.4 Rights of Alternate Payees

No Alternate Payee shall have any right in or to any asset of the Plan, or any part thereof, except as, and only to the extent, expressly provided for in this Article relating to Qualified Domestic Relations Orders. However, while the qualified status of an Order is being determined (and thereafter, if the Order is determined to be a QDRO), an Alternate Payee shall receive information concerning the Plan which is provided to Participants.

To the extent that a Qualified Domestic Relations Order provides for establishing a separate Account for the Alternate Payee, then, on and after the date any such separate Account is established by the applicable Fund Sponsor, the Alternate Payee may select authorized Funding Vehicles for his or her Account, may invest and reinvest any or all of the balance of his or her Account, and may, when eligible for a distribution, elect a form of benefit (subject to the limitation stated in Section 7.1(j) and the applicable limitations of the terms of the Order).



## Article 8

### ADMINISTRATION OF THE PLAN

#### 8.1 Retirement Committee

The administrator of the Plans shall be the Retirement Committee. The President shall appoint a Retirement Committee composed of three or more persons. The Retirement Committee shall have the duties and responsibilities with respect to the oversight of the administration of the Plans as described in this Plan Document. No member of the Retirement Committee who is an Employee shall receive additional compensation with respect to service on the Retirement Committee. Any member of the Retirement Committee may resign by delivering written resignation to the President and to the Retirement Committee. The President may remove or replace any member of the Retirement Committee at any time.

#### 8.2 Organization and Procedures

##### (a) Committee Chair

The President shall designate a committee chair from the members of the Retirement Committee. The chair of the Retirement Committee shall be the agent of the Plan for service of legal process. All reports required by law may be signed by the chair on behalf of all members of the Retirement Committee.

##### (b) Secretary

The Retirement Committee shall appoint a secretary, who may or may not be a member of the Retirement Committee. The secretary shall have the primary responsibility for keeping a record of all meetings and acts of the Retirement Committee and shall have custody of all documents, the preservation of which shall be necessary or convenient to the efficient functioning of the Retirement Committee.

##### (c) Procedures

The Retirement Committee shall adopt such procedures as it deems desirable for the conduct of its affairs.

#### 8.3 Authority and Duties

##### (a) Authority

The Retirement Committee shall have all powers necessary or appropriate to carry out its duties. Any interpretation of or action by the Retirement Committee with respect to a Plan and its administration shall be conclusive and binding upon any

and all parties and persons affected hereby, subject to the exclusive appeal procedure set forth in Section 8.4 herein.

(b) Duties

The Retirement Committee shall administer each Plan in a non-discriminatory manner for the exclusive benefit of the Plan's Participants, Beneficiaries, and Alternate Payees, consistent with the terms of the Plans and applicable law. The Retirement Committee (or a person or committee, including without limitation the Appeals Committee, to which the Retirement Committee delegates any one or more of its duties) shall perform all such duties as are necessary to oversee the administration and operation of each Plan in accordance with the terms thereof, including, but not limited to, the following:

- (i) making final and binding interpretations of the provisions of the Plans and final determinations on any questions arising under the Plans, or in connection with the administration or operation thereof;
- (ii) making final and binding determinations of the eligibility of any Employee to be or become a Participant;
- (iii) making final and binding determinations of the eligibility for benefits of any Participant or Beneficiary;
- (iv) establishing limits and restrictions for Employer contributions and Participant investments with Fund Sponsors and specified Funding Vehicles;
- (v) oversee the performance by Fund Sponsors of the duties and responsibilities delegated to them by this Plan Document;
- (vi) oversee the preparation of, and to approve, the Plan Document (as further provided in Section 9.1);
- (vii) oversee the preparation of summaries and other communications and filings for the Plans, which is the responsibility of the office of the Statewide Director of Benefits of the Employer;
- (viii) authorizing and directing the Fund Sponsors with respect to receipt and distribution of Plan assets and administration of Participants' Accounts in accordance with the terms of the Plans;
- (ix) employing and engaging such persons, counsel, and agents including, without limitation, Fund Sponsors, investment managers and custodians, and obtaining such administrative, clerical, medical, legal, auditing, and actuarial services as it may deem necessary in carrying out the provisions of the Plans; and

- (x) delegating specific obligations, responsibilities, and duties imposed by a Plan to one or more Employees or officers of the Employer, or to Fund Sponsor(s) or such other persons as the Retirement Committee deems appropriate.

#### 8.4 Claim and Appeal Procedures

- (a) The claims and appeals procedures under this Plan Document shall apply to any and all claims and appeals which are asserted by a Participant, Beneficiary or Alternate Payee (“Claimant”), and shall be in addition to any procedures that the Fund Sponsors (or their delegated representatives) may maintain for the processing of applications for benefits. The claims and appeals procedures under this Plan Document shall be administered in accordance with this Section 8.4, and any written guidelines which the Retirement Committee may in its discretion adopt or modify from time to time and at any time; provided, however, that any such guidelines shall be substantially in accordance with the claims and appeals procedures described herein (as this Plan may be amended from time to time).
- (b) A “claim” (as that term is used in this Article) occurs when a Claimant disputes a determination by a Fund Sponsor or the Employer, or by a person authorized by the Retirement Committee, with respect to eligibility for, or the amount of, any benefit, or with respect to the resolution of any matter arising under the Plan. A claim or appeal may be filed only by a Claimant, or by an authorized representative of the Claimant. These procedures shall also apply to the determination of the qualified status of any Order affecting one or more Alternate Payees, as further described in Article 7.
- (c) A claim shall be considered filed when a written request is submitted with the Statewide Director of Benefits. To ensure a timely and fair decision, a Claimant should submit a claim under this Plan as soon as possible after the date the individual has knowledge, or may reasonably be determined by the Appeals Committee to have knowledge, of the material facts that are the subject of the claim.
- (d) Each claim will be decided by the Statewide Director of Benefits or by one or more Claims Administrators. The Claims Administrator will attempt to give the Claimant written or electronic notice of the disposition of a claim within 90 days after the claim has been filed, unless the Claims Administrator determines that an extension of time is required, in which case the Claimant shall be informed of the extension of time for the review and such notice of disposition shall be given, normally within 180 days after the application has been filed.
- (e) If a claim is denied in whole or in part, the Claims Administrator shall give the Claimant a written explanation stating the reasons for the denial, citing pertinent provisions of the Plan Document, the manner in which the claim denial can be appealed, and a description of any additional material or information necessary to

perfect the claim and an explanation of why such material or information is necessary.

- (f) A Claimant wishing to appeal a denied claim may submit an appeal in writing to the Appeals Committee, in care of the Statewide Director of Benefits. The deadline for submitting any such appeal shall be 60 days after receipt of the written notification of the denial of the claim, as described above.
- (g) The written request for an appeal shall state: (i) the name, title, address and work phone number of the Claimant and of any person authorized to represent the Claimant with respect to the appeal; (ii) the name and title of the person who notified the Claimant of the decision or matter that is the subject of the appeal; (iii) a description of the act or omission forming the basis for the claim, including a clear and concise statement of the facts giving rise to the claim, the dates of the relevant facts or occurrences, and the date the Claimant learned of the facts or occurrences; (iv) the name of the Plan and a citation of the specific provision of the Plan that is believed to have been violated, misinterpreted and/or improperly applied, and an explanation of how the Plan provision has been violated, misinterpreted or improperly applied; (v) a description of the relief sought; (vi) a description of any further information or document that the Claimant believes he or she needs from the Appeals Committee in order to fully present his or her appeal, and (vii) the Claimant's signature and the date.
- (h) The Appeals Committee will give the Claimant either (1) a written notice of the appeal decision, (2) if the Appeals Committee determines that it requires an extension of time for review, a notice of an extension of the review period, (3) a written notice that the Appeals Committee will schedule a hearing if the Appeals Committee determines it is necessary to resolve any disputed issues of material fact, or (4) a written notice of the need for additional information or documentation. The Appeals Committee will attempt to provide this notice within 60 days following the receipt of the notice of appeal. Neither the Claims Administrator who decided the initial claim nor members of the Appeals Committee who participated in deciding the initial claim may participate as a member of the Appeals Committee in an appeal of the initial decision. However, such persons may, with the agreement of the Claims Administrator who decided the initial claim, the Claimant and the Appeals Committee, participate in the deliberations of the appeal with the members of the Appeals Committee.
- (i) A Claimant shall have the duty to respond fully and in a timely manner to all requests for additional information or documentation from the Claims Administrator or Appeals Committee.
- (j) The Appeals Committee may modify these claims and appeals procedures with respect to an individual claim or appeal, if and when the Appeals Committee determines it appropriate to the full and fair administration of due process.

- (k) The Plan hereby delegates full and complete discretion to the Claims Administrator and the Appeals Committee:
  - (i) to make findings of fact pertaining to a claim or appeal;
  - (ii) to interpret the Plan as applied to the facts;
  - (iii) to decide all aspects of the claim or appeal; and
  - (iv) to take such other action with respect to a claim or an appeal as it deems appropriate.

The decision by the Appeals Committee shall be the final and conclusive administrative review proceeding under the Plan. In the event that the Appeals Committee denies a Claimant's appeal, the Claimant may seek judicial review by filing an appeal with the Superior Court for the State of Alaska not later than thirty (30) days after the date of being notified of the denial, in accordance with Alaska Appellate Rule 602(a)(2). The Appeals Committee will inform a Claimant of the right to appeal to the Superior Court and the applicable deadline.

## 8.5 Plan Assets

### (a) Plan Assets Held by Fund Sponsors

For each Plan, the Employer shall ensure that each Fund Sponsor maintains separate accounts and records for the respective Plan's assets, and that such Plan assets are maintained with separate accounting and separate record-keeping so as to ensure that the assets are managed with the care and skill required of a fiduciary.

### (b) Duties of Fund Sponsors

A Fund Sponsor is a fiduciary with respect to Plan assets held directly or indirectly by the Fund Sponsor and invested in the Funding Vehicles offered directly or indirectly by the Fund Sponsor. Plan assets held in Funding Vehicles shall be held by the corresponding Fund Sponsor exclusively for the purpose of providing benefits under the Plan and defraying the actual and reasonable expenses of the Plan that may be properly charged to the Plan assets. Moreover, each Fund Sponsor has the duty to manage and account for assets of each respective Plan held by that Fund Sponsor. Each Fund Sponsor shall serve as record-keeper for the Account of each Participant who selects that Fund Sponsor for the administration and investment of his or her Account under a Plan.

### (c) Authority to Appoint Trustee

- (i) The Employer has the power and authority to appoint a trustee for Plan assets held directly or indirectly by a Fund Sponsor if the Employer determines that one or more fiduciaries other than the Fund Sponsor

would be appropriate to oversee the Fund Sponsors' management or custody of any such Plan assets. In such a case, the Employer shall have the power to appoint or remove any such trustee, and to appoint a successor at any time.

- (ii) In the event that any Plan assets are held other than by a Fund Sponsor, the Employer shall have the power and authority to appoint a trustee or custodian to hold such Plan assets and to apply such Plan assets to the payment of Plan benefits or the discharge of Plan expenses. Any trustee appointed under paragraph (i) may likewise serve as the trustee for the purpose recited in this paragraph (ii).

## 8.6 Miscellaneous

### (a) Expenses of Operating and Administering the Plans

All reasonable expenses which are necessary to operate and administer a Plan (whether such expenses are incurred by a Fund Sponsor, the manager of a Funding Vehicle, the Employer or Retirement Committee in their respective capacities as stated in this Plan Document, or any other service provider to the Plan) may be deducted from that Plan's assets or investment earnings on such assets. The Fund Sponsor shall have the duty and responsibility to determine the expenses that are reasonable and appropriate to charge to the Plan assets, subject to guidelines acceptable to the Retirement Committee. Each Fund Sponsor shall maintain records and accounts of any such expenses which shall be provided to the Employer upon request. Notwithstanding the prior sentence, the Employer may, by written direction to a Fund Sponsor, elect to pay a Plan expense directly from Employer assets; provided, however, that, in the absence of any such express written election, the Fund Sponsor shall, by default, charge reasonable and appropriate expenses of administering and operating the Plan to the Plan assets.

### (b) Limitations on Assignments

Benefits under the Plan may not be assigned, sold, transferred, or encumbered, and any attempt to do so shall be void. The interest of a Participant, Beneficiary, or Alternate Payee in benefits under the Plan shall not be subject to debts or liabilities of any kind and shall not be subject to attachment, garnishment or other legal process, except as provided in Article 7 relating to Qualified Domestic Relations Orders, or as otherwise permitted or required by state or federal law.

### (c) No Additional Rights

No person shall have any right in or to a Participant's Account or any part thereof or any right under the Plan, except as and only to the extent expressly provided for in the Plan. Neither the establishment of the Plan, the granting of a retirement benefit, nor any action of the Employer or the Retirement Committee shall be held

or construed to confer upon any person any right to be continued as an employee, or, upon dismissal, any right or interest other than as herein provided. Nothing in this Plan shall be construed to grant any person any additional rights as an Employee beyond those provided in the Employer's policies and regulations, except as and only to the extent expressly provided for in the Plan.

(d) Governing Law

This Plan shall be construed in accordance with applicable federal law and the laws of the State of Alaska. Jurisdiction for any litigation arising out of this Plan shall be solely in the Superior Court for the Fourth Judicial District, State of Alaska.

(e) Disclosure to Participants

Each Participant shall be advised of the general provisions of each Plan upon written request addressed to the Office of the Statewide Director of Benefits and shall be furnished any information requested regarding the Participant's status, rights, and privileges under each Plan. The Office of the Statewide Director of Benefits of the Employer shall have the exclusive authority and responsibility, subject to the oversight of the Retirement Committee, to prepare, maintain, update and distribute (1) this Plan Document, (2) any communications which summarize the Plans, and (3) any communications describing the choices available under the Plans among Fund Sponsors.

(f) Income Tax Withholding Requirements

Any benefit payment made under a Plan shall be subject to any applicable income tax withholding requirements. For this purpose, the Employer shall provide the Fund Sponsor with any information in its custody needed to satisfy such withholding obligations and with any other information that may be required by regulations promulgated under the Code.

(g) Severability

If any provision of a Plan shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions of the Plan which shall be construed as if said illegal or invalid provision had never been included.

(h) Correction of Errors

In the event an incorrect amount is credited to a Participant's Account or paid on behalf of a Participant, Beneficiary or Alternate Payee, the Participant's Account or any remaining payments may be adjusted to correct the error. The processing of adjustments resulting from clerical errors or other causes which are determined by the Retirement Committee or its designee to be de minimus in amount may be waived at the discretion of the Retirement Committee or its designee.

(i) Inability to Locate a Participant, Beneficiary or Alternate Payee

In the event that the rightful Participant, Beneficiary, or Alternate Payee cannot be located at the time a distribution from an Account maintained by a Fund Sponsor is required to commence on a specific payment date, according to the terms of this Retirement Program or the terms of the Fund Sponsor's applicable benefit distribution rules, then the Participant's (or Beneficiary's or Alternate Payee's) Account shall be forfeited as of such mandatory distribution date (subject to reinstatement and distribution if and when the individual is subsequently located). Any such forfeiture shall, in the interim, be used either to offset the amount of subsequent Employer contributions to the Plan (in the case of the Pension Plan or the ORP I), or to reinstate any one or more other forfeitures of other Accounts of the same type (if any such reinstatements occur during the same Plan Year), or to pay Plan expenses.

Prior to causing such a forfeiture to occur, the Fund Sponsor managing such Account shall diligently attempt to locate the lost Participant, Beneficiary, or Alternate Payee by return receipt mail at his or her last known address and by such other means as the Fund Sponsor deems appropriate.

If the affected Participant, Beneficiary, or Alternate Payee later contacts the Employer or Fund Sponsor and provides a current mailing address, the amount forfeited, without any adjustment for earnings or interest from the forfeiture date to the reinstatement date, shall be reinstated from current year forfeitures from other Accounts of the same Plan and shall be distributed as soon as practical. If current year forfeitures from Accounts of the same Plan are not adequate, the Employer shall reinstate the amount forfeited by making a special Employer contribution to the applicable Account equal to such forfeited amount for the benefit of the affected Participant, Beneficiary or Alternate Payee. Such reinstatement shall not be considered an "Annual Addition" (as defined in Code Section 415) for purposes of the limitations on contributions imposed by that Code section.

(j) Spouse Consent

In the event a spouse's consent is required for any Plan purpose, such consent shall acknowledge a full understanding of the effect of the consent, the consent must be in writing, and it must be witnessed by a notary public; provided, written consent will not be required if the Participant establishes to the satisfaction of the Employer and the Fund Sponsor that no spouse exists, or the spouse cannot be located.

(k) Benefit Funding

All benefits under each Plan are funded exclusively through contributions to Accounts (and all earnings on such Accounts) and are provided solely through the



Funding Vehicles selected by the Participant. Benefits are not subject to nor covered by federal plan termination insurance.

(l) No Representation

The Plan, the Employer and the Retirement Committee do not represent or guarantee that any particular federal or state income, payroll, personnel property, Social Security, or other tax consequences will result from participation in a Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation.

(m) Qualified Military Service

Notwithstanding any provision of this Plan Document to the contrary, contributions and benefits under each Plan, with respect to qualified military service, will be provided in accordance with Code Section 414(u).

Further notwithstanding any provision of this Plan to the contrary, if a Participant dies while in qualified military service, his or her survivors shall be entitled to any additional benefits (other than benefit accruals relating to the period of the qualified military service) provided under the Plan had the Participant resumed and terminated employment on account of death.

## Article 9

### AMENDMENT AND TERMINATION

#### 9.1 Amendment

Subject to any advance notice or other requirements of law, the President is authorized to amend each Plan at any time, including amendments designating Participating Positions, authorized Fund Sponsors and Funding Vehicles, except that any amendment which establishes or changes the Employer contribution rates to any of the Plans, Employee contribution rates or the maximum annual limit for Covered Wages, or results in full or partial Plan termination, or Plan merger or consolidation must be authorized by the Board.

Proposed amendments shall be submitted to the Retirement Committee for review and comment prior to delivery to the President or the Board for approval.

The Plan Document, as it may be amended or restated from time to time, shall bear evidence that it has been approved by the President or the Board.

#### 9.2 Limitations on Amendments

Notwithstanding the provisions of Section 9.1 herein, the following conditions and limitations apply:

- (a) No amendment will be adopted which will operate to recapture for the Employer any Plan contributions previously made under a Plan. However, Plan contributions made in contemplation of approval by the Internal Revenue Service may be returned to the Employer, if the Internal Revenue Service fails to approve the qualified status of the Pension Plan or the ORP I Plan under Code Section 401(a). In addition, Plan contributions may be returned if contributed by the Employer in error, as described in Section 8.6(h).
- (b) No amendment will deprive a Participant or Beneficiary of any Employer contribution or Employee contribution that, prior to the amendment, was properly and accurately credited to his or her Account.

#### 9.3 Plan Qualification

Any modification or amendment of a Plan may be made retroactive, as necessary or appropriate, to establish and maintain:

- (a) for the Pension Plan and the ORP I, a “qualified plan” pursuant to Section 401(a) of the Code and regulations thereunder, and exempt status of the fund or trust under Section 501(a) of the Code; or

- (b) for the ORP II, a tax-deferred annuity pursuant to Section 403(b) of the Code and regulations thereunder.

Notwithstanding anything herein to the contrary, the Pension Plan and the ORP I shall each be contingent upon a favorable Internal Revenue Service ruling that the respective Plan is qualified under Code Section 401(a), as amended, and exempt from income taxation under Code Section 501(a). In the event that either such Plan is not initially recognized as a “qualified plan,” or the assets of either such Plan are not initially exempt under Section 501 of the Code, and either such Plan is not amended retroactively for any reason to correct the defaults, then that Plan shall be void *ab initio* and all amounts contributed to the Plan, plus investment earnings, less expenses paid, shall be returned to the Employer within one (1) year from the date of the adverse ruling. Nothing in this paragraph shall cause any Employee contributions to the ORP II to be forfeited by the Participant.

#### 9.4 Termination of the Plan

The Board shall have the right to fully or partially terminate each Plan or merge or consolidate a Plan with another plan at any time, subject to any requirements of law.

The termination of a Plan shall not cause or permit any part of the assets of the Plan to be diverted to purposes other than for the exclusive benefit of the Participants, Beneficiaries and Alternate Payees, or cause or permit any portion of the Plan assets to revert to or become the property of the Employer at any time prior to the satisfaction of all liabilities with respect to the Participants, Beneficiaries and Alternate Payees.

Upon termination of a Plan, the then-members of the Retirement Committee shall continue to act for the purpose of implementing and completing the Plan termination and shall have all power necessary or convenient to the winding up and dissolution of the Plan as herein provided. While so acting, they shall be in the same status and position with respect to other persons as if the Plan remained in existence.

#### 9.5 Vested Accounts on Plan Termination

In the event of a complete termination of a Plan, all vested Accounts accrued by the affected Participants shall remain one hundred percent (100%) vested and nonforfeitable.

## Article 10

### INDEMNIFICATION AND LIMITATION OF LIABILITY

#### 10.1 Limitation of Liability of the Employer and Others

All benefits shall be payable solely from the assets of the respective Plan held by the applicable Fund Sponsor in the applicable Funding Vehicles. No Participant shall have any claim against the Employer, its Board, officers, employees, agents or representatives or against the Retirement Committee for any benefits under a Plan. Nor shall the Employer or its Board, officers, employees, agents or representatives or the Retirement Committee incur any liability to any person for any action taken or suffered or omitted to be taken by them under a Plan in good faith.

#### 10.2 Indemnification of Fiduciaries; Scope of Indemnification

The Employer agrees to defend and indemnify the Retirement Committee, the President, the Board, and any other employees or officers of the Employer who are determined to be Plan fiduciaries (collectively, "Fiduciaries") for all acts taken in carrying out his, her or their responsibilities under the terms of a Plan. This defense and indemnification for all acts is intentionally broad but shall not provide indemnification for embezzlement or wrongful diversion of Plan funds. This indemnification applies to all expenses of defending an action, including all legal fees and other costs of such defense, as well as to any monetary recovery or settlement resulting from a judicial or other dispute resolution proceeding. Notwithstanding the preceding, this provision shall not apply for any Fund Sponsor, any investment manager or other fiduciary or service provider of any Funding Vehicle, or any paid consultant or independent contractor appointed as provided in this Plan.

# Article 11

## PENSION PLAN

### 11.1 History, Structure and Purpose

- (a) The Employer, by resolution of its Board of Regents, adopted and established the University of Alaska Pension Plan (the “Pension Plan”) effective January 1, 1982 to provide retirement benefits to employees who became covered under the Pension Plan. The Employer amended and restated the Pension Plan effective July 1, 1992 to provide increased flexibility in selection of Funding Vehicles, tailoring of benefits to meet the individual needs of Participants and their Beneficiaries, and portability of benefits between Fund Sponsors, Funding Vehicles and employers.
- (b) Effective January 1, 1996, the Employer approved a restatement of the plan document for the Pension Plan, and the adoption of a companion plan document named “University of Alaska Retirement Program” (the “Retirement Program”), which, in combination, reflected the terms of the Pension Plan including all amendments adopted through June 1998.
- (c) Effective January 1, 2001, the Employer amended and restated the Pension Plan, the ORP I and the ORP II, and consolidated those three plans into this single integrated Plan Document (collectively referred to as the Retirement Program or the Plan Document).
- (d) Pension Plan contributions are invested, at the direction of each Participant, in one or more Funding Vehicles made available to Participants under the Pension Plan by the Fund Sponsors.
- (e) The Pension Plan is a defined contribution (money purchase) pension plan that is qualified under Code Section 401(a), and a governmental plan as defined in Code Section 414(d).

### 11.2 Eligibility for the Pension Plan

#### (a) Included Categories of Employees

As used in this Article and in applicable provisions of Articles 1 through 10 of this Plan Document, the term “Eligible Employee for the Pension Plan” means:

- (i) any University of Alaska Employee who is not in an excluded category under subsection (b) below, and

- (ii) an adjunct faculty member who was hired prior to January 1, 1996, taught during 1995, and did not elect to waive participation in the Pension Plan by December 31, 1996, and such eligibility shall continue for successive calendar years only so long as the eligible pre-1996 adjunct faculty member teaches at least one class per calendar year.

(b) Excluded Categories of Employees

Notwithstanding the terms of Section 11.2(a), the following categories of Employees shall be excluded from the definition of Eligible Employee for the Pension Plan:

- (i) an Employee who is classified as a temporary Employee or adjunct faculty member (except for eligible adjunct faculty members described in clause (a)(ii) above);
- (ii) an Employee whose employment is conditioned upon his or her status as a student at the University;
- (iii) an Employee who is covered by a collective bargaining agreement which does not provide for participation in the Pension Plan;
- (iv) an Employee who has a joint Federal-University appointment; and
- (v) an Employee who, as a result of an initial Employment Date with the Employer on or after July 1, 2006, and before July 1, 2015, is eligible to elect, and in fact elects, to participate in PERS or TRS instead of the ORP; provided, however, that an Employee with a Reemployment Date on or after July 1, 2006 who has at any prior time participated in the Pension Plan shall be an Eligible Employee for the Pension Plan and shall resume participation in whichever tier of the Pension Plan (Tier A or Tier B) that previously applied to him or her.

(c) Determination of Status

An Employee's potential status as an Eligible Employee for the Pension Plan shall be determined based on an Employee's primary assignment. The term "primary assignment" means an individual's principal job assignment as an Employee.

### 11.3 Participation in the Pension Plan

(a) Participation in General

For an Eligible Employee for the Pension Plan, participation shall commence as of the Employee's Employment Date (or Reemployment Date, where applicable).

(b) Waiver by an Adjunct Faculty Member is Irrevocable

In the case of any pre-1996 adjunct faculty member who elected, by December 31, 1996, to waive (or cease) participation in the Pension Plan, such waiver shall be irrevocable, and that individual shall no longer be entitled to receive any contributions under the Pension Plan based on classification as an adjunct faculty member.

11.4 Enrollment in Pension Plan

To participate in the Pension Plan, an Eligible Employee for the Pension Plan shall complete and return to the Office of the Statewide Director of Benefits (or its designee), the appropriate form designating his or her selection of Fund Sponsor, and shall complete and return to the Fund Sponsor of his or her choice the appropriate enrollment form(s) for the Funding Vehicle(s) selected by the Employee for the investment of his or her Pension Plan Account. If an Eligible Employee for the Pension Plan does not return the appropriate enrollment form(s) to the Office of the Statewide Director of Benefits (or its designee), and Fund Sponsor, he or she shall be automatically enrolled and his or her Fund Sponsor and Funding Vehicle(s) for the investment of his or her Pension Plan Account shall be determined in accordance with Section 4.2.

11.5 Employer Contributions to the Pension Plan

- (a) The Employer shall make contributions to the Pension Plan for each Eligible Employee for the Pension Plan at an amount equal to the FICA employer contribution rate (for example, 7.65% in 2016) times Covered Wages, up to the maximum annual limit on Covered Wages.
- (b) The maximum annual limit per Participant for Covered Wages includible in the calculation of the Employer contribution to the Pension Plan is:
  - (i) \$42,000 for each calendar year for each Participant, except a faculty member classified as adjunct faculty; or
  - (ii) for an adjunct faculty member who meets the definition of Eligible Employee for the Pension Plan as described in Section 11.2(a)(ii), an amount equal to the Social Security taxable wage base, as that amount is adjusted by the Internal Revenue Service from year to year (for example, \$118,500 for 2016).
- (c) The maximum annual limit on Covered Wages shall be determined based on the Employee's primary assignment and shall apply to all Covered Wages earned during the term of the primary assignment.
- (d) Employer contributions shall be allocated to Participants' Accounts by the Fund Sponsor no less frequently than monthly.

- (e) Employer contributions to the Pension Plan for a Participant will terminate at any time the Participant ceases to be classified as an Eligible Employee for the Pension Plan.
- (f) Pension Plan contributions shall vest depending on the Participant's status as Tier A or Tier B, as follows:

- (i) Tier A

For an Eligible Employee for the Pension Plan who first became a Benefits - Eligible Employee and commenced participation in the Pension Plan prior to July 1, 2006, whether or not the Participant's active participation ceases and resumes at any later date, all Employer contributions to the Participant's Pension Plan Account shall be fully and immediately vested at all times. This Pension Plan immediate vesting feature is referred to as "Pension Plan Tier A." The Pension Plan Tier A coverage shall apply to an Eligible Employee for the Pension Plan without regard to whether he or she elects to participate in ORP or in TRS or PERS.

- (ii) Tier B

For an Eligible Employee for the Pension Plan who first becomes a Benefits-Eligible Employee:

- (A) on or after July 1, 2006 and before July 1, 2015, and elects to participate in the ORP and Pension Plan; or
- (B) on or after July 1, 2015,

all Employer contributions to the Pension Plan Account shall vest if and when the Participant has accrued three Years of UA Service (as further described in Sections 1.46 and 5.2(b)). This Pension Plan three-year vesting feature is referred to as "Pension Plan Tier B."

## 11.6 No Employee Contributions to the Pension Plan

Other than rollover contributions, no Employee contributions may be made to the Pension Plan.

## 11.7 Pension Plan Account

All contributions by the Employer shall be paid to a Fund Sponsor which shall maintain a separate Pension Plan Account for each Participant, to which Employer contributions to the Pension Plan shall be credited, subject to adjustment for investment gains and losses from time to time, net of any Plan expenses or charges which the Fund Sponsor determines are properly allocable to the Participant's Pension Plan Account.



11.8 Benefits from the Pension Plan

Retirement benefit distributions and death benefits shall be as described in the applicable terms and conditions stated in Article 6 of this Plan Document.

## Article 12

### OPTIONAL RETIREMENT PLAN (THE “ORP”)

#### 12.1 History, Structure and Purpose

- (a) The Employer, by resolution of its Board of Regents, adopted and established the Optional Retirement Plan (as described in this Article and applicable provisions of Articles 1 through 10, and which is sometimes referred to in this document as the “ORP”) effective September 1, 1990, to provide retirement benefits to eligible faculty and certain eligible administrators who elect to participate in the ORP.
- (b) The Employer believes that offering the defined contribution ORP to eligible Employees as an alternative to TRS (and, for certain senior administrators, PERS) enhances the University of Alaska's ability to recruit and retain qualified faculty and administrators by offering such Employees a choice of retirement programs.
- (c) The ORP is intended to provide increased flexibility in selection of Fund Sponsors and Funding Vehicles, the tailoring and portability of benefits to meet the individual needs of Participants and their Beneficiaries, and the ability to transfer the benefit Account balances among Fund Sponsors and Funding Vehicles within the ORP from time to time.
- (d) The ORP, as further described by the terms and conditions of this Article 12 and applicable provisions of Articles 1 through 10, is a voluntary program which may be elected by an Eligible Employee for the ORP by means of a one-time irrevocable election administered by the Employer, and which consists of two component parts, as stated in the two following paragraphs.
- (e) Employer contributions to the Participant's ORP I Account and Employee contributions to the ORP II Account are invested, at the direction of each Participant, in any one or more Funding Vehicles offered under the ORP by the Fund Sponsor(s) selected by the Participant. A Participant may either select the same Fund Sponsor for his or her ORP I and ORP II Accounts or a different Fund Sponsor for each respective Account.
- (f) The ORP is established pursuant to applicable provisions of the Code, with retirement benefits held in trust for Participants and their Beneficiaries, as contemplated by Alaska Statutes, including Chapter 104 of the Session Laws of Alaska (1989 SLA Ch. 104).
- (g) The ORP I (as defined in Section 1.24) is an Employer-paid, defined contribution, pension plan designed to qualify under Code Section 401(a) as a type of tax-qualified plan that is sometimes referred to in the Code as a “money purchase pension plan,” and which is maintained as a “governmental plan” (as defined in Code Section 414(d)).

- (h) The ORP II (as defined in Section 1.25) is a defined contribution retirement program, with mandatory employee tax-deferred contributions (pursuant to a one-time irrevocable election by the Participant) that are required as a condition of eligibility to receive Employer contributions under the ORP I. The ORP II is designed to qualify as a tax-deferred annuity plan under Code Section 403(b), and is maintained as a “governmental plan” (as defined in Code Section 414(d)).
- (i) Effective January 1, 1996, the Employer approved a restatement of the plan documents for the ORP I and ORP II, and the adoption of a companion plan document named “University of Alaska Retirement Program” (the “Retirement Program”), which, in combination, reflected the terms of the ORP I and ORP II, including all amendments adopted through June 1998.
- (j) Effective January 1, 2001, the Employer amended and restated the ORP I and the ORP II, and consolidated those Plans with the Pension Plan in this single integrated Plan Document (collectively referred to as the Retirement Program or the Plan Document).

## 12.2 Eligibility for the ORP

### (a) Included Categories of Employees

As used in this Article and in applicable provisions of Articles 1 through 10, and as further defined in Section 1.13, the term “Eligible Employee for the ORP” means:

- (i) any Employee of the Employer who is either:
  - (A) a faculty member,
  - (B) an administrator whose position is classified as an officer or senior administrator, or
  - (C) covered by the collective bargaining agreement with the Fairbanks Fire Fighters Union Local 1324, for the period January 1, 2014 through December 31, 2015 (or until such agreement is superceded by a subsequent agreement that does not provide for participation in the ORP);

- (ii) any Employee who, on or after July 1, 2006, and before July 1, 2015, has an initial Employment Date with the Employer (i.e., was never previously employed by the Employer in any Benefit-Eligible Position), and that initial employment is in a PERS-eligible position; or
- (iii) any PERS participant formerly employed in a PERS-eligible position with the Employer who subsequently occupies a position described in clause (i), above (whether as a result of a promotion, reclassification or Reemployment Date).

(b) Excluded Categories of Employees

Notwithstanding the terms of Section 12.2(a), the following categories of Employees shall be excluded from the definition of “Eligible Employee for the ORP”:

- (i) an Employee who is classified as a temporary Employee;
- (ii) an Employee who is classified as an adjunct faculty member;
- (iii) an Employee whose employment is conditioned upon his or her status as a student at the University of Alaska;
- (iv) an Employee who is covered by a collective bargaining agreement which does not provide for participation in the ORP;
- (v) an Employee who has not made, or who ceases to make, the mandatory contributions described in Section 12.6;
- (vi) an Employee who fails to make an election to participate in the ORP within the applicable election period for such election, or who affirmatively elects to participate in either PERS or TRS (whichever is applicable to the Employee);
- (vii) an Employee (other than an Employee described in Section 12.2(a)(ii)) who, on or after July 1, 2006, as a result of either a Reemployment Date, reclassification or reassignment, becomes employed in a PERS-eligible position other than a position described in Section 12.2(a)(i); and
- (viii) an Employee who is not included pursuant to Section 12.2(a)(i) and whose initial Employment Date with the Employer is on or after July 1, 2015.

(c) Determination of Status

An Employee’s potential status as an Eligible Employee for the ORP shall be determined based on an Employee’s primary assignment. The term “primary assignment” means an individual’s principal job assignment as an Employee.

## 12.3 Participation in the ORP

### (a) Irrevocable Elections by Eligible Employees for the ORP

#### (i) General Rule

When an Employee first becomes an Eligible Employee for the ORP upon first meeting any of the eligibility conditions stated in Section 12.2(a) (and not being excluded by Section 12.2(b)), he or she may make a one-time irrevocable election to participate in the Tier of the ORP or PERS then in effect or in the Tier of the ORP or TRS then in effect, whichever applies. If such an Eligible Employee for the ORP does not make such election to participate in the applicable Tier of the ORP within the 30-day period described in subsection (iii) below, he or she shall then be deemed to have made an irrevocable election to participate in TRS or PERS (in whichever plan and tier is applicable to him or her according to the terms of TRS or PERS).

#### (ii) Special Rule for Certain Changes in TRS/PERS Eligibility

Notwithstanding an “irrevocable” election pursuant to Section 12.3(a)(i), an Eligible Employee shall have a right to make another irrevocable election that will prospectively replace his or her prior election if and when the Participant has a Reemployment Date (or is reclassified) resulting in a change from a TRS-eligible status to a PERS-eligible status, or vice versa, but only if the Participant was originally covered under PERS or TRS pursuant to Section 12.3(a)(i). If such a Participant had originally elected ORP, there shall be no right to a second election and the Participant’s reemployment (or reclassification) shall result in a resumption (or continuation) of the Participant’s coverage under his or her prior Tier of the ORP (and his or her prior Tier of Pension Plan coverage).

Notwithstanding the terms of the prior paragraph, a Participant shall have no more than one opportunity to choose between TRS and ORP, or between PERS and ORP. For example, an Employee who, over a period of time, transitions from TRS-eligible to PERS-eligible and then back to TRS-eligible status shall not then have a right to a new election between ORP and TRS, but shall instead resume coverage under the Plan and Tier elected in his or her initial irrevocable election between TRS and ORP.

#### (iii) 30 Day Election Period from Date of Eligibility or Notice

An election shall be irrevocable upon receipt by the Employer, and must be made within thirty (30) days after the later of (i) the respective Employment Date or Reemployment Date that causes the Employee to be an Eligible Employee for the ORP (as described in the previous two

paragraphs), or (ii) the date of receiving the Employer's written notice of eligibility to participate in the ORP.

(b) Effective Date of Participation

For an Eligible Employee for the ORP who has elected to participate, the effective date of participation shall be retroactive to the Employment Date (or Reemployment Date, where applicable) that caused the Employee to be eligible.

12.4 Enrollment in the ORP

To participate in the ORP, an Eligible Employee for the ORP must complete and return to the Office of the Statewide Director of Benefits (or its designee), the appropriate Fund Sponsor(s) enrollment form(s) for the ORP I and ORP II and the state retirement system waiver form, waiving the right to any future benefit accruals under PERS or TRS (whichever is applicable). Furthermore, such Eligible Employee for the ORP shall deliver to his or her selected Fund Sponsor(s) his or her selection of Funding Vehicles. If an Eligible Employee for the ORP does not return the appropriate enrollment form(s) to the Office of the Statewide Director of Benefits (or its designee), and Fund Sponsor within the time frames set forth in Section 12.3(a)(iii), the default consequence shall be that he or she shall be deemed to have waived participation in the ORP and will be enrolled in either TRS or PERS (whichever is applicable to the Employee, according to the terms administered by the State of Alaska).

12.5 Employer Contributions to ORP I

The ORP I Account, and the terms and conditions of this Retirement Program that are applicable to benefits under the ORP I, constitute a tax-qualified, money-purchase, pension plan that is designed, and which shall be administered, in accordance with the provisions of Code Section 401(a) that apply to "governmental plans" (within the meaning of Code Section 414(d)).

(a) Employer ORP Contribution Conditions

Employer contributions to the ORP for a Participant will terminate at any time the Participant ceases to be an Eligible Employee for the ORP, including transfer or reclassification to a position which is not classified as eligible for ORP or the Participant's failure to make the mandatory contributions to the Participant's ORP II Account as required by Section 12.6.

Employer contributions shall be allocated to a Participant's ORP I Account no less frequently than monthly.

Assets in an amount equal to the Employer contributions required to be made, in the aggregate, to the respective ORP I Accounts maintained by a Fund Sponsor shall be payable no less frequently than monthly to the custody of the Fund Sponsor or its custodian, in a manner acceptable to the Fund Sponsor and the Employer.

(b) ORP Tier 1

For each active Participant in the ORP who first became a Participant in the ORP pursuant to an Employment or Reemployment Date before July 1, 2005, that resulted from an offer of employment from the University dated on or before June 22, 2005, the ORP I Employer contribution rate for a calendar year shall be 14 percent times Covered Wages to the ORP I Account of such Participant, which shall be referred to as the “Tier 1” Employer plan contribution rate.

(c) ORP Tier 2

For each active Participant in the ORP who first became a Participant in the ORP pursuant to an Employment or Reemployment Date on or after July 1, 2005, and before July 1, 2006, that resulted from an offer of employment from the University dated after June 22, 2005, the ORP I Employer contribution rate for a calendar year shall be equal to 12 percent times Covered Wages to the ORP I Account of such Participant, which shall be referred to as “Tier 2” Employer contribution rates.

(d) ORP Tier 3

For each active Participant in the ORP who first became a Participant in the ORP pursuant to an Employment or Reemployment Date on or after July 1, 2006, the ORP I Employer contribution rate for a calendar year shall be equal to the net amount of:

- (i) 12 percent times Covered Wages, less
- (ii) the amount (whether expressed as a percentage of Covered Wages or as a flat dollar amount per annum) of any Employer contributions allocated from time to time to an individual account for the benefit of the same Employee under any plan or program maintained by the Employer to accumulate savings for – or reimburse – health care expenses of employees or retirees.

The ORP I benefits described in this Section 12.5(c) shall be referred to as “Tier 3” Employer contribution rates.

(e) Transfer or Retirees

In the case of an individual who has a reclassification, transfer or Reemployment Date with the Employer on or after July 1, 2005, into a position that, once again, qualifies him or her as an Eligible Employee for the ORP, and who, during a prior period of employment with the Employer, made an election between ORP and either TRS or PERS pursuant to Section 12.3(a)(i), the following provisions shall apply:

- (i) if the individual previously had elected to participate in ORP, then the individual shall resume coverage in the ORP benefit Tier that applied to him or her as of his or her initial ORP election; and
- (ii) if the individual previously had elected to participate in TRS or PERS and has a right to a second election under Section 12.3(a)(ii) because of a change from PERS-eligible to TRS-eligible status (or vice versa), the ORP election shall be governed by the ORP benefit Tier that would then apply as if the individual's Reemployment Date (or reclassification or transfer date) were an initial Employment Date.

## 12.6 Employee Contributions to ORP II

The ORP II Account, and the terms and conditions of this Retirement Program that are applicable to benefits under the ORP II, constitute a tax-deferred annuity plan governed by the provisions of Code Section 403(b) that apply to "governmental plans" (within the meaning of Code Section 414(d)).

### (a) Mandatory Employee Contributions to ORP II Account

A Participant in the ORP, as a condition of eligibility to receive Employer contributions to the ORP I Account, must make mandatory Employee contributions to the ORP II Account pursuant to a one-time irrevocable election, as described in Sections 12.3 and 12.4. Such mandatory Employee contributions shall constitute pre-tax deferrals to a Section 403(b) tax-deferred annuity plan.

### (b) Amount

The amount of the Participant's mandatory contribution to the ORP II Account shall be equal to Covered Wages times the mandatory employee contribution rate which is as follows:

- (i) For a Participant who is actively participating in ORP Tier 1 or Tier 2 the rate is 8.65 percent; and
- (ii) For a Participant who is actively participating in ORP Tier 3 the rate is 8.00 percent.

### (c) Exemption from Code Section 402(g) Limits on Elective Deferrals

All contributions to the ORP II Account are mandatory contributions that are intended to be exempt from the limitation on elective deferrals under Code Section 402(g), because such contributions do not constitute "elective deferrals" pursuant to Code Section 402(g)(3).



(d) IRC 415 Limits

If a Participant provides information indicating that the amount of his or her mandatory contributions to the ORP II Account will exceed the Code Section 415 limit for the calendar year then for purposes of determining the Participant's ORP I contributions and at the discretion of the Statewide Director of Benefits, the Participant may be deemed to have made the required mandatory contribution to the ORP II Account for that Plan Year if the Participant contributes such amount as is not in excess of the applicable limitation(s) for the Plan Year.

(e) No Other Employee Contributions

Other than Employee contributions to ORP II and rollover contributions to ORP I or ORP II, no Employee contributions may be made to the ORP.

12.7 Benefits from the ORP

Retirement benefit distributions and death benefits shall be as described in the applicable terms and conditions stated in Article 6 of this Plan Document.