

THE UNIVERSITY OF IOWA

**DEFINED CONTRIBUTION
RETIREMENT PLAN**

December 22, 1995

Revised July, 1996

Revised October, 1996

Revised July, 1999

Revised December, 2001

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ARTICLE I - ESTABLISHMENT OF PLAN

- 1.1 ***Establishment of Plan.*** The University of Iowa established The University of Iowa Defined Contribution Retirement Plan (the "Plan") as of 1944.

This plan document sets forth the provisions of this Code Section 403(b) Defined Contribution (Money Purchase) Retirement Plan as amended through July 2003. Plan Contributions are invested, at the direction of the Participant, in one or more of the Funding Vehicles available to the Participant under the Plan.

ARTICLE II - ELIGIBILITY FOR PARTICIPATION

- 2.1 **Participation.** An employee who is an Eligible Employee may make a one-time irrevocable election to participate in the Plan. Such one-time irrevocable election shall be made upon the Date of Employment at the University or, if later, when the employee first becomes an Eligible Employee. Participation shall commence on the employee's Date of Employment or if an employee is not an Eligible Employee on the Date of Employment, then participation shall commence on the date when the employee first becomes an Eligible Employee.
- 2.2 **Notification.** The University will notify an Eligible Employee at the time when he or she may elect to become a Participant. An Eligible Employee who makes a one-time irrevocable election and becomes a Participant is entitled to the benefits and is bound by all of the terms, provisions, and conditions of this Plan, including any and all amendments which from time-to-time may be adopted, and including the terms, provisions and conditions of any Funding Vehicle(s) to which Plan Contributions for the Participant have been applied. An Eligible Employee who does not elect to become a Participant at the time of initial eligibility shall thereafter not be eligible to elect to participate in the Plan.
- 2.3 **Enrollment in Plan.** An Eligible Employee is automatically enrolled under procedures established by the University.
- 2.4 **Termination of Participation.** A Participant will continue to participate in the Plan until he or she cease to be an Eligible Employee, or until the Plan is terminated, whichever occurs first. If a Participant ceases to be an Eligible Employee, and thereafter again become an Eligible Employee, his or her participation in the Plan shall automatically commence immediately.

ARTICLE III - PLAN CONTRIBUTIONS

- 3.1 **Plan Contributions.** Plan Contributions will be made during Years of Participation in accordance with the following schedule:

Plan Contributions as a Percentage of Compensation

<u>Annual Salary</u>	<u>By the University</u>	<u>By the Participant</u>
On the first \$4,800	6-2/3%	3-1/3%
Above \$4,800	10%	5%
over 5 Years of Service	10%	5%

- 3.2 **Maximum Plan Contributions.** Notwithstanding anything to the contrary contained in this Plan, the total Annual Additions made on behalf of the Participant for any year will not exceed the limits imposed by Code Section 415, as may be adjusted from time-to-time. The limits of Code Section 415 are herein incorporated by reference. If the Annual Additions exceed the limitations, the excess amounts will be held unallocated in a suspense account and will be applied to reduce further contributions by the University to the Plan.

If the limitations are exceeded because the Participant is also participating in another plan required to be aggregated with this Plan for the purposes of Section 415, then the extent to which annual contributions under this Plan will be reduced, as compared with the extent to which annual benefits or contributions under any other plans will be reduced will be determined by the University in a manner as to maximize the aggregate benefits payable to the Participant from all plans. If the reduction is under this Plan, the University will advise affected Participants of any additional limitation on their annual contributions required by this paragraph.

The amount of Plan Contributions will also be subject to the limitations of Code Sections 402(g) and 403(b), as applicable.

- 3.3 **When Contributions Are Made.** Plan Contributions will be forwarded to the Funding Vehicles in accordance with the procedures established by the University. University Plan Contributions will be forwarded to the Funding Vehicle at least monthly. Participant Plan Contributions will be forwarded to the Funding Vehicles as soon as it is administratively feasible for the University to segregate contributions.

Participants who are absent from employment by reason of service in the uniformed services of the United States shall be entitled to contributions upon their return to actual employment to the extent required by the Uniformed Services Employment and Re-employment Rights Act of 1994 and any other applicable Federal or State laws.

- 3.4 **Allocation of Contributions.** A Participant may allocate Plan Contributions made on his or her behalf to Funding Vehicles in any whole-number percentage that equal 100 percent. A Participant may change his or her allocation of future contributions to the Funding Vehicles.

- 3.5 **Limitations.** Notwithstanding anything to the contrary contained in this Plan, the obligation of the University to make Plan Contributions is subject to the provisions

relating to the amendment and termination of the Plan; provided that no amendment or termination will affect any obligation of the University to make Plan Contributions with respect to Compensation earned by the Participant prior to the date of amendment or termination.

3.6 **No Reversion.** Under no circumstances or conditions will any Plan Contributions of the University revert to, be paid to, or inure to the benefit of, directly or indirectly, the University. However, in the event that Plan Contributions are made by the University by mistake of fact, these amounts may be returned to the University.

3.7 **Direct Rollover of Eligible Rollover Distributions.** This Section applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

For the purposes of this Section, the following definitions apply:

- (1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); and any amount that is distributed on account of hardship.
- (2) Eligible retirement plan: An eligible retirement plan is an individual retirement account or annuity described in Code Section 408(a) or 408(b), a qualified plan described in Code Section 401(a) or 403(a), a tax-deferred annuity contract described in Code Section 403(b), or an eligible plan described in 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 that accepts the distributee's eligible rollover distribution.
- (3) Distributee: A distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.
- (4) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.
- (5) Direct Rollovers prior to January 1, 2002. For distributions made prior to January 1, 2002, the terms of the Plan then in effect shall apply.

3.8 **Contributions Made by Salary Reduction.**

- A. Contributions by a Participant shall be made on a tax-deferred basis. Contributions shall be forwarded to the Funding Vehicle(s) permitted by the University and selected by the Participant.
- B. In addition to Participant Plan Contributions that are required by a Participant under Section 3.1, each Participant may make voluntary Elective Deferrals by entering into a salary reduction agreement. Any such Participant shall have the sole and exclusive responsibility for ensuring that his or her Elective Deferrals are within the limits, and under the conditions, imposed by Code Sections 402(g), 403(b) and 415, as applied to include any cost-of-living adjustments or elections. The University may establish procedures for the return of Excess Elective Deferrals. Notwithstanding Article VI, distributions of benefits that are accumulated under this Section 3.8(B) may be made at such times and under such conditions as are set forth in the Funding Vehicle(s) to which Elective Deferrals are made and as limited by provisions of the Code.
- C. A Participant who is age 50 or older may make additional voluntary Elective Deferrals as permitted under Code Section 414(v), the provisions of which are herein incorporated by reference.

3.9 **Rollover Contributions.** To the extent permitted by the Fund Sponsor, a Participant may roll over to the Plan an “eligible rollover distribution” as defined under Section 3.7 from an “eligible retirement plan” as defined in Section 3.7. Approval of rollovers to the Plan shall be made pursuant to reasonable procedures established by the University which shall require that the Participant provide such evidence as the University may require to ensure that the distribution is an eligible rollover distribution.

3.10 **Leave of Absence and Disability.** During a paid leave of absence, University Plan Contributions will continue to be made for a Participant on the basis of compensation then being paid by the University provided Participant Plan Contributions are not discontinued. Effective July 1, 2003, during a leave of absence without pay, the University’s contributions will be suspended during this time. During a leave of absence on account of disability (any such finding of disability to be made by the University under its rules and procedures), University Plan Contributions shall continue to the extent and for the length of time designated by the University.

ARTICLE IV - FUND SPONSORS/FUNDING VEHICLES

4.1 **Fund Sponsors/Funding Vehicles.** Plan Contributions are invested in one or more of the Funding Vehicles available to Participants under this Plan. The Fund Sponsors and their Funding Vehicles are as follows:

- A. Teachers Insurance and Annuity Association (TIAA)
Funding Vehicles Approved by the University
- B. College Retirement Equities Fund (CREF)
Funding Vehicles Approved by the University
- C. Metropolitan Life (closed to new participants)
Funding Vehicles Approved by the University

The University's current selection of Fund Sponsors and Funding Vehicles is not intended to limit future additions or deletions of Fund Sponsor and Funding Vehicles.

Any additional Accounts offered by the Fund Sponsor will automatically be made available to Participants under this Plan unless the University elects otherwise.

4.2 **Fund Transfers.** At any time before retirement benefits begin, and subject to a Funding Vehicle's rules for transfers and in accordance with the provisions of the Code for maintaining the tax deferral of the Accumulation Account(s), a Participant may transfer funds accumulated under the Plan among the Plan's approved accounts.

For a Participant who has terminated employment with the University, this Plan's transferability rule will continue to govern funds accumulated under the Plan. Notwithstanding the foregoing, and consistent with the rules of the Fund Sponsor(s), the following two rules shall apply. First, for a Participant who has terminated employment with the University and who becomes employed by another institution that sponsors a Section 403(b) plan, at the option of the Participant the new institution's plan transferability and cashability provisions shall govern the Participant's Accumulation Account under this Plan. Second, for a Participant who has terminated employment with the University, he or she may transfer his or her Accumulation Account to a Section 403(b) annuity of a University authorized carrier who agrees to administer the Accumulation Account in accordance with the terms of this Plan as in effect at the date of transfer.

ARTICLE V - VESTING

- 5.1 ***Vesting.*** The Participant is fully and immediately vested in amounts attributable to Plan Contributions when such Plan Contributions are made.

ARTICLE VI - BENEFITS

6.1 **Retirement Benefits.**

- A. A Participant may elect to receive retirement benefits under the optional forms of benefit set forth in the relevant Funding Vehicle as discussed in B. below. However, distributions of amounts attributable to Participant Plan Contributions and any earnings accrued in an annuity contract after December 31, 1988 may be paid only when a Participant attains age 59-1/2, separates from employment, dies, or becomes disabled.
- B. **Optional Forms of Benefit.** The optional forms of benefit are the benefit forms offered by the Funding Vehicle available under this Plan. These optional forms are equally available to all Participants choosing the Funding Vehicle. The optional forms of benefit available under this Plan are:
- Single life annuities as provided under the Funding Vehicle contract.
 - Joint and survivor annuities as provided under the Funding Vehicle contract.
 - Cash withdrawals (to the extent that cash withdrawals are permitted) are fixed period annuities as provided for in the Funding Vehicle contract which are subject to the limitations in Section 6.2.
 - Fixed period annuities, as provided for under the Funding Vehicle contract.
 - Retirement Transition Benefit.
 - Such other annuity and withdrawal options as provided under the Funding Vehicle contract provided that these are not inconsistent with Section 6.2.

- 6.2 **Cash Withdrawals.** Cash withdrawal of 100% of CREF Funds is available upon termination of employment. A 10% Retirement Transition Benefit (RTB) in Section 6.3 is also available upon annuitization. If the RTB is elected, then the RTB amount that is taken by the Participant will reduce the remaining combined Accumulation Account that is available. Cash is not otherwise available from TIAA.

Cash withdrawals and eligible rollover distributions under Section 3.7 may not be received while the Participant is employed by the University. Sections 3.7 and 4.2 of the Plan sets forth rules for eligible rollover distributions and transfer of funds upon termination of employment, respectively.

- 6.3 **The Retirement Transition Benefit.** The Retirement Transition Benefit permits a Participant to receive a one-time lump-sum payment of up to 10 percent of his or her accumulations in all fixed Retirement Annuities at the time annuity income begins, provided that the one-sum payment does not exceed 10 percent of the respective accumulations in all fixed Retirement Annuities then being converted to retirement income. The selection of this retirement benefit requires annuitization of the remaining 90% of the funds.

- 6.4 **Survivor Benefits.** If the Participant dies prior to the commencement of retirement benefit payments, the full current value of the Accumulation Account(s) is payable to the

Beneficiary or Beneficiaries named by the Participant, under the options offered by the Fund Sponsor. A single-sum payment is also available. Distribution of Survivor Benefits is subject to the required distribution rules set forth in Code Section 401(a)(9).

6.5 **Application for Benefits.** Procedures for receipt of benefits are initiated by writing directly to the Fund Sponsor. Benefits provided under the retirement annuities to which Plan Contributions have been applied will be payable upon receipt of a satisfactorily-completed application for benefits and supporting documents. The necessary forms will be provided to the Participant, the surviving spouse, or the Beneficiary by the Fund Sponsor.

6.6 **Minimum Distribution Requirements.** On or after January 1, 2003 and notwithstanding anything in the Plan or any distribution option offered under a Funding Vehicle to the contrary, all distributions under the Plan will be made in accordance with Code Section 401(a)(9) and the final and temporary Regulations thereunder that were issued on April 17, 2002 (the "2002 Final and Temporary Regulations") and the provisions of this Section 6.6 shall override any distribution option in the Plan or Funding Vehicles inconsistent with Code Section 401(a)(9).

A. Time and Manner of Distribution.

1. Required Beginning Date. A Participant's accumulations attributable to contributions made on or after January 1, 1987 shall be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
2. Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, a Participant's accumulations attributable to contributions made on or after January 1, 1987 shall be distributed, or begin to be distributed, no later than as follows:
 - (i) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then distributions to the surviving spouse shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.
 - (ii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then distributions to the Designated Beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (iii) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (iv) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this paragraph 2, other than subparagraph (i) above, shall apply as if the surviving spouse were the Participant.

For purposes of this paragraph 2 and subsection C below, unless subparagraph (iv) above applies, distributions are considered to begin on the Participant's Required Beginning Date. If subparagraph (iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under subparagraph (i). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subparagraph (i), the date distributions are considered to begin is the date distributions actually commence.

3. Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions shall be made in accordance with subsections B and C of this Section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury Regulations.

B. Required Minimum Distributions During Participant's Lifetime.

1. Amount of Required Minimum Distribution for each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that shall be distributed for each Distribution Calendar Year is the lesser of:
 - (i) The quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or
 - (ii) If the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.
2. Lifetime Required Minimum Distribution through Year of Participant's Death. Required minimum distributions shall be determined under this subsection B beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

C. Required Minimum Distributions After Participant's Death.

1. Death On or After Date Distributions Begin.
 - (i) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that shall be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the

remaining life expectancy of the Participant or the remaining life expectancy of the Participant's Designated Beneficiary, determined as follows:

- (a) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (b) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (c) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (ii) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that shall be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
2. Death Before Date Distributions Begin.
- (i) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that shall be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's Designated Beneficiary.
 - (ii) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (iii) Death of Surviving Spouse before Distributions to Surviving Spouse are Required to Begin. If the Participant dies before the date distributions

begin and the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection A.2.(i), this subparagraph 2 shall apply as if the surviving spouse were the Participant.

D. Definitions.

1. Designated Beneficiary. The individual who is designated as the Beneficiary under the Plan and is the Designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-1, Q&A-4.
2. Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under subsection A.2. The required minimum distribution for the Participant's first Distribution Calendar Year shall be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.
3. Life expectancy. Life expectancy as computed by use of the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9.
4. Participant's Account Balance. The Participant's account balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Participant's account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Participant's account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.
5. Required Beginning Date. The Required Beginning Date of a Participant is April 1 following the calendar year in which the Participant attains age 70 ½ or if later, April 1 following the calendar year in which the Participant retires.

- E. Election to Allow Participants, Former Participants or Beneficiaries to Elect 5-Year Rule. Participants or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in subsection A.2. and C.2. applies to distributions after the death of a Participant who has a Designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under subsection A.2., or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph, distributions will be made in accordance with subsections A.2. and C.2.

- F. Election to Allow Designated Beneficiary Receiving Distributions Under 5-Year Rule to Elect Life Expectancy Distributions. A Designated Beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the life expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the life expectancy rule for all Distribution Calendar Years before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.
- G. Minimum Required Distribution for the 2001 Distribution Calendar Year. Notwithstanding anything in the Plan or any distribution option offered under a Funding Vehicle to the contrary, the Plan shall apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with regulations under Code Section 401(a)(9) that were proposed on January 17, 2001 (the "2001 Proposed Regulations") with respect to distributions for the 2001 Distribution Calendar Year made on or after January 17, 2001 or such later date the 2001 Proposed Regulations were implemented by a Fund Sponsor (the "Proposed Regulation Implementation Date") but in no event later than January 1, 2002. If a Fund Sponsor implemented the 2001 Proposed Regulations during the 2001 Distribution Calendar Year, the following shall apply: (i) if the total amount of 2001 minimum required distributions made to a Participant prior to the Proposed Regulation Implementation Date equals or exceeds the minimum required distribution determined under the 2001 Proposed Regulations, then no additional distributions are required to be made for 2001 on or after such date to the Participant and (ii) if the total amount of 2001 minimum required distributions made to a Participant prior to the Proposed Regulation Implementation Date is less than the minimum required distribution determined under the 2001 Proposed Regulations, then minimum required distributions for 2001 on or after such date shall be determined so that the total amount of minimum required distributions for 2001 made to the Participant will be the amount determined under the 2001 Proposed Regulations.
- H. Minimum Required Distribution for the Distribution Calendar Years prior to 2001. Notwithstanding anything in the Plan or any distribution option offered under a Funding Vehicle to the contrary, the Plan shall apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with regulations under Code Section 401(a)(9) as in effect prior to the 2001 Proposed Regulations for distributions made prior to January 1, 2001 and, to the extent a Fund Sponsor did not implement the 2001 Proposed Regulations until January 1, 2002, during the 2001 Distribution Calendar Year.

6.7 **Repurchase.** The Retirement Annuities' Accumulation Account(s) may be received in a single sum through "repurchase" if certain conditions are met. In the event a Participant in this Plan terminates employment with the University and requests to repurchase his or her Retirement Annuities, the University will approve such repurchase if, at the time of request:

- A. For Participants who's oldest Retirement Annuity was issued on or after January 1, 1992:

1. The total accumulation in all fixed Retirement Annuities owned by the Participant is not over \$2,000.
2. The Participant does not have a Transfer Payout Annuity (TPA) in effect.
3. The total accumulation attributable to Plan Contributions in all Retirement Annuities is not over \$10,000.

Upon repurchase, the Participant's entire Accumulation Account will be payable by to the Participant in a lump sum and will be in full satisfaction of the Participant's and his or her spouse's rights to retirement or survivor benefits.

B. For Participants whose oldest Retirement Annuity was issued on or before December 31, 1991:

1. The conditions specified in (a) above are met, or
2. Annuity income has not begun, and the following conditions are met:
 - (i) None of the Retirement Annuities owned by the Participant requesting repurchase were issued more than five years prior to the time of repurchase (this five-year requirement is waived if the total value of all Retirement Annuities owned is \$2,000 or less) and
 - (ii) The Participant is neither employed by nor moving to an institution having a funded retirement plan in which he or she will be eligible to participant (employment includes sabbaticals or other leaves of absence).

Upon repurchase, the Participant's entire Accumulation Account will be payable by to the Participant in a lump sum and will be in full satisfaction of the Participant's and his or her spouse's rights to retirement or survivor benefits.

ARTICLE VI - ADMINISTRATION

7.1 ***Plan Administrator.***

- A. The University of Iowa, located at 120-40 USB, Iowa City, IA 52242, (319) 335-2673 is the Administrator of this Plan. Pursuant to the authority set forth in B. below, the Administrator delegates to the Director of Benefits and Payroll the power and authority to conclusively interpret and construe the terms of the Plan, including conclusive determination of eligibility for participation and benefits.
- B. Except as to such powers and authority as are expressly reserved to Fund Sponsors, the Administrator shall possess and may exercise all power and authority with respect to the control, management, operation and administration of the Plan, including the conclusive interpretation and construction of the terms and conditions of the Plan and conclusive determination of eligibility for participation and benefits. The Administrator shall also have the power to delegate any or all of its responsibilities as Administrator. The Administrator shall adopt such rules for the conduct of its business and the administration of the Plan as it considers desirable, including rules as to the presentation of claims for benefits under the Plan and as to appeals from any denial of such claims, provided they do not conflict with applicable law, or with the terms of the Plan.

- 7.2 ***Non-Alienation of Rights or Benefits.*** To the fullest extent permitted by law, no benefit under the Plan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process. No person will have the power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so will be void and of no effect. However, this Plan will comply with any judgment, decree or order which establishes the rights of another person to all or a portion of a Participant's benefit under this Plan to the extent that it is a "qualified domestic relations order" under Code Section 414(p).

ARTICLE VIII - AMENDMENT AND TERMINATION

- 8.1 ***Amendment and Termination.*** The University, by action of its President or Board of Regents (or an officer or employee designated by the President or Board of Regents for this purpose), shall have the right in its sole discretion at any time, and from time-to-time, to amend or modify in whole or in part any of the provisions of this Plan, or to terminate the Plan. Unless otherwise specifically permitted by law, no amendment, modification, or termination shall adversely affect the rights of Participants and their Beneficiaries to benefits under the Plan that are attributable to contributions made prior to such amendment, modification, or termination.

ARTICLE IX - DEFINITIONS

The words and phrases defined in this Article have the following means throughout this plan document:

Accumulation Account. "Accumulation Account" means the separate account(s) established for each Participant. The current value of a Participant's Accumulation Account, includes all Plan Contributions and Elective Deferrals, less expense charges, and reflecting credit investment experience.

Annual Additions. "Annual Additions" means the sum of the following amounts credited to a Participant's Accumulation Account for the taxable year: (1) University Plan Contributions, and (2) Participant Plan Contributions and other amounts contributed as Elective Deferrals.

Beneficiary. "Beneficiary" means the individual, institution, trustee, or estate designated by the Participant to receive the Participant's benefits at his or her death.

Code. "Code" means the Internal Revenue Code of 1986, as amended.

Code Section 403(b) Defined Contribution (Money Purchase) Retirement Plan. "Code Section 403(b) Defined Contribution (Money Purchase) Retirement Plan" means a plan that provides for a separate account(s) for each Participant, for benefits based solely on the amounts of Plan Contributions to the Participant's Accumulation Account(s) and earnings thereon, and that meets the requirements of Code Section 403(b). All benefits under the Plan are fully funded and are provided solely through the Funding Vehicles selected by the Participant; therefore, benefits are not subject to, nor covered by, federal plan termination insurance.

Compensation. "Compensation" means the individual's budgeted salary which is the current salary amount appearing opposite each person's name in the University budget and on their official notice of appointment. It excludes the following:

Compensation for correspondence study, Saturday and Evening classes, overtime pay, shift differential, special bonus payments, any other irregular service payment, any compensation in the form of non-cash items such as board, room, laundry, or cash in lieu thereof, premiums paid by the University for the benefit of any person, and effective as of the Plan Year beginning on or after January 1, 2000, sick pay and vacation pay which is paid in a lump sum on account of a Participant's termination of employment from the University.

In addition to other applicable limitations set forth in the Plan and notwithstanding any other provision to the contrary, the annual compensation of each employee taken into account under the Plan shall not exceed the following:

- A. For Plan Years beginning on or after January 1, 2002, annual compensation of shall not exceed \$200,000, as adjusted by the Commissioner for increases in the cost-of-living in accordance with Code Section 401(a)(17)(B). This limit will only apply to employees who become participants in the Plan after the end of the 1995 Plan Year. The annual compensation of an employee who became a participant in

the Plan prior to the end of the 1995 Plan Year shall not exceed the maximum amount allowed under Regulation Section 1.401(a)(17)-1(d)(4).

- B. For Plan Years beginning on or after January 1, 1996 and prior to January 1, 2002, annual compensation shall not exceed the OBRA'93 annual compensation limit or \$150,000, as adjusted by the Commissioner for increases in the cost-of-living in accordance with Code Section 401(a)(17)(B). This limit will only apply to employees who become participants in the Plan after the end of the 1995 Plan Year. The annual compensation of an employee who became a participant in the Plan prior to the end of the 1995 Plan Year shall not exceed the maximum amount allowed under Regulation Section 1.401(a)(17)-1(d)(4).

In determining the compensation of a Participant for purposes of this limitation, the rules of Code Section 414(q)(6) shall apply, except in applying such rules, the term "family" shall include only the spouse of the Participant and any lineal descendant of the Participant who have not attained age 19 before the close of the year. For Plan Years beginning on or after January 1, 1996, the foregoing sentence shall not apply.

Date of Employment. "Date of Employment" means the effective date of the appointment for a faculty member. For all other employees, the Date of Employment is the first day upon which an employee completes an Hour of Service for performance of duties during the employee's most recent period of service with the University.

Elective Deferrals. "Elective Deferrals" means any employer contributions made to the Plan at the election of the Participant, instead of cash compensation, other than Participant Plan Contributions under Section 3.1. This includes employer contributions made on the behalf of a Participant under Section 403(b) pursuant to a salary reduction agreement.

Eligible Employee. "Eligible Employee" means any full time permanent staff member and part-time permanent staff member working at least 50% time, earning at least \$7,800 annually. The term Eligible Employee excludes students, interns, externs, fellows, residents, temporaries and visiting faculty and staff members who are receiving benefits from their home institutions.

An Eligible Employee shall not include (i) any leased employee deemed to be an employee of the University as provided in Code Section 414(n) or (o) or (ii) any individual classified or paid as an independent contractor by the University and without regard to any subsequent determination by a court or administrative agency that such individual is a common-law employee and not an independent contractor.

An employee's or individual's title, job position, classification or schedule, or status (including independent contractor status) shall be determined by the payroll or personnel records maintained by the University and shall be binding and conclusive for all purposes of the Plan.

Excess Elective Deferrals. "Excess Elective Deferrals" means those Elective Deferrals that are includable in a Participant's gross income under Code Section 402(g) to the extent the Participant's Elective Deferrals for a taxable year exceed the dollar limitation under such Code Section.

Fund Sponsors. "Fund Sponsors" means an insurance, variable annuity, or investment company that provides Funding Vehicles available to Participants under this Plan.

Funding Vehicles. “Funding Vehicles” means the financial instruments issued for the purpose of funding accrued benefits under this Plan and specifically approved by the University for use under this Plan in Article IV of this plan document. The terms of such Funding Vehicles shall be incorporated herein by reference.

Highly Compensated Employee. “Highly Compensated Employee” means an employee described in Code Section 414(q).

Normal Retirement Date. “Normal Retirement Date” is the last day of the month in which age 65 is attained. Early retirement is defined as termination of employment on or after the attainment of age 55.

Participant. “Participant” is any Eligible Employee of the University participating in this Plan in the manner provided in Article II.

Participant Plan Contributions. “Participant Plan Contributions” means the contributions made by a Participant under this Plan as described in Section 3.1.

Plan. “Plan” means the University of Iowa Defined Contribution Retirement Plan.

Plan Contributions. “Plan Contributions” means contributions by the University or Participant or both, as described in Section 3.1.

Plan Year. “Plan Year” is January 1 through December 31.

University. “University” means The University of Iowa.

University Plan Contributions. “University Plan Contributions” means contributions made by the University under this Plan as described in Section 3.1.

Year of Service. “Year of Service” means a 12-month period starting with the Eligible Employee’s Date of Employment.

THE UNIVERSITY OF IOWA

Dated: _____

By: Director of Benefits and Payroll

Employer Identification Number: 42-6004813

Plan Number: **001**