

**ADOPTION AGREEMENT
FOR THE ELIGIBLE
457(b) DEFERRED
COMPENSATION PLAN OF**

**ARKANSAS STATE
UNIVERSITY SYSTEM**

**A GOVERNMENTAL
EMPLOYER**



1. General Information

(A) Name of Governmental Employer: ARKANSAS STATE UNIVERSITY SYSTEM

(B) Address of Governmental Employer: PO Box 1500
State University, AR 72467-1500

(C) Name of Plan: 457(b) Deferred Compensation Plan of
Arkansas State University System
(Plan #'s 104172, 403174, 403176, 403178)

(D) Federal Tax ID Number of Governmental Employer: 71-6000556

(E) Plan Administrator's Name and Address: Julie Bates, VP for Finance
501 Woodlane, Suite 301A
Little Rock, AR 72201

Trustee's Name and Address (if applicable):

2. Effective Date / Restated Effective Date (Article I - Definitions)

(Select one)

(A) The Plan is a new plan. The Effective Date is _____.

(B) The Plan is a restated plan. The Restated Effective Date is July 1 2013.

The Plan's initial Effective Date was _____ January 1, 2003 _____.

3. **Plan Year** (Article I - Definitions)
(Select all that apply)

Plan Year means:

- (A) The calendar year.
- (B) The Plan Year is a twelve (12) month period beginning on _____ and ending on the following _____.
- (C) The initial Plan Year is a short Plan Year beginning on _____ and ending on _____ . Thereafter, the Plan Year will be the twelve (12) month period selected in Box 3(A) or Box 3(B) above.

4. **Definition of Compensation** (Article I - Definitions)
(Please make a selection in (A) and (B))

- (A) Compensation is defined as W-2 wages (including differential wage payments).
- Compensation will be defined as W-2 wages exclusive of the following:

- Compensation will be defined as follows:

- (B) If so selected, this amount also includes pay for accrued bona fide sick, vacation, or other leave pay (but not severance pay). (**Note:** Any such pay must be paid within the later of 2 ½ months following Severance from Employment or the end of the calendar year which includes the date of Severance from Employment.)

- Yes, include. If yes, select which types of accrued leave pay will apply to the Plan.

(1) Accrued bona fide sick pay

(2) Accrued vacation pay

(3) Other accrued leave pay (describe): _____

- No, do **not** include.

5. **Eligible Employee** (Article I - Definitions)

(Select all that apply)

- (A) All Employees of the Employer.
- (B) All Employees of the Employer, other than the following excluded Employees:
- (1) Leased Employees
 - (2) Salaried Employees
 - (3) Hourly Employees
 - (4) Seasonal Employees
 - (5) Temporary Employees
 - (6) Independent Contractors
 - (7) Employees whose employment is governed by the terms of a collective bargaining agreement between Employee representatives (within the meaning of Code Section 7701(a)(46)) and the Employer, under which retirement benefits were the subject of good faith bargaining.
 - (8) Other: _____

6. **Contract Selection and Alternate Investment Sponsors** (Article I - Definitions)

(A) Investment Options are any investments made available by either TIAA-CREF under its contracts (including the use of TIAA-CREF or non-proprietary mutual funds) or any other Investment Sponsor and selected for use under this Plan by the Employer, or its designee. The contracts that will be offered by TIAA-CREF under the Plan are: *(Select all that apply)*

- TIAA Retirement Choice Plus Annuity Contract ("TIAA RCP") and CREF Retirement Choice Plus Annuity Contract ("CREF RCP").
- TIAA Retirement Choice Annuity Contract ("TIAA RC") and a CREF Retirement Choice Annuity Contract ("CREF RC").
- TIAA Stable Value Annuity Contract ("TIAA Stable Value") and CREF Stable Value Annuity Contract ("CREF Stable Value") in conjunction with an RC Contract. If this option is selected, the RC Contract will also be included in the selection.
- For plans in existence prior to January 1, 2013, TIAA Group Supplemental Retirement Annuity Contract ("TIAA GSRA") and CREF Group Supplemental Retirement Annuity Contract ("CREF GSRA").

(B) Alternate Investment Sponsors. *(Select one)*

- No, alternate Investment Sponsors are **not** available under the Plan.
- Yes, alternate Investment Sponsors are available under the Plan. (List alternate Investment Sponsors)

7. **Normal Retirement Age** (Article I - Definitions)

(Please make a selection in (A) and if applicable, (B))

(A) **General Rule.** Other than provided in (B), Normal Retirement Age (“NRA”) can be defined as any age that is on or after the earlier of age 65 or the age at which a Participant can retire and receive an unreduced benefit under the Employer’s defined benefit plan (or if there is no defined benefit plan or if Participants cannot participate in that plan, a money purchase pension plan in which Participants also participate), and that is not later than age 70 ½. Alternatively, an Eligible Plan may choose or permit participants to choose any NRA that is within those ages.

- (1) Normal Retirement Age will be age 65.
- (2) Normal Retirement Age will be age _____.
- (3) Normal Retirement Age will be the age selected by each Participant.
- (4) Normal Retirement Age is defined as follows:

(B) **Special Rule for Participants who are Police or Firefighters.** Those Participants may substitute age 40 for age 65 for the rules in (A).

- (1) Normal Retirement Age will be age 40.
- (2) Normal Retirement Age will be age _____.
- (3) Normal Retirement Age will be the age selected by each Participant.
- (4) Normal Retirement Age is defined as follows:

8. Annual Deferrals (Section 3.1)

(Select one)

- (A) Annual Deferrals may be made to the Plan up to the maximum amount permitted by law.
- (B) Annual Deferrals may be made to the Plan up to a maximum amount equal to _____, provided that in no event may such deferrals exceed the maximum amount permitted by law.
- (C) Annual Deferrals may only be made to this Plan up to the maximum permitted by law after maximizing Elective Deferrals to the Employer's 403(b) plan.
- (D) Annual Deferrals may **not** be made to the Plan.

9. Roth Elective Deferrals (Article X)

(Select one)

- (A) Roth Elective Deferrals may be made to the Plan up to the maximum amount permitted by law.
- (B) Roth Elective Deferrals may be made to the Plan up to a maximum amount equal to _____, provided that in no event may such deferrals exceed the maximum amount permitted by law.
- (C) Roth Elective Deferrals may only be made to this Plan up to the maximum permitted by law after maximizing Elective Deferrals to the Employer's 403(b) plan.
- (D) Roth Elective Deferrals may **not** be made to the Plan.

10. Deferral of Special Pay (Section 3.3)

(Select one)

If selected below, a Participant may elect to defer accumulated sick pay, accumulated vacation pay and other leave pay provided that in no event shall such deferrals to the Plan exceed the maximum amount permitted by law.

- Yes, apply. (Question 4.(B) must also be checked, Yes.)
- No, do **not** apply.

11. Age 50 Catch-up Contributions (Section 3.7(c))

(Select one)

If selected below, age 50 catch-up contributions may be made to the Plan up to the maximum amount permitted by law.

Yes, apply.

No, do **not** apply.

12. Special Section 457 Catch-up Limitation (Section 3.7(b))

(Select one)

If selected below, the special Section 457 catch-up contributions may be made to the Plan up to the maximum amount permitted by law.

Yes, apply.

No, do **not** apply.

13. Employer Non-Elective Contributions (Section 3.5)

Note: Any Employer contribution will reduce, dollar for dollar, the amount the Participant can defer to the Plan and in no event shall the combined total of Participant and Employer contributions exceed the maximum amount permitted by law.

(Select one)

The Employer will make non-elective contributions to the Plan on behalf of all Active Participants in an amount equal to _____% of the Participant's Compensation.

The Employer will make non-elective contributions to the Plan as follows (include a description of the class(es) of Active Participants receiving the contribution and the amount or if the contribution will be discretionary and only made to certain Active Participants as designated by the Employer in its discretion):

The Employer will **not** make any non-elective contributions to the Plan.

14. Employer Matching Contributions (Section 3.6)

Note: Any Employer contribution will reduce, dollar for dollar, the amount the Participant can defer to the Plan and in no event shall the combined total of Participant and Employer contributions exceed the maximum amount permitted by law.

(Select one)

- (A) The Employer will make matching contributions to the Plan on behalf of Active Participants who make an Annual Deferral pursuant to a Deferred Compensation Agreement in an amount equal to _____% of the Participant's Compensation that is contributed to the Plan for the Plan Year.
- (B) The Employer will make matching contributions to the Plan on behalf of Active Participants who make an Annual Deferral pursuant to a Deferred Compensation Agreement in an amount equal to _____% of the first _____% of the Participant's Compensation that is contributed to the Plan for the Plan Year.
- (C) The Employer will make matching contributions to the Plan as follows (include a description of the class(es) of Active Participants receiving the contribution and the amount or if the contribution will be discretionary and only made to certain Active Participants as designated by the Employer in its discretion):

- (D) The Employer will **not** make any matching contributions to the Plan.

15. Plan-to-Plan Transfers to the Plan (Section 3.9)

(Select one)

Please note that, in general, direct plan-to-plan transfers to the Plan can only be made from another Eligible Governmental 457(b) Deferred Compensation Plan and if the Participant is an Eligible Employee of the Employer. No transfers to the Plan can be made by a Beneficiary.

- (A) Direct transfers may be made to the Plan from another Eligible Governmental 457(b) Deferred Compensation Plan to the extent permitted by law.
- (B) Direct transfers may be made to the Plan from another Eligible Governmental 457(b) Deferred Compensation Plan, subject to the following limitations:

- (C) Direct transfers may **not** be made to this Plan.

16. Plan-to-Plan Transfers from the Plan (Section 8.1)

(Select one)

Please note that, in general, direct plan-to-plan transfers from the Plan can only be made to another Eligible Governmental 457(b) Deferred Compensation Plan following the Participant's Severance from Employment with the employer that maintained the transferor plan unless the transfer is with respect to a Participant's Beneficiary.

(A) Direct transfers from the Plan may be made to another Eligible Governmental 457(b) Deferred Compensation Plan to the extent permitted by law.

(B) Direct transfers from the Plan may be made to another Eligible Governmental 457(b) Deferred Compensation Plan, subject to the following limitations:

(C) Direct transfers from the Plan may **not** be made.

17. Transfers to Purchase Service Credits (Section 8.2)

(Select one)

If selected below, a Participant may request a transfer from this Plan to a defined benefit governmental plan to purchase service credit.

Yes, apply.

No, do **not** apply.

18. Rollover Contributions (Section 3.10)

(Select one)

Note: An Eligible Governmental 457(b) Deferred Compensation Plan cannot accept rollovers of after-tax funds from another plan. If Roth Elective Deferrals are elected, an Eligible Governmental 457(b) Deferred Compensation Plan can accept rollovers of Roth Elective Deferrals from another Eligible Governmental 457(b) Deferred Compensation Plan, or as otherwise permitted under the Code.

(A) Rollovers to the Plan, including rollovers of Roth Elective Deferrals, are permitted to the extent permitted by law.

(B) Rollovers to the Plan, excluding rollovers of Roth Elective Deferrals, are permitted to the extent permitted by law.

(C) Rollovers to the Plan are **not** permitted.

19. In-Service Distribution at Age 70 ½ (Section 5.1(a))

(Select one)

If selected below, a Participant may receive a distribution of all or a portion of his or her benefit upon attainment of age 70 ½ prior to Severance from Employment.

Yes, apply.

No, do **not** apply.

20. Unforeseeable Emergency (Section 5.5)

(Select one)

If selected below, a Participant may receive a distribution due to Unforeseeable Emergency prior to Severance from Employment.

(A) Yes, apply. If "Yes" is selected, please select who will be making the determination approving an Unforeseeable Emergency:

(1) Employer /Plan Administrator

(2) Other Investment Sponsor/Third Party Administrator (name):

(3) TIAA-CREF (only Employers with prior approval may elect this option)

(B) No, do **not** apply.

21. Small Balance In-service Distribution (Section 5.2)

(Select one)

If selected below, a Participant may receive an in-service distribution of all or a part of his or her benefit if the total amount of the Participant's benefit is less than \$5,000 (or the dollar limit under Section 411(a)(11) of the Code) and the requirements of Section 5.2 of the Plan are satisfied.

Yes, apply.

No, do **not** apply.

22. Small Balance Distributions (Section 5.4)

(Please select an option from (A) and (B))

(A) If selected below, small balance distributions of Account Balances of \$1,000 or less will be permitted.

Yes, apply.

No, do **not** apply.

(B) If selected below, small balance distributions of Account Balances of \$5,000 or less will be distributed pursuant to Section 5.4, if permitted by an Investment Option.

Yes, apply.

No, do **not** apply.

If small balance distributions are permitted, the Account Balance threshold will be determined by including that portion of the Participant's Account Balance that is attributable to rollover contributions (and earnings allocable thereto).

23. Special Severance from Employment Definition for Independent Contractors
(Section 5.1(c)(2)) *(Select one)*

The special definition of "Severance from Employment" contained in Section 5.1(c)(2) of the Plan will be applied to all Participants classified as independent contractors if selected below.

Yes, apply.

No, do **not** apply.

24. Special Payment Date Restrictions for Independent Contractors (Section 5.1(b))
(Select one)

If selected below, the special payment date restrictions for independent contractors contained in Section 5.1(b) will be applied.

Yes, apply.

No, do **not** apply.

25. Loans (Section 9.1)
(Select one)

If selected below, a Participant will be permitted to receive a loan from the Plan.

Yes, apply.

No, do **not** apply.

26. Qualified Domestic Relations Orders (Section 12.4)

(Select one)

If selected below, distributions pursuant to Qualified Domestic Relations Orders will be permitted under the Plan.

Yes, apply.

No, do **not** apply.

27. Special Considerations Relating to Military Service (Section 5.1(d))

(Please make a selection in (A), (B), and (C))

(A) Participants who have died or became Disabled while performing qualified military service shall be treated as if they returned to employment the day preceding the date of death or Disability and had a Severance from Employment on the date of death or Disability. *(Select one)*

Yes, apply to both deceased and Disabled Participants.

Yes, apply to deceased Participants.

No, do **not** apply.

(B) Deemed Severance from Employment. If elected below, Participants who have been called to active duty for thirty (30) or more days will be deemed as having a Severance from Employment for purposes of receiving a distribution under the Plan. Any distribution under this Section 5.1(d) requires a suspension of Annual Deferrals under the Plan for six (6) months. *(Select one)*

Yes, apply.

No, do **not** apply.

(C) Credit for Benefit Accruals for Deceased Participants. If elected below, Participants who die while performing qualified military service will be credited with service to the Employer for the period of qualified military service. Any Employer contributions made to the Plan for these Participants will comply with Section 401(a)(37) of the Code. *(Select one)*

Yes, apply.

No, do **not** apply.

By executing this Adoption Agreement, the Employer adopts the 457(b) Deferred Compensation Plan described herein and in the Plan document. The selections and specifications contained in this Adoption Agreement together with the terms, provisions and conditions provided in the Plan document constitute the Plan.

It is understood that TIAA-CREF is not a party to the Plan and shall not be responsible for any tax or legal aspects of the Plan. The Employer assumes responsibility for these matters.

The Employer acknowledges that it has counseled, to the extent necessary, with its attorney or other tax advisor. The obligations of the Investment Sponsors shall be governed solely by the provisions of its contracts and policies. TIAA-CREF shall not be required to inquire into any action taken by the Employer or the Plan Administrator and shall be fully protected in taking, permitting or omitting any action on the basis of the actions of the Employer or the Plan Administrator. TIAA-CREF shall incur no liability or responsibility for carrying out actions as directed by the Employer or the Plan Administrator.

The provisions you select in completing this Adoption Agreement will apply to your Plan as if they were set forth in the Plan document. In completing this Adoption Agreement, you are urged to consult with your attorney or tax advisor. TIAA-CREF does not and cannot provide legal or tax advice. Failure to properly fill out the Adoption Agreement may result in the failure of your Plan to satisfy the requirements of an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, this Adoption Agreement has been executed this 29th day of August, 2013.

Employer: Arkansas State University System

By: 

Printed Name: Julie Bates

Title: Vice President for Finance