

Specimen Governmental 403(b) Plan Adoption Agreement

EMPLOYER INFORMATION

Name of Adopting Employer Arkansas State University System
Address 501 Woodlane Drive, Suite 301-N
City Little Rock State AR Zip 72201
Telephone 501-660-1003 Adopting Employer's Federal Tax Identification Number 716000556
Adopting Employer's Tax Year End (specify month and day) 12/31
Name of Plan Arkansas State University System DC Retirement Plan
Plan Sequence Number 001 Account Number 104170,104174,104176,104178

Related Employers – If the Adopting Employer is part of a group of Related Employers, then such Related Employers will participate in this Plan only if listed on Attachment B, *Related Employer Participation Form*. Additions to or deletions from Attachment B, *Related Employer Participation Form*, do not constitute amendments to this Plan.

SECTION ONE: EFFECTIVE DATES

Complete Part A or B

Part A. **New Plan Effective Date**
This is the initial adoption of a 403(b) plan by the Adopting Employer.
The Effective Date of the Plan is _____.

NOTE: *The Effective Date is usually the first day of the Plan Year in which this Adoption Agreement is signed and may not be earlier than such date. Elective Deferrals (whether or not resulting from automatic enrollment), Nondeductible Employee Contributions, and Mandatory Employee Contributions, however, cannot be made available before the later of the date this Adoption Agreement is signed or the Effective Date for such contributions. Special Effective Dates that apply to these types of contributions or other Plan features, if applicable, are listed on Attachment C, Special Effective Dates.*

Part B. **Existing Plan Amendment or Restatement Date**
This is an amendment or restatement of an existing 403(b) plan (a Prior Plan).
The Prior Plan was initially effective on 01/01/1967.
The Effective Date of this amendment or restatement is 02/27/2014.

NOTE: *The restatement Effective Date is generally the first day of the Plan Year in which this Adoption Agreement is signed. Notwithstanding the foregoing, Effective Dates for other items are governed by the dates specified in the Basic Plan Document. If Elective Deferrals, Nondeductible Employee Contributions, or Mandatory Employee Contributions are being made available for the first time as a result of this amendment or restatement, these contributions cannot be made available before the later of the date this Adoption Agreement is signed or the special Effective Date listed on Attachment C, Special Effective Dates. Special Effective Dates that apply to other Plan features, if applicable, are also listed on Attachment C.*

SECTION TWO: ELIGIBILITY

Complete Parts A through E

NOTE: *The age and Years of Eligibility Service requirements specified below for Matching Contributions and Employer Contributions will not apply to Elective Deferrals unless the Adopting Employer maintains another plan providing for elective deferrals that satisfies the universal availability requirements under Code Section 403(b)(12) and the corresponding Treasury Regulations. Eligibility requirements selected for Elective Deferrals will also apply to Nondeductible Employee Contributions if such contributions are permitted in the Plan. Eligibility requirements selected for Employer Contributions will also apply to Mandatory Employee Contributions, if applicable, except as set forth in Adoption Agreement Section Three, Part B.*

Part A. Age and Years of Eligibility Service

1. Age Requirement

a. Elective Deferrals

If Elective Deferrals are permitted in Adoption Agreement Section Three, Part A, an Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals) unless they are part of an excluded class of Employees as described in Adoption Agreement Section Two, Part C. There is no minimum age an Employee must attain to become a Participant in this Plan for purposes of making Elective Deferrals unless the Adopting Employer maintains another plan providing for elective deferrals that satisfies the universal availability requirements under Code Section 403(b)(12) and the corresponding Treasury Regulations. If the Adopting Employer maintains another plan, then the age specified below for Matching Contributions and Employer Contributions will apply to Elective Deferrals.

b. Matching Contributions and Employer Contributions

If Matching Contributions or Employer Contributions will be made to the Plan, unless they are part of an excluded class of Employees as described in Adoption Agreement Section Two, Part C, the Employee will become a Participant in the Plan for purposes of receiving Matching Contributions or receiving an allocation of any Employer Contributions, as applicable, pursuant to Adoption Agreement Section Three, after attaining age _____.

NOTE: *If no age is specified in item (b) above, there will be no age requirement.*

2. Years of Eligibility Service Requirement

a. Elective Deferrals

If Elective Deferrals are permitted in Adoption Agreement Section Three, Part A, an Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals) unless they are part of an excluded class of Employees as described in Adoption Agreement Section Two, Part C. There is no minimum Years of Eligibility Service an Employee must meet to become a Participant in this Plan for purposes of making Elective Deferrals unless the Adopting Employer maintains another plan providing for elective deferrals that satisfies the universal availability requirements under Code Section 403(b)(12) and the corresponding Treasury Regulations. If the Adopting Employer maintains another plan, then the Years of Eligibility Service requirements specified below for Matching Contributions and Employer Contributions will apply to Elective Deferrals.

b. Matching Contributions and Employer Contributions

If Matching Contributions or Employer Contributions will be made to the Plan, unless they are part of an excluded class of Employees as described in Adoption Agreement Section Two, Part C, the Employee will become a Participant in the Plan for purposes of receiving Matching Contributions or receiving an allocation of any Employer Contributions, as applicable, pursuant to Adoption Agreement Section Three, after satisfying the following Years of Eligibility Service requirements (*select one*):

Option 1: No Years of Eligibility Service required.

Option 2: After completing _____ consecutive Months of Eligibility Service (*no more than 12*).

Option 3: After completing _____ Years of Eligibility Service.

Option 4: Other: _____

NOTE: *If no option is selected, Option 1 will apply.*

Part B. Employees Employed as of the Effective Date

Will an Employee (other than an Employee who either is part of an excluded class of Employees as described in Adoption Agreement Section Two, Part C or is employed by a Related Employer that does not participate in the Plan) employed as of the Effective Date listed in Adoption Agreement Section One, Part A, who has not otherwise met the age and Years of Eligibility Service requirements listed above be considered to have met those requirements as of the Effective Date and be eligible to become a Participant in the Plan for purposes of receiving Matching Contributions or receiving an allocation of any Employer Contributions, as applicable, made pursuant to Adoption Agreement Section Three (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

Part C. Exclusion of Certain Classes of Employees

1. Elective Deferrals

If Elective Deferrals are authorized in Adoption Agreement Section Three, Part A, all Employees shall be eligible to become Participants in the Plan for purposes of making Elective Deferrals except those Employees who are (*select all that apply*):

- Eligible to participate in a Code Section 401(k) plan maintained by the Employer in which Employees may make elective deferrals.
- Eligible to participate in another Code Section 403(b) plan maintained by the Employer in which Employees may make elective deferrals.
- Eligible to participate in a Code Section 457(b) eligible governmental plan (a deferred compensation arrangement of a governmental entity described in Code Section 457(e) that satisfies the requirements of Code Section 457(b)) maintained by the Employer in which Employees may make elective deferrals.
- Non-resident aliens (within the meaning of Code Section 7701(b)(1)(B)) who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)).
- Students performing services described in Code Section 3121(b)(10) (generally, this refers to students who are enrolled and regularly attending classes offered by the Employer where the Employer is a school, college or university).
- Employees who normally work fewer than 20 hours per week (within the meaning of Treasury Regulation 1.403(b)-5(b)(4)(iii)(B)).

2. Matching Contributions and Employer Contributions

All Employees shall be eligible to become Participants in the Plan for purposes of receiving Matching Contributions and receiving an allocation of any Employer Contributions, as applicable, pursuant to Adoption Agreement Section Three, except those Employees who are (*select all that apply*):

- Non-resident aliens (within the meaning of Code Section 7701(b)(1)(B)) who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)).
- Those Employees included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives, if retirement benefits were the subject of good faith bargaining and if two percent or less of the Employees who are covered pursuant to that agreement are professionals as defined in Treasury Regulation 1.410(b)-9. For this purpose, the term "employee representatives" does not include any organization more than half of whose members are Employees who are owners, officers, or executives of the Employer.

- Students performing services described in Code Section 3121(b)(10) (generally, this refers to students who are enrolled and regularly attending classes offered by the Employer where the Employer is a school, college or university).
- Employees who normally work fewer than 20 hours per week (within the meaning of Treasury Regulation 1.403(b)-5(b)(4)(iii)(B)).
- Other: *(Describe the classification(s) of Employees that will be excluded from the Plan.)*

NOTE: A Related Employer will be excluded from the Plan unless such employer signs Attachment B, Related Employer Participation Form.

Part D. Entry Dates

Employees will enter the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals and/or Nondeductible Employee Contributions, if applicable) as soon as administratively feasible following the Employee's Employment Commencement Date in accordance with Plan Section 2.02(B), unless they are part of an excluded class of Employees selected in Adoption Agreement Section Two, Part C, or they are eligible under another plan of the Adopting Employer that provides for elective deferrals and that satisfies the universal availability requirements under Code Section 403(b)(12) and the corresponding Treasury Regulations. For Matching Contributions, Employer Contributions, and any other types of contributions under the Plan, the Entry Dates selected below will apply after the Employee satisfies all applicable age and Years of Eligibility Service requirements selected in Adoption Agreement Section Two, Part A *(select one)*:

- Option 1:** Immediately – The day the age and Years of Eligibility Service requirements in Adoption Agreement Section Two, Part A, are satisfied.
- Option 2:** Monthly – The first day of each month of the Plan Year.
- Option 3:** Quarterly – The first day of the Plan Year and the first day of the fourth, seventh, and tenth months of the Plan Year.
- Option 4:** Semi-Annually – The first day of the Plan Year and the first day of the seventh month of the Plan Year.
- Option 5:** Annually – The first day of the Plan Year.
- Option 6:** Other *(define Entry Date(s))* _____

NOTE: If no option is selected, Option 1 will apply.

Part E. Eligibility Computation Period

An Employee's Eligibility Computation Period after their initial Eligibility Computation Period shall be *(select one)*:

- Option 1:** The Plan Year commencing with the Plan Year beginning during their initial Eligibility Computation Period.
- Option 2:** The 12-consecutive month period commencing on the anniversary of their Employment Commencement Date.

NOTE: If no option is selected, Option 1 will apply.

SECTION THREE: CONTRIBUTIONS
Complete Parts A through E

Part A. Elective Deferrals

1. Authorization of Elective Deferrals

Will Elective Deferrals be permitted under this Plan *(select one)*?

- Option 1:** Yes *(complete the following)*:

Will Roth Elective Deferrals be permitted under this Plan in addition to Pre-Tax Elective Deferrals?

Suboption (a): Yes.

Suboption (b): No.

NOTE: If no suboption is selected, Suboption (b) will apply.

- Option 2:** No.

NOTE: If no option is selected, Option 2 will apply. Complete the remainder of Part A only if Option 1 is selected.

2. Catch-up Contributions

a. Age 50 Catch-up Contributions

Will eligible Contributing Participants be permitted to make Age 50 Catch-up Contributions pursuant to Plan Section 3.01(D)(1) *(select one)*?

Option 1: Yes.

Option 2: No.

NOTE: If no option is selected, Option 1 will apply.

b. Special Code Section 403(b) Catch-up Contributions

Will eligible Contributing Participants be permitted to make Special Code Section 403(b) Catch-up Contributions pursuant to Plan Section 3.01(D)(2) if they have 15 years of service (as defined in Plan Section 3.01(D)(2)) with a qualified organization described in Code Section 402(g)(7) *(select one)*?

Option 1: Yes.

Option 2: No.

NOTE: If no option is selected, Option 2 will apply.

3. Automatic Enrollment for Elective Deferrals

a. Authorization of Automatic Elective Deferrals

Will the automatic Elective Deferral enrollment provisions in Plan Section 3.01(E) apply (*select one*)?

Option 1: Yes, the Automatic Contribution Arrangement (ACA) provisions will apply.

Option 2: Yes, the Eligible Automatic Contribution Arrangement (EACA) provisions will apply (*complete the following*).

Will the Employer permit withdrawals of Elective Deferrals contributed under an EACA and the earnings attributable to such Elective Deferrals during a Participant's initial 90-day period as described in Plan Section 5.01(A)(4) (*select one*)?

Suboption (a): Yes.

Suboption (b): No.

NOTE: *If no option is selected, Suboption (a) will apply.*

Option 3: No.

NOTE: *If no option is selected, Option 3 will apply. Any elections made on the Adoption Agreement (e.g., the rate of Matching Contributions, or any vesting schedules that apply to such Matching Contributions) will also apply to the ACA or EACA options selected above. This may affect, for example, the total amount of Matching Contributions made by the Employer. If Option 2 is selected, the Plan must include a qualified default investment alternative described in ERISA Section 404(c)(5) and the accompanying Labor Regulations, unless and until such time as this requirement is modified or eliminated by applicable laws and regulations. Complete the remainder of this item 3 only if Option 1 or Option 2 is selected.*

b. Employees Subject to Automatic Enrollment

The following Employees will be automatically enrolled in the Plan.

Option 1: New Employees.

Option 2: New Employees and current Employees.

NOTE: *If no option is selected, Option 1 will apply. Notwithstanding the foregoing, if the EACA provisions are selected in item 3(a) above, Option 2 must be selected (and, if no Option is selected, Option 2 will apply) unless and until final Treasury Regulations under Code Section 1.414(w) permit Option 1 to be applied in conjunction with the EACA provisions of the Plan.*

c. Initial Amount of Automatic Elective Deferral

The following percentage or amount of each Eligible Employee's Compensation will be automatically withheld and contributed to the Plan as a Pre-Tax Elective Deferral if Option 1 or Option 2 was selected in item 3(a) above (*select and complete one*):

Option 1: _____ Percent.

Option 2: \$ _____.

NOTE: *If no option is selected, Option 1 will apply and three percent of Compensation will be withheld. If the EACA provisions are selected in item 3(a) above, a percentage of Compensation must be designated rather than a dollar amount. If Option 2 is designated above and the Employer elects to apply the EACA provisions by selecting Option 2 under item 3(a) above, three percent of Compensation will be withheld.*

d. Automatic Deferral Increases

i. Will Elective Deferrals be increased automatically each year for Employees who are automatically enrolled under item 3(a) above (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

ii. If Option 1 is selected in item (d)(i) above, such increases will occur in the following increments (*select one*):

Option 1: _____ percent per year up to a maximum of _____ percent.

Option 2: \$ _____ per year up to a maximum of \$ _____.

Option 3: Other _____.

NOTE: *If no option is selected, Option 1 will apply and annual increases will be made in increments of one percent of Compensation up to a maximum of ten percent of Compensation. If the EACA provisions are selected in item 3(a) above, a percentage of Compensation must be designated rather than a dollar amount.*

Part B. Mandatory Employee Contributions

1. Application of Mandatory Employee Contributions

Will Mandatory Employee Contributions be required under this Plan (*select one*)?

Option 1: Yes (*select one*):

Suboption (a): as a condition of employment (after meeting the Plan's age and Years of Eligibility Service requirements, as applicable, described in Adoption Agreement Section Two, Part A).

Suboption (b): as a condition of employment after (*check all that apply*):

Age _____.

_____ Years of Eligibility Service.

NOTE: *If no Suboption is selected, Suboption (a) will apply. If Suboption (b) is selected, the Plan's age and Years of Eligibility Service requirements will not apply for purposes of Mandatory Employee Contributions.*

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

2. Amount of Mandatory Employee Contribution

The following percentage or amount of each Employee's Compensation will be automatically withheld and contributed to the Plan as a Mandatory Employee Contribution subject to Suboption (a) or Suboption (b), as applicable, if Option 1 was selected in item 1 above (*select and complete one*):

Option 1: 6 _____ Percent.

Option 2: \$ _____.

3. Matching Contributions on Mandatory Employee Contributions

a. Authorization for Matching Contributions

Will the Employer make Matching Contributions to the Plan on behalf of each Employee who makes Mandatory Employee Contributions (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

b. Matching Contribution Formula

If the Employer elected to make Matching Contributions in item 3(a) above, then the amount of such Matching Contributions each Plan Year shall be (*select one*):

Option 1: Percentage of Compensation Match.

An amount equal to 10 percent of such Employee's Compensation.

Option 2: Other formula (*specify an amount equal to a percentage of the Mandatory Employee Contributions*).

Part C. Matching Contributions

NOTE: *If Matching Contributions are authorized in item 1 below, Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) must also be authorized in this Adoption Agreement Section Three.*

1. Authorization of Matching Contributions

Will the Employer make Matching Contributions to the Plan on behalf of a Qualifying Contributing Participant (*select one*)?

Option 1: Yes, with respect to the following types of contributions (*select all that apply*):

Suboption (a): Pre-Tax Elective Deferrals.

Suboption (b): Roth Elective Deferrals.

Suboption (c): Nondeductible Employee Contributions.

NOTE: *If no Suboption is selected, Suboption (a) will apply.*

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply. Complete the remainder of this Part C only if Option 1 is selected.*

2. Matching Contribution Formula

If the Employer elected to make Matching Contributions in item 1 above, then the amount of such Matching Contributions made on behalf of a Qualifying Contributing Participant each Plan Year shall be (*select one*):

Option 1: Percentage of Compensation Match.

An amount equal to _____ percent of such Qualifying Contributing Participant's Compensation provided a Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) equal or exceed _____ percent of the Qualifying Contributing Participant's Compensation.

Option 2: Percentage of Contribution Match.

That percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined by the Qualifying Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) as specified in the matching schedule below.

<u>Contribution Percentage</u>	<u>Matching Percentage</u>
Less than or equal to _____%	_____%

Notwithstanding the Matching Contribution formula specified above, no Matching Contributions in excess of \$_____ or _____ percent of a Qualifying Contributing Participant's Compensation will be made with respect to any Qualifying Contributing Participant for any Plan Year (*complete the applicable blank(s), if any*).

Option 3: Multi-Tiered Percentage of Contribution Match.

That percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined by the Qualifying Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) as specified in the matching schedule below.

	<u>Contribution Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to _____%	_____%
Tier 2	Greater than _____, but less than or equal to _____%	_____%
Tier 3	Greater than _____, but less than or equal to _____%	_____%
Tier 4	Greater than _____%	_____%

Notwithstanding the Matching Contribution formula specified above, no Matching Contributions in excess of \$_____ or _____ percent of a Qualifying Contributing Participant's Compensation will be made with respect to any Qualifying Contributing Participant for any Plan Year (*complete the applicable blank(s), if any*).

Option 4: Discretionary Match.

That percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) which the Employer, in its sole discretion, determines from year to year. The amount, the allocation formula, and the percentage or dollar amount limit applicable to such match, if any, is at the complete and sole discretion of the Employer and may vary from year to year. Any Matching Contribution will be allocated in a nondiscriminatory manner based upon each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable).

Option 5: Age- or Service-Graded Match

Suboption (a): Age-Graded Match.

That percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined based on the age of the Participant as specified in the matching schedule below.

	<u>Age</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to _____ years	_____%
Tier 2	Greater than _____, but less than or equal to _____ years	_____%
Tier 3	Greater than _____, but less than or equal to _____ years	_____%
Tier 4	Greater than _____ years	_____%

Notwithstanding the Matching Contribution formula specified above, no Matching Contributions in excess of \$_____ or _____ percent of a Qualifying Contributing Participant's Compensation will be made with respect to any Qualifying Contributing Participant for any Plan Year (*complete the applicable blank(s), if any*).

Suboption (b): Service-Graded Match.

An amount equal to a percentage of each Qualifying Contributing Participant's Elective Deferral (and/or Nondeductible Employee Contribution, if applicable) determined by the number of such Qualifying Contributing Participant's Years of (*select one*) Eligibility Vesting Service with the Employer as specified in the matching schedule below.

	<u>Years of Service</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to _____ years	_____%
Tier 2	Greater than _____, but less than or equal to _____ years	_____%
Tier 3	Greater than _____, but less than or equal to _____ years	_____%
Tier 4	Greater than _____ years	_____%

Notwithstanding the Matching Contribution formula specified above, no Matching Contributions in excess of \$_____ or _____ percent of a Qualifying Contributing Participant's Compensation will be made with respect to any Qualifying Contributing Participant for any Plan Year (*complete the applicable blank(s), if any*).

Option 6: Match Based on Job Classification or Business Location.

For each Plan Year the Employer will contribute a Matching Contribution in the percentages listed below for each Qualifying Contributing Participant based on the Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) for each Qualifying Contributing Participant who satisfies the job classification or business location requirement listed below.

<u>Job Classification or Business Location</u>	<u>Matching Percentage</u>
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Notwithstanding the Matching Contribution formula specified above, no Matching Contributions in excess of \$_____ or _____ percent of a Qualifying Contributing Participant's Compensation will be made with respect to any Qualifying Contributing Participant for any Plan Year (complete the applicable blank(s), if any).

Option 7: Other formula (Specify an amount equal to a percentage of the Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) of each Qualifying Contributing Participant entitled thereto).

NOTE: If no option is selected, Option 4 will apply.

3. Qualifying Contributing Participants

A Contributing Participant will be a Qualifying Contributing Participant, and thus entitled to share in Matching Contributions for any Plan Year, only if the Participant has satisfied all of the eligibility requirements described in Adoption Agreement Section Two on at least one day of such Plan Year and satisfies the following additional conditions (select one):

Option 1: The following additional conditions apply (select all that apply):

Hours of Service Requirement. The Contributing Participant completes at least _____ (not more than 1,000) Hours of Service during the Plan Year.

Last Day Requirement. The Contributing Participant is an Employee of the Employer on the last day of the Plan Year.

Option 2: No additional conditions apply.

NOTE: If no option is selected, Option 2 will apply.

Part D. Employer Contributions

1. Authorization of Employer Contributions

Will the Employer make Employer Contributions to the Plan on behalf of Qualifying Participants (select one)?

Option 1: Yes.

Option 2: No.

NOTE: If no option is selected, Option 2 will apply. Complete the remainder of Part D only if Option 1 is selected.

2. Contribution and Allocation Formula

Employer Contributions will be allocated to the Individual Accounts of Qualifying Participants as follows: (Select one contribution and allocation formula below. For the option selected (except Option 6), designate whether the contribution will be nondiscretionary and contributed each year or will be discretionary and the Employer will determine from year to year whether to make the Employer Contribution.)

Option 1: **Pro Rata Formula.**

a. Contribution Amount

Employer Contributions will be allocated to the Individual Accounts of Qualifying Participants each Plan Year equal to _____ percent of Compensation (specify a percentage of Compensation).

b. Contribution Requirement

The amount of the Employer Contribution allocated to Qualifying Participants each Plan Year will be:

Suboption (i): Nondiscretionary.

Suboption (ii): Discretionary.

Option 2: **Flat Dollar Formula.**

a. Contribution Amount

Employer Contributions will be allocated to the Individual Accounts of Qualifying Participants for each Plan Year in the amount of \$_____ for each Qualifying Participant.

b. Contribution Requirement

The amount of the Employer Contribution allocated to Qualifying Participants each Plan Year will be:

Suboption (i): Nondiscretionary.

Suboption (ii): Discretionary.

Option 3: **Integrated Formula.**

a. Contribution Amount

Employer Contributions will be allocated to the Individual Accounts of Qualifying Participants each Plan Year equal to the sum of the amounts determined in Steps 1 and 2:

Step 1. An amount equal to _____ percent (*the base contribution percentage*) of the Qualifying Participant's Compensation for the Plan Year up to the integration level; plus

Step 2. An amount equal to _____ percent (*not to exceed the base contribution by more than the lesser of: (1) the base contribution percentage, or (2) the maximum disparity rate as described in Plan Section 3.04(B)(2)*) of such Qualifying Participant's Compensation for the Plan Year in excess of the integration level.

The integration level will be (*select one*):

Suboption (i): The Taxable Wage Base.

Suboption (ii): \$ _____ (*a dollar amount less than the Taxable Wage Base*).

Suboption (iii): _____ percent (*not more than 100 percent*) of the Taxable Wage Base.

NOTE: *If no suboption is selected, Suboption (i) will apply.*

b. Contribution Requirement

The amount of the Employer Contribution contributed to Qualifying Participants each Plan Year will be:

Suboption (i): Nondiscretionary.

Suboption (ii): Discretionary.

Option 4: **Age- or Service-Graded Formula.**

a. Contribution Amount

Suboption (i): Age-Graded Employer Contribution.

Employer Contributions will be allocated to the Individual Accounts of Qualifying Participants each Plan Year equal to a percentage of each Qualifying Participant's Compensation determined based on the age of the Participant as specified in the schedule below.

	<u>Age</u>	<u>Contribution Percentage</u>
Base Rate	Less than or equal to _____ years	_____ %
Tier 2	Greater than _____, but less than or equal to _____ years	_____ %
Tier 3	Greater than _____, but less than or equal to _____ years	_____ %
Tier 4	Greater than _____ years	_____ %

Suboption (ii): Service-Graded Employer Contribution.

Employer Contributions will be allocated to the Individual Accounts of Qualifying Participants each Plan Year equal to a percentage of each Qualifying Participant's Compensation determined by the number of such Participant's Years of (*select one*)

Eligibility Vesting Service with the Employer as specified in the schedule below.

	<u>Years of Service</u>	<u>Contribution Percentage</u>
Base Rate	Less than or equal to _____ years	_____ %
Tier 2	Greater than _____, but less than or equal to _____ years	_____ %
Tier 3	Greater than _____, but less than or equal to _____ years	_____ %
Tier 4	Greater than _____ years	_____ %

b. Contribution Requirement

The amount of the Employer Contribution contributed to Qualifying Participants each Plan Year will be:

Suboption (i): Nondiscretionary.

Suboption (ii): Discretionary.

Option 5: **Business Location or Job Classification Formula.**

a. Contribution Amount

Employer Contributions will be allocated to the Individual Accounts of Qualifying Participants for each Plan Year equal to a percentage of each Qualifying Participant's Compensation determined based on the job classification or business location of the Participant as specified in the schedule below.

<u>Job Classification or Business Location</u>	<u>Percentage of Compensation</u>
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

b. Contribution Requirement

The amount of the Employer Contribution contributed to Qualifying Participants each Plan Year will be:

Suboption (i): Nondiscretionary.

Suboption (ii): Discretionary.

Option 6: **Discretionary Employer Contributions.**

The Employer will be permitted to make an Employer Contribution in an amount to be determined from year to year at the Employer's discretion which will be allocated to the Individual Accounts of Qualifying Participants in the ratio that each Qualifying Participant's Compensation for the Plan Year bears to the total Compensation of all Qualifying Participants for the Plan Year.

NOTE: *If no option is selected, Option 6 will apply.*

3. Supplemental Employer Contribution

Will the Employer be permitted to make supplemental Employer Contributions, in an amount to be determined from year to year at the Employer's discretion, in addition to the Employer Contributions described in item 2 above (*select one*)?

Option 1: Yes.

*If Option 1 is selected, the supplemental Employer Contributions will be allocated to each Qualifying Participant in accordance with the following Employer Contribution formula (*select one*):*

Suboption (a): Discretionary Employer Contribution, in the ratio that each Qualifying Participant's Compensation for the Plan Year bears to the total Compensation of all Qualifying Participants for the Plan Year.

Suboption (b): Other (*specify*) _____

NOTE: *If Option 1 is selected under item 3 and no suboption is selected, Suboption (a) will apply.*

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

4. Qualifying Participants

a. Additional Conditions

A Participant will be a Qualifying Participant, and thus entitled to share in Employer Contributions for any Plan Year, only if the Participant has satisfied all of the eligibility requirements described in Adoption Agreement Section Two on at least one day of such Plan Year and satisfies the following additional conditions (*select one*):

Option 1: The following additional conditions apply (*select all that apply*):

Hours of Service Requirement. The Participant completes at least _____ (*not more than 1,000*) Hours of Service during the Plan Year.

Last Day Requirement. The Participant is an Employee of the Employer on the last day of the Plan Year.

Option 2: No additional conditions apply.

NOTE: *If no option is selected, Option 2 will apply.*

b. Participants on a Paid Leave of Absence

Will a Qualifying Participant include a Participant on a paid leave of absence?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply. If Option 2 applies, it will not eliminate the leave protections for certain absences granted by ERISA or related law or regulations (e.g., military leave).*

5. Contributions To Disabled Participants

Will a Participant who has incurred a Disability be entitled to an Employer Contribution pursuant to Plan Section 3.04(B)(1) and Code Section 415(c)(3)(C) (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

6. Contributions to Former Employees

Will a Participant who has incurred a Severance from Employment be entitled to receive an allocation of any Employer Contributions pursuant to Plan Section 3.04(B)(1) and Treasury Regulation 1.403(b)-4(d) (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply. If Option 1 is selected, Compensation for purposes of Employer Contributions allocated to a former Employee under this section shall mean their Includible Compensation. The amount, the allocation formula, and the class of former Employees eligible to receive Employer Contributions shall be determined by the Employer, in its sole discretion, from year to year.*

Part E. Other Contributions

1. Rollover Contributions

a. Rollover Availability

May Participants make rollover contributions to the Plan pursuant to Plan Section 3.05 (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

b. Rollover Contributions from IRAs

Will the Plan accept a Participant’s rollover contributions of the portion of a distribution from an individual retirement account or annuity described in Code Section 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includible in gross income (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

2. Plan-to-Plan Transfer Contributions

May an Employee make transfer contributions to the Plan pursuant to Plan Section 3.06 (*select one*)?

Option 1: Yes, for current Employees only.

Option 2: Yes, for current and former Employees.

Option 3: Yes, but only if the Employee is part of a class of Employees whose assets are being transferred as a result of a merger or acquisition and the employee’s entire interest is being transferred.

Option 4: No.

NOTE: *If no option is selected, Option 4 will apply.*

3. Nondeductible Employee Contributions

May an Employee who satisfies the eligibility requirements specified in the Adoption Agreement for making Elective Deferrals, and who is not a member of an excluded class of Employees as specified in Adoption Agreement Section Two, Part C, item 2 make Nondeductible Employee Contributions pursuant to Plan Section 3.07 (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

SECTION FOUR: VESTING AND FORFEITURES
Complete Parts A through C

Part A. Vesting Schedule for Matching Contributions and Employer Contributions

A Participant will become Vested in the portion of their Individual Account derived from Matching Contributions and Employer Contributions, if applicable, made pursuant to Adoption Agreement Section Three as follows:

YEARS OF VESTING SERVICE	Option 1 <input type="checkbox"/>	Option 2 <input type="checkbox"/>	Option 3 <input checked="" type="checkbox"/> (<i>Complete if chosen.</i>)
Less than One	100%	0%	0 %
1	100%	0%	100 %
2	100%	20%	100 %
3	100%	40%	100 %
4	100%	60%	100 %
5	100%	80%	100 %
6	100%	100%	100 %
7	100%	100%	100 %
8	100%	100%	100 %
9	100%	100%	100 %
10	100%	100%	100 %

Part B. Exclusion of Certain Years of Vesting Service

All of an Employee’s Years of Vesting Service with the Employer are counted to determine the Vested percentage in the Participant’s Individual Account except (*select any that apply*):

Years of Vesting Service before the Employee reaches age 18.

Years of Vesting Service before the Employer maintained this Plan or a predecessor plan.

Part C. Allocation of Forfeitures

Forfeitures of Matching Contributions and Employer Contributions shall be (*select one*):

Option 1: Allocated to the Individual Accounts of Participants in the ratio that each Participant’s Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year.

The Participants entitled to receive allocations of such Forfeitures shall be (*select one*):

Suboption (a): Qualifying Contributing Participants (for Forfeitures of Matching Contribution) and Qualifying Participants (for Forfeitures of Employer Contributions).

Suboption (b): All Participants.

NOTE: *If no suboption is selected, Suboption (a) will apply.*

Option 2: Applied to reduce Plan Contributions.

NOTE: *If no option is selected, Option 2 will apply. Pursuant to Plan Section 3.04(C) and notwithstanding the election made above, the Employer may first apply Forfeitures to either the payment of the Plan’s administrative expenses or the restoration of Participants’ Individual Accounts pursuant to Plan Section 4.01(B)(4).*

SECTION FIVE: DISTRIBUTIONS
Complete Parts A through C

Part A. Eligibility for Distributions (*Answer each of the following items.*)

1. Cashout Distributions Upon Severance from Employment

For purposes of applying the cashout rules in Plan Section 4.01(B) and 5.01(B), the cashout level will be (*select one*):

Option 1: Not Applicable. The cashout distribution provisions in Plan Sections 4.01(B) and 5.01(B) will not apply.

Option 2: \$5,000.

Option 3: \$1,000.

Option 4: \$200.

Option 5: \$_____ (*specify an amount less than \$1,000*).

NOTE: *If no option is selected, Option 1 will apply. A cashout level exceeding \$1,000 will subject the Plan to the automatic rollover requirements of Code Section 401(a)(31)(B) as described in Plan Section 5.01(B).*

2. Distribution Events (*Select the criteria that a Participant must satisfy to be eligible for a distribution from the Plan.*)

Distribution Event	Elective Deferrals	Employer Contributions & Matching Contributions	Employer Contributions & Matching Contributions
		Annuity Contracts	Custodial Accounts
Upon Severance from Employment		✓	✓
Upon incurring a Disability			
Upon attainment of age 59½		✓	✓
Upon attainment of Normal Retirement Age before Severance from Employment <i>(an option for Elective Deferrals and custodial account distributions only if Normal Retirement Age is greater than age 59½)</i>			
Upon attainment of age: <i>(must be at least age 59½ for Elective Deferrals and custodial account distributions)</i>			
After participating in the Plan for a period of five years	N/A		N/A
After participating in the Plan for a period of years equal to (a) and attainment of age (b) <i>(must be at least age 59½ for Elective Deferrals and custodial account distributions)</i>	(a) (b)	(a) (b)	(a) (b)
On account of hardship	✓	✓	N/A
At any time with respect to pre-1989 Elective Deferrals in an annuity contract		N/A	N/A
At any time with respect to pre-2009 Employer Contributions and Matching Contributions in an annuity contract	N/A		N/A

NOTE: *Place a “✓” or enter the specific criteria (e.g., age, years of participation, etc.) in each box, as applicable. A Participant need only satisfy one of the criteria to be eligible for a distribution. If no selections or entries are made in the table above, Plan Section 5.01 will apply in determining whether a Participant is entitled to a distribution. Plan Section 5.01(C)(2) sets forth the conditions for a hardship distribution. Use Attachment A, Prior Plan Provisions, to preserve any additional distribution options available in a Prior Plan.*

3. Miscellaneous Distribution Issues

a. Withdrawals of Rollover Contributions

Will a Participant be entitled to request a distribution of their rollover contributions at any time, provided the rollover contributions have been properly segregated (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

b. Withdrawals of Transfer Contributions

Will an Employee be entitled to request a distribution of their transfer contributions at any time subject to the restrictions of Plan Section 5.01 (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

c. Qualified Reservist Distributions

Will Qualified Reservist Distributions of Elective Deferrals be permitted pursuant to Plan Section 5.01(D)(2) (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

NOTE: *If Option 2 applies for any of items (a) through (c), the Plan's provisions governing distributions will apply according to Plan Section 5.01.*

Part B. Form of Distribution

Income options will be permitted as provided by the terms of the Funding Vehicles. All forms of distribution shall be subject to the terms of the Individual Agreements. (*Answer each of the following items.*)

1. Individual Account Balances of \$1,000 or Less

If permitted, cashout distributions of \$1,000 or less that are Eligible Rollover Distributions and are made to terminated Participants pursuant to Plan Section 5.01(B) shall be (*select one*):

Option 1: Paid in a lump sum distribution.

Option 2: Paid in a Direct Rollover to an individual retirement account (*as defined in Code Sections 408(a), 408(b) or 408A*).

NOTE: *If no option is selected, Option 1 will apply.*

2. Individual Account Balances Exceeding \$1,000

a. Lump Sum

Will a Participant be entitled to request a distribution of the Vested portion of their Individual Account in a lump sum, subject to Plan Section 5.02 (*select one*)?

Option 1: Yes.

Option 2: No.

b. Partial Payments

Will a Participant be entitled to request a partial distribution of the Vested portion of their Individual Account, subject to Plan Section 5.02 (*select one*)?

Option 1: Yes.

Option 2: No.

c. Installment Payments

Will a Participant be entitled to request a distribution of the Vested portion of their Individual Account over a period not to exceed the life expectancy of the Participant or the joint and last survivor life expectancy of the Participant and their designated Beneficiary, subject to Plan Section 5.02 (*select one*)?

Option 1: Yes.

Option 2: No.

d. Annuity Contracts

Will a Participant be entitled to apply the Vested portion of their Individual Account toward the purchase of an annuity contract, subject to Plan Section 5.02 (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *Option 1 must be selected for at least one of items (a) through (d) in Part B, item 2 above. If Option 1 is not selected for at least one of items (a) through (d) above, then Option 1 will apply for items (a) and (d). If this Plan is restating a Prior Plan, the forms of distribution under this Plan must generally be at least as favorable as under the Prior Plan.*

Part C. Loans

May a Participant request a loan pursuant to Plan Section 5.11 (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

SECTION SIX: DEFINITIONS
Complete Parts A through E

Part A. Compensation

1. Base Definition

Compensation will mean all of each Participant's (*select one*):

Option 1: W-2 wages.

Option 2: Section 3401(a) wages.

Option 3: 415 safe-harbor compensation.

NOTE: *If no option is selected, Option 1 will apply.*

2. Exclusions from Compensation

Compensation shall not include the following. (*Select all that apply.*)

Bonuses

Overtime

Compensation due to a paid leave of absence

Other _____

3. Inclusion of Elective Deferrals

Will Compensation include contributions made by the Employer pursuant to a salary reduction agreement that are not includible in the gross income of the Employee under Code Sections 125 (cafeteria plans), 132(f)(4) (transportation fringe benefits), 402(e)(3) (401(k) Plans), 408(k) (salary deferral SEP Plans), 403(b) (tax-sheltered annuity plans), or 457 (deferred compensation plans of state and local governments and tax-exempt organizations) (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

4. Pre-Entry Date Compensation

The Employee's Compensation that will be taken into account for purposes of the Plan will be (*select one*):

Option 1: Compensation from the Entry Date.

Option 2: Compensation for the full Plan Year.

NOTE: *If no option is selected, Option 1 will apply.*

5. Post-Severance Compensation

a. Leave Cashouts

In addition to any adjustment to Compensation selected above, will Compensation exclude leave cashouts paid after Severance from Employment as described in the Basic Plan Document (*select one*)?

Option 1: Yes.

If Option 1 is selected, any adjustment to Compensation will apply to the following contributions (*select all that apply*):

Elective Deferrals, Mandatory Employee Contributions, and Nondeductible Employee Contributions.

Matching Contributions and Employer Contributions.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply with respect to all Plan Contributions.*

b. Deferred Compensation

In addition to any adjustment to Compensation selected above, will Compensation exclude deferred compensation paid after Severance from Employment as described in the Basic Plan Document (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

6. Permanently and Totally Disabled Employees

In addition to the basic definition of Compensation selected above, will Compensation include compensation defined in Code Section 415(c)(3)(C) for Participants who are permanently and totally disabled (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will apply.*

Part B. Hours of Service – Method of Determining Service

Hours of service will be determined on the basis of *(select one)*:

- Option 1:** Elapsed Time.
- Option 2:** Actual hours for which an Employee is paid or entitled to payment.
- Option 3:** Days worked. An Employee will be credited with 10 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the day.
- Option 4:** Weeks worked. An Employee will be credited with 45 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the week.
- Option 5:** Semi-Monthly payroll periods worked. An Employee will be credited with 95 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the semi-monthly payroll period.
- Option 6:** Months worked. An Employee will be credited with 190 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the month.

NOTE: *If no option is selected, Option 2 will apply.*

Part C. Plan Year

- Option 1:** The 12-consecutive month period which coincides with the Adopting Employer’s tax year.
- Option 2:** The calendar year.
- Option 3:** Other 12-consecutive month period *(specify a 12-consecutive month period selected in a uniform and nondiscriminatory manner)*. _____

NOTE: *If no option is selected, Option 1 will apply.*

If the initial Plan Year or any subsequent Plan Year is less than 12 months (a short Plan Year) specify such Plan Year’s beginning and ending dates. _____

Part D. Predecessor Employer Service

In addition to the Hours of Service credited when an Employer maintains the plan of a predecessor employer, Hours of Service with a predecessor employer will be credited for the following purposes where the Employer does not maintain the plan of a predecessor employer *(select all that apply)*:

- Eligibility.
- Vesting.
- Allocation of Contributions.

Service from the following named predecessor employer(s), if any, will apply.

In addition to any predecessor employer(s) that may be named above, employers from the following types of organizations will also constitute predecessor employers from which hours of service will apply. *(Select all that apply.)*

- An educational organization.
- An organization that meets the eligibility requirements of Code Section 403(b)(1).
- A teaching institution.
- An institution of higher education.
- A non-profit (research) institution.

Part E. Retirement Age

1. Early Retirement Age

The Early Retirement Age under the Plan will be *(select one)*:

- Option 1:** An Early Retirement Age is not applicable under the Plan.
- Option 2:** A Participant satisfies the Plan’s Early Retirement Age conditions by attaining age _____ and completing _____ Years of Vesting Service.

NOTE: *If no option is selected, Option 1 will apply.*

2. Normal Retirement Age

The Normal Retirement Age under the Plan will be *(select and complete one)*:

- Option 1:** Age 65 _____.
- Option 2:** The later of age _____ or the _____ anniversary of the first day of the first Plan Year in which the Participant commenced participation in the Plan.

NOTE: *If no option is selected, Option 1 and age 59½ will apply.*

SECTION SEVEN: MISCELLANEOUS

Complete Parts A and B

Part A. Participant Direction

1. Will Participants be responsible for directing the investment of their Plan assets pursuant to Plan Section 7.01(C) (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

2. If Option 1 was selected above, what investments will be available for transfer of Participant's Individual Accounts (*select one*)?

Option 1: Only approved investment options of Vendors eligible under the Plan to accept Plan Contributions.

Option 2: Investment options of Vendors eligible under the Plan to accept Plan Contributions and investment options of other Vendors not eligible to accept Plan Contributions but only if in accordance with the requirements of Plan Section 7.01(E).

NOTE: *If no option is selected, Option 1 will apply.*

Part B. Purchase of Permissive Service Credit

May a Participant elect to transfer assets from their Individual Account to a qualified defined benefit plan that is a governmental plan as defined in Code Section 414(d) (*select one*)?

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will apply.*

SECTION EIGHT: EMPLOYER SIGNATURE

Plan Administrator

Check here and provide the applicable information below if someone other than the Adopting Employer will be the Plan Administrator.

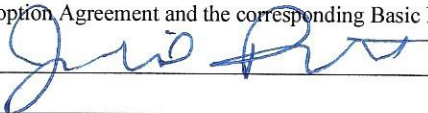
Name of Plan Administrator _____
Address _____
City _____ State _____ Zip _____
Telephone _____
Signature of Plan Administrator _____ Date Signed _____
Type Name _____

Check the applicable box if there is an attachment(s) that applies to this Plan other than a separate Individual Agreement.

- Attachment A, Prior Plan Provisions.
- Attachment B, Related Employer Participation Form.
- Attachment C, Special Effective Dates.
- Other: *(If this box is checked, please describe the attachment(s))* Attachment D, Special Employer Contributions _____

I am an authorized representative of the Adopting Employer named above and I state the following:

1. I acknowledge that I have relied upon my own advisors regarding the completion of this Adoption Agreement and the legal and tax implications of adopting this Plan.
2. I understand that this Adoption Agreement and the corresponding Basic Plan Document are specimen documents that have not been reviewed or approved by the IRS. I further understand that TIAA-CREF cannot and does not provide legal or tax advice.
3. I have received a copy of this Adoption Agreement and the corresponding Basic Plan Document.

Signature of Adopting Employer  Date Signed 2/27/14
Type Name _____ Title _____

✓

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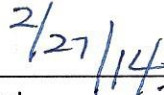
✓

Arkansas State University System DC Retirement Plan

Attachment D:

In addition, upon approval of an exit agreement by the Arkansas State University Board, additional non-matching employer contributions may be made on behalf of an eligible Employee after termination of employment, subject to the limitations of Section Three contributions, Part D Employer Contributions. A Participant for whom such contribution is made may not elect to have such contribution paid to the Participant in cash in lieu of a contribution to the Plan.


Julie Bates, Vice President for Finance


Date Signed