

**UNIVERSITY OF ALASKA OPTIONAL RETIREMENT PLAN I  
SUMMARY OF PLAN PROVISIONS**

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# UNIVERSITY OF ALASKA OPTIONAL RETIREMENT PLAN I

## SUMMARY OF PLAN PROVISIONS

### INTRODUCTION TO YOUR PLAN

#### What kind of Plan is this?

University of Alaska Optional Retirement Plan I ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of qualified retirement plan commonly referred to as a Money Purchase Plan. Generally you are not taxed on the amounts we contribute to the Plan until you withdraw these amounts from the Plan.

#### What information does this Summary provide?

This Summary of Plan Provisions contains information regarding your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Summary to get a better understanding of your rights and obligations under the Plan.

If you have any questions about the Plan, please contact the Administrator or other plan representative. The Administrator is responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan. The name and address of the Administrator can be found at the end of this Summary in the Article entitled "General Information About the Plan."

This Summary describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this Summary conflicts with the language of the Plan document, then the Plan document always governs.

All amounts in the Plan will be invested either in annuity contracts or in mutual funds held in a trust account. The agreements constituting or governing the annuity contracts (the "Individual Agreements") explain your rights under the contracts and the unique rules that apply to each Plan investment which may, in some cases, limit your options under the Plan. You should review the Individual Agreements along with this Summary to gain a full understanding of your rights and obligations under the Plan. Contact your Employer or the investment vendor to obtain copies of the Individual Agreements or to receive more information regarding the investment arrangements available under the Plan.

The Plan and your rights under the Plan are subject to various laws, including the Internal Revenue Code. The provisions of the Plan are subject to revision due to a change in laws. Your Employer may also amend or terminate this Plan.

**Types of Contributions.** The Plan includes provisions for the following types of contributions:

Employer nonelective contributions

Employee rollover contributions

## ARTICLE I PARTICIPATION IN THE PLAN

#### How do I participate in the Plan?

Provided you are not an Excluded Employee, you may begin participating under the Plan once you have satisfied the eligibility requirements and reached your "Entry Date." The following describes the eligibility requirements and Entry Dates that apply. You should contact the Administrator if you have questions about the timing of your Plan participation.

**Excluded Employees.** If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan. The Excluded Employees are:

union employees whose employment is governed by a collective bargaining agreement under which retirement benefits were the subject of good faith bargaining, unless the collective bargaining agreement requires the employee to be included within the Plan

leased employees

temporary employees.

any Employee who, based on primary assignment, is not an "Eligible Employee of the ORP." (a) An "Eligible Employee of the ORP" means: any Employee (i) 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 bargaini

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 because of a promotion, reclassification or Reemployment Date). (b) Excluded Categories of Employees: (i) classified as an adjunct faculty member; (ii) employment is condition upon his or her status as a student at the University; (iii) 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; (iv) an Employee (other than an Employee described in Subsection (a)(ii)) who, on or after 7/1/2006, 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 (a)(i); and (v) an Employee who is not included pursuant to Subsection (a)(i) and whose initial Employment Date with the Employer is on or after 7/1/2015. (c) For purposes of this section: (i) "Primary Assignment" means an individual's principal job assignment as an Employee. (ii) "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 P

**ARTICLE III  
EMPLOYER CONTRIBUTIONS**

This Article describes Employer contributions that will be made to the Plan.

**What is the Employer nonelective contribution and how is it allocated?**

**Nonelective contribution.** Your Employer will contribute: (a) Tier 1: the rate for a calendar year shall be equal to 14 % times

compensation for services performed during your regular working hours, or for services outside your regular working hours (such as overtime or shift differential) or other similar payments that would have been made to you had you continued employment

nonqualified unfunded deferred compensation if the payment is includible in gross income and would have been paid to you had you continued employment

Military Differential Pay (wage continuation payments) will be included

### **Is there a limit on the amount of compensation which can be considered?**

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2023 is \$330,000. After 2023, the dollar limit may increase for cost-of-living adjustments.

### **Is there a limit on how much can be contributed to my account each year?**

Generally, the law imposes a maximum limit on the amount of contributions that may be made to your account and any other amounts allocated to any of your accounts during the Plan Year, excluding earnings. Beginning in 2023, this total cannot exceed the lesser of \$66,000 or 100% of your annual compensation. After 2023, the dollar limit may increase for cost-of-living adjustments.

### **How is the money in the Plan invested?**

The assets of the Plan are held in annuity contracts for the benefit of Plan participants and their beneficiaries in accordance with the terms of this Plan. These contracts will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

### **What investments are permitted?**

Your Employer (or someone appointed by your Employer) will select the investment vendors and investment options that will be available under the Plan. The investment options will be limited to annuity contracts and/or mutual funds purchased through a trust account. The list of approved investment options and vendors may change from time to time as your Employer considers appropriate. Your Employer may restrict the list of vendors who may accept new contributions to the Plan and it may be different from the list of vendors and investment options available once the contributions have been made to the Plan through a contract exchange. You should carefully review the Individual Agreements governing the annuity contracts and trust account, the prospectus, or other available information before making investment decisions.

### **Who is responsible for selecting the investments for my contributions under the Plan?**

You have the right to decide how your Plan balance will be invested. Your Employer will establish administrative procedures that you must follow to select your investments. Your Employer will designate a list of vendors and investment options that you may select for new contributions to the Plan. You will have the ability to transfer your Plan balance among these vendors and investment options to the extent permitted by the Individual Agreements. Contact your Employer if you are not certain whether a particular vendor or investment option is permitted under the Plan. If you do not select investments for your Plan account, the Employer will determine how your account will be invested.

### **How frequently can I change my investment elections?**

You may change your initial investment selections as frequently as permitted under the Individual Agreements.

**Earnings or losses.** When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance of other participants who have directed their own investments. You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and your Employer, the Administrator, and the Insurer will not provide investment advice or guarantee the performance of any investment you choose.

### **Will Plan expenses be deducted from my account balance?**

**Expenses allocated to all accounts.** The Plan permits the payment of Plan expenses to be made from the Plan's assets, to the extent permitted under the contracts in which the Plan assets are invested. The method of allocating the expenses depends on the nature of the expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated proportionately to each participant. If the Plan pays \$1,000 in expenses and there are 100 participants, your account balance would be charged \$10 (\$1,000/100) of the expense.

**Terminated employee.** After you terminate employment, your Employer reserves the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether your Employer pays some of these expenses on behalf of current employees, to the extent permitted under the contracts in which the Plan assets are invested.

**Expenses allocated to individual accounts.** There are certain other expenses that may be paid just from your account, to the extent permitted under the contracts in which the Plan assets are invested. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that

a portion of your account be paid to your ex-spouse. These additional expenses may be paid directly from your account (and not the accounts of other participants) because they are directly attributable to you under the Plan. The Administrator can inform you when there will be a charge (or charges) directly to your account.

Your Employer may, from time to time, change the manner in which expenses are allocated.

## **ARTICLE V VESTING**

### **What is my vested interest in my account?**

In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that your Employer makes to the Plan. This means that you will not be entitled ("vested") in all of the contributions until you have been employed with the Employer for a specified period of time.

### **100% vested cont**



**When will the non-vested portion of my account balance be forfeited?**



**May I elect another form of benefit?**

**Waiver of annuity.** If your vested benefit in the Plan exceeds \$5,000, then when you are about to receive any distribution, the Administrator will explain the joint and survivor annuity or the life annuity to you in greater detail. You will be given the option of waiving the joint and survivor annuity or the life annuity form of payment during the 180-day period before the annuity is t

**Form of distribution.** If the death benefit payable to a beneficiary does not exceed \$5,000, then the benefit may only be paid as a lump-sum. If the death benefit exceeds \$5,000, your beneficiary may elect to have the death benefit paid in:

a single lump-sum payment

installments over a period of not more than the assumed life expectancy of your beneficiary

partial withdrawals

annuities

**Annuity distribution.** If the death benefit does not exceed \$5,000, then the benefit may only be paid as a lump-sum. If you are married at the time of your death and the death benefit exceeds \$5,000, the death benefit will be paid in the form of an annuity, that is, periodic payments over the life of your spouse. Your spouse may direct that payments begin within a reasonable period of time after your death. The size of the monthly payments will depend on the value of your vested account at the time of your death.

**Waiver of annuity.** You (and your spouse if you are married) may waive the annuity form of distribution. Generally, the period during which you and your spouse may waive the annuity begins as of the first day of the Plan Year in which you reach age 35 and ends when you die. The Administrator must provide you with a detailed explanation of the annuity. This explanation must generally be given to you during the period of time beginning on the first day of the Plan Year in which you will reach age 32 and ending on the first day of the Plan Year in which you reach age 35. It is important that you inform the Administrator when you reach age 32 so that you may receive this information.

Under a special rule, you and your spouse may waive the survivor annuity form of payment any time before you turn age 35. However, any waiver will become invalid at the beginning of the Plan Year in which you turn age 35, and you and your spouse will be required to make another waiver.

If you waive the annuity form of distribution, and you are not married, or for amounts in excess of the minimum spouse's death benefit, then your beneficiary may elect an alternative form of payment. This payment may be made in:

a single lump-sum payment

installments over a period of not more than the assumed life expectancy of your beneficiary

partial withdrawals

the purchase of a different form of annuity

#### **When must the last payment be made to my beneficiary?**

The law generally restricts the ability of a retirement plan to be used as a method of retaining money for purposes of your death estate. Thus, there are rules that are designed to ensure that death benefits are distributable to beneficiaries within certain time periods.

Regardless of the method of distribution selected, if your designated beneficiary is a person (rather than your estate or some trusts) then minimum distributions of your death benefit will begin by the end of the year following the year of your death ("1-year rule") and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, then under the "1-year rule," the start of payments will be delayed until the year in which you would have attained age 70 1/2 unless your spouse elects to begin distributions over his or her life expectancy before then. However, instead of the "1-year rule" your beneficiary may elect to have the entire death benefit paid by the end of the fifth year following the year of your death (the "5-year rule"). Generally, if your beneficiary is not a person, your entire death benefit must be paid under the "5-year rule."

Since your spouse has certain rights to the death benefit, you should immediately report any change in your marital status to the Administrator.

#### **What happens if I'm a participant, terminate employment and die before receiving all my benefits?**

If you terminate employment with the Employer and subsequently die, your beneficiary will be entitled to your remaining interest in the Plan at the time of your death. The provision in the Plan providing for full vesting of your benefit upon death does not apply if you die after terminating employment.

### **ARTICLE IX TAX TREATMENT OF DISTRIBUTIONS**

#### **What are my tax consequences when I receive a distribution from the Plan?**

Generally, you must include any Plan distribution in (i)-29(d)7(i)95(e) c0 1 1-31(p)7(r)7( )-c0 1 1-31(p)7(r)7( )-c0 1 14( )-3(a6.4 Tm[h]7(e)7( )9ve n



**What if my benefits are denied?**

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Administrator will provide you with notification of the Plan's adverse determination. This written or electronic notification will be provided to you within a reasonable period of time.

**ARTICLE XII  
GENERAL INFORMATION ABOUT THE PLAN**