GRAND VALLEY STATE UNIVERSITY
403(b) RETIREMENT PLAN

SUMMARY PLAN DESCRIPTION
FOR
MAINTENANCE, GROUNDS AND
SERVICE EMPLOYEES

January 1, 2021

About this Booklet

Grand Valley State University ("GVSU" or "University") is pleased to help employees build a source of retirement income by providing a tax-effective way of accumulating personal savings. To help you reach your financial goals for retirement, GVSU offers the Grand Valley State University 403(b) Retirement Plan, a tax-deferred 403(b) retirement plan, to eligible participants of the University.

This booklet provides an overview of the principal features of the Grand Valley State University 403(b) Retirement Plan in effect on January 1, 2021, and serves as the Summary Plan Description. This booklet applies to eligible employees in the maintenance, grounds and service classifications of the University whose employment is subject to a collective bargaining agreement between the University and the American Federation of State, County, and Municipal Employees, AFL-CIO.

Please read this Summary carefully because it explains how the Grand Valley State University 403(b) Retirement Plan works and describes the benefits it can offer to you and your spouse or beneficiary. The Grand Valley State University Maintenance, Grounds and Service Employees Retirement Plan B was merged into this plan. The actual provisions of the plan are contained in formal plan documents that govern the plan. If there is any discrepancy between this Summary Plan Description and the formal plan documents or any explanation from plan representatives, the provisions of the formal plan documents will govern. The formal plan documents, including copies of any applicable collective bargaining agreements, are available for you to review upon request in the Human Resources office.

Throughout this Summary, certain words or terms are used frequently. These words, indicated by *italics*, are defined in the Glossary at the back of this booklet. You may find it necessary to refer back to these terms as you read this Summary.

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Contact Information	You may speak with a Customer Service Representative with Fidelity by calling toll-free 800-343-0860, Monday through Friday (excluding New York Stock Exchange holidays) from 8:30 a.m. to midnight Eastern time. You may also use the automated voice response system, available virtually 24 hours a day, 7 days a week or log in to Fidelity NetBenefits. You may contact TIAA by calling toll-free 800-842-2776. Consultants are available weekdays from 8 a.m. to 10 p.m. Eastern time and Saturdays from 9 a.m. to 6 p.m. Eastern time. Or visit www.TIAA.org/gvsu to access your accounts. You may also use the automated voice response system, available virtually 24 hours a day, 7 days a week. You can also find contact information for Fidelity, TIAA, and GVSU Human Resources at www.netbenefits.com/gvsu under the Contact Us tab.	26

PARTICIPATION AND VESTING

Who Is Eligible to Participate

You become eligible to participate in the plan when you begin employment with the University. You may enroll and begin making *employee contributions* at any time You must be employed by GVSU in a covered classification and not participating in a defined benefit pension plan maintained by the University (i.e., you were hired on or after October 9, 2004) to be eligible for *University contributions* and *matching contributions.*

Eligibility Example

Assume you are hired June 16, 2021, in a regular full-time maintenance position. You will be eligible to make *employee contributions* as soon as administratively feasible following your date of employment. In accordance with the terms of the collective bargaining agreement, your recent date of employment means you are not eligible to participate in a defined benefit pension plan maintained by the University. Since you are not eligible to participate in a defined benefit pension plan, you also will be eligible to receive *University contributions* and *matching contributions* as soon as feasible following your date of employment. You must make *employee contributions* of at least 1% to receive a *matching contribution* from the University.

Independent contractors or individuals performing services under a leasing agreement who are not employees of GVSU, nonresident aliens receiving no earned income from sources within the U.S., and students working for the University in a job not covered by Social Security are not eligible to participate in the plan.

Enrolling in the Plan

Getting started is the hardest part of any savings program. The plan enables you to take advantage of consistent, regular saving through convenient payroll deductions. If you'd like to begin contributing to the plan, please visit the Retirement Planning Website to make your elections. Representatives from GVSU Human Resources, TIAA, and Fidelity are available to discuss your needs and answer any of your questions. *Employee contributions* begin as soon as feasible after your election has been received.

Your Role as a Participant

As a participant in the plan, both you and GVSU play an important role in planning for your future financial security.

GVSU's role is to:

- Make contributions for eligible classifications,
- Offer you a variety of investment options in which you may invest your account, and
- Provide the information and tools you need to help you make informed decisions about the plan and your retirement benefits.

Your role is to:

- Actively participate in and make *pre-tax contributions* and/or *Roth contributions* to the plan,
- Take advantage of *matching contributions*, if in an eligible classification,
- Read and understand the information the University provides you about the plan,
- Use the investment tools and information provided to make informed decisions on how to invest your retirement benefits, and
- Keep up to date on your investments.

When You Are Vested

Vesting refers to the percentage of your account that you are entitled to keep when you terminate employment.

Your *employee contributions* and rollovers are always 100% vested.

Your *University contributions* and *matching contributions* are subject to the following vesting requirements.

Number of *Years of Service*	Vesting Percentage
Less than 2	0%
2 or more	100%

You will earn one *year of service* for vesting for each 12-month period, beginning on your date of employment or an anniversary of that date, that you work for the University*.* If you were employed by an institution of higher education immediately prior to your employment with the University, you will be given credit for up to two *years of service* with your prior employer provided the period between your termination date with your prior employer and your first day of employment with the University would not be considered a break in service.

If you attain age 65, become *totally and permanently disabled*, or die while employed at GVSU, your entire account will become 100% vested.

After your employment terminates, any nonvested amounts in your account will be forfeited. Generally, forfeited amounts are applied to reduce the administrative expenses incurred in the operation of the plan or to reduce an employer contribution. Forfeitures are not returned to GVSU.

How the Plan Works

There are two types of contributions to the plan--employee and employer.

Employee Contributions

As a way to save for retirement, you may elect to have a portion of your *eligible pay* contributed to the plan as an *employee contribution*. You are not required to have *employee contributions* made on your behalf.

However, if you choose to do so, the amount you elect to contribute will be automatically deducted from your paycheck and credited to an account maintained for you.

Generally, *employee contributions* are made on a pre-tax basis. That is, you will not pay federal or state income tax on amounts contributed as a *pre-tax contribution* until you receive a distribution from the plan at a future date. Alternatively, you may designate all or a portion of your *employee contributions* as *Roth contributions*.

Designated *Roth contributions* are *employee contributions* made on an <u>after-tax</u> basis. That is, they are included in your gross income for the year in which they are contributed and you will pay the federal and state taxes on them in that year. *Roth contributions* give you the opportunity to diversify the tax treatment of the funds in the plan.

You can make *Roth contributions* and *pre-tax contributions* at the same time or in the same *plan year*, up to the single dollar limit on *employee contributions*, in any proportion you choose.

You may change your election, make a new election, or discontinue your *employee contributions* at any time by completing a salary reduction agreement. Visit the Retirement Planning Website to enroll in the plan or update your contribution amount.

Benefits of Making Employee Contributions

There are tax advantages to making *employee contributions* as a way to help you save for retirement. *Employee contributions* that are *pre-tax contributions* are made on a <u>pre-tax</u> basis. This means that amounts contributed to the plan are <u>not</u> subject to current income taxes. As a result, your current taxable income will be reduced (although your gross pay remains the same). Note that Medicare and FICA taxes, unlike income taxes, do have to be paid on any *pre-tax contributions*.

Pre-Tax Contribution Example

The following is an example of how contributing pre-tax dollars reduces your current taxable income. Assume your *eligible pay* is $40,000 and you elect to save 6% on a pre-tax basis:

Eligible Pay:	$ 40,000
Pre-tax Contributions (6%):	- $2,400
Taxable Income:	$ 37,600

Assuming an effective federal tax rate of 20%, you would save $480 ($2,400 x 20%) in federal taxes for the year. In addition, you might also save on state and local taxes, depending on where you live. You will see tax savings in every paycheck because your tax withholdings will be reduced.

Roth contributions are made on an after-tax basis. This means that amounts contributed to the plan are taken from your pay after you have paid federal income taxes (and in most cases, state and local income taxes). Therefore, your current taxable income is not reduced, and there are no current tax savings.

Finally, earnings on your *pre-tax contributions* are not taxable to you as long as you leave them in the plan, and earnings on *Roth contributions* are not taxable even when distributed from the plan if the distribution is a *qualified distribution*. This means that by authorizing *employee contributions* to the plan instead of putting the same money into a savings account, you can save the income taxes that you would have otherwise had to pay on the earnings. In general, not paying income taxes on the earnings allows for more rapid growth of money for your retirement as compared to putting the same money in a taxable bank account.

The decision whether to make *Roth contributions* or *pre-tax contributions* is complicated and you should consider your personal financial and tax situation. Choosing between *pre-tax contributions* and *Roth contributions* often comes down to whether you would be better off paying taxes on your contributions now or later; in other words, your marginal tax rate now versus your rate at retirement. Your personal situation will determine whether it is better to have the tax savings of *pre-tax contributions* now or the tax-free earnings of *Roth contributions* later. Generally, *pre-tax contributions* are to your advantage if your tax rate will be lower in retirement. *Roth contributions* are to your advantage if your tax rate will be higher in retirement. Before deciding how to allocate your *employee contributions* between *pre-tax contributions* and *Roth contributions*, you should consult with your tax advisor.

Limit on Employee Contributions

Federal law limits the amount of *employee contributions* you may make in a calendar year. For the 2021 calendar year, your *employee contributions* to all plans in which you participate may not be more than **$19,500**. This limit will be adjusted from time to time based on changes in the cost of living.

In addition, if you are at least age 50 before the end of a calendar year, you are also allowed to make "catch-up" *employee contributions* during the calendar year. Age 50 catch-up *employee contributions* are limited to **$6,500** for the 2021 calendar year. This dollar amount may be adjusted in future years. These age 50 "catch-up" contributions may be made **in addition to** any amounts contributed up to the limit described above.

GVSU is not responsible for determining your individual 403(b) contributions limit if you also made *employee contributions* to another employer's retirement plan. If you have made *employee contributions* to this plan and also to a plan of an unrelated employer that exceeded the limits described above, you must request that one or both of the plans distribute the excess to you, and the amount over the limit will generally be taxable to you. If you do not request that the excess contribution be paid to you, the excess amount is taxable to you, but it stays in the plan and will be taxed again when you receive it as a distribution in a later year.

Under this plan, you must notify the plan administrator by February 15 of the following year if you want an excess amount paid to you. The notice must include the excess amount and an acknowledgement that it exceeds the limit on *employee contributions*. It also must include the extent to which the excess amount is comprised of *Roth contributions*. Once the notification has been received, the excess contributions will be returned to you (with earnings) no later than the April 15 following the calendar year in which the excess contributions occurred. Failure to timely notify the plan administrator about excess contributions can result in adverse tax consequences to you.

In-Plan Roth Conversion

In addition to your right to make *Roth contributions* to the plan, the plan provides the ability to convert existing pre-tax contributions to *Roth contributions*. This includes not only your *pre-tax 403(b) contributions*, but also other contributions, such as *University contributions*.

You may elect to convert all or any portion of your vested non-Roth account balance to your Roth account. This is commonly referred to as an "in-plan Roth conversion." If you elect to convert any portion of your non-Roth account balance to your Roth account, you will have to include those amounts in your gross income for the year of the conversion. However, since no actual distribution is being made from the plan, withholding will not apply to the in-plan Roth conversion. If you elect to convert all or any portion of your vested non-Roth account balance to your Roth account, you should be sure your withholding is adequate to cover the additional taxes owed as a result of the conversion. You may want to increase your withholding or make an estimated tax payment to avoid penalties.

The rules regarding in-plan Roth conversions are complex. You should seek qualified tax counsel before electing to convert any portion of your account to your Roth account.

Rollover Contributions

If you have satisfied the eligibility requirements to participate in the plan, you may roll over certain distributions (including distributions from a designated Roth account) from a former employer's retirement plan to the plan. The former employer's plan could be a qualified plan (such as a 401(k) plan), a 403(b) tax-sheltered annuity, or a 457(b) deferred compensation plan maintained by a governmental entity. The rollover may include *Roth contributions* that you made under your former employer's retirement plan, but may not include any voluntary after-tax employee contributions. You also may be eligible to roll over amounts from a traditional (i.e. non-Roth) IRA.

A rollover may be made directly to this plan by the other plan or IRA or, if the distribution is made to you, you may roll it over to this plan within 60 days of the date you receive the distribution. The rules governing rollovers are complex and there may be reasons why your rollover would not be accepted (for example, if it is from a Roth IRA or 457(b) plan maintained by a tax-exempt entity).

Employer Contributions

Matching Contributions

In accordance with the collective bargaining agreement, the University will make a *matching contribution* each pay period on eligible *employee contributions* you make to the plan. Under the current collective bargaining agreement, you will receive a *matching contribution* each pay period of 100% of your *employee contributions* for the pay period up to a maximum match of 2% of your *eligible pay* for the pay period*,* provided you are employed by GVSU in a covered union classification, you are not participating in a defined benefit pension plan maintained by the University, and you are making *employee contributions* of at least 1% of your *eligible pay* for the pay period. The *matching contribution* may change if the collective bargaining agreement changes.

That's $1.00 for every $1.00 you contribute (up to the maximum), or an instant 100% return on your savings! Remember that in order to get the maximum *matching contribution* you must contribute at least 2% of your *eligible pay* every pay period.

For example, if you earn $40,000 for the *plan year* and contribute 2% of your *eligible pay* (or $800) to the plan each payroll period during the *plan year*, you will receive a *matching contribution* of $800 for the year (100% of your contribution up to 2% of your *eligible pay*).

Here's a look at how your contributions and the *matching contributions* add up:

Annual Contribution Percentage	Your Annual Contribution	Matching Contribution for the Plan Year	Total Contribution for the Plan Year
0%	$0	$0	**$0**
1%	$400 ($40,000 x 1%)	$400 (100% on $400 contribution)	**$800** ($400 + $400)
2%	$800 ($40,000 x 2%)	$800 (100% on $800 contribution)	**$1,600** ($800 + $800)
3%	$1,200 ($40,000 x 3%)	$800 (100% on $1,200 contribution up to 2% of *eligible pay* = $800)	**$2,000** ($1,200 + $800)
4%	$1,600 ($40,000 x 4%)	$800 (100% on $1,600 contribution up to 2% of *eligible pay* = $800)	**$2,400** ($1,600 + $800)

By contributing at least 2% of *eligible pay* each pay period, you would receive the maximum *matching contribution* (100% of your contribution up to 2% of *eligible pay*). It is important to note the matching contribution period. As the matching contribution period is each payroll period, you may wish to contribute consistently each pay period throughout the year in order to maximize your matching contribution.

Keep in mind that if you are eligible to participate in a defined benefit pension plan maintained by the University, you will not be eligible for *matching contributions*.

University Contribution

You may be eligible to receive a *University contribution* of a specified percentage of your *eligible pay*. In order to be eligible, you must be employed in a position that is subject to a collective bargaining agreement and you must not be eligible to participate in a defined benefit pension plan maintained by the University.

GVSU makes the contribution each pay period. The percentage that is contributed to the plan on your behalf depends on your employment classification and the terms of your collective bargaining agreement. Unless a different percentage is specified in a future collective bargaining agreement, the percentage you will be eligible to receive is 8% of your *eligible pay*.

If you have been a participant for at least three months at the time you become *totally and permanently disabled*, your *University contributions* will continue as long as you are receiving disability benefits under a long-term disability program sponsored by the University.

You do not have to make *employee contributions* to be eligible for the *University contribution*.

Maximum Contributions

The total of all contributions allocated to your accounts each *plan year* cannot exceed 100% of your annual compensation or if less, $58,000 for the *plan year* ending December 31, 2021 (this dollar limit may be adjusted annually for cost of living increases). The maximum dollar limit on contributions that may be allocated to your accounts does not apply to any additional *elective contributions* (age 50 catch up contributions) you are eligible to make.

In some circumstances, contributions to other plans made on your behalf may have to be included in determining the maximum contribution limit applicable to you under the plan. Normally, an employee who participates in a 403(b) plan and another 403(b), 401(k) or other retirement plan need not combine contributions made to the 403(b) plan with contributions to the other plan for purposes of this limit. However, if you own or control more than 50% of an entity that maintains a plan, the plans must be combined for this purpose. These rules are complicated and a person in this situation may unknowingly violate the limit. If you are working at GVSU and control or own more than 50% of another entity that maintains a plan, you should call the Human Resources office or seek advice from a tax advisor to make a proper determination.

INVESTING YOUR SAVINGS

Because each GVSU employee has different financial goals and savings needs, a variety of investment fund options are available through Fidelity or TIAA. Once you've decided how much you want to contribute, you need to decide how to split up this money among the investment providers and the various investment funds offered. You can invest in one or a combination of funds, depending on your investment strategy. The investment elections you make will apply to **all** the contributions made to your account.

Diversification

Having a diverse portfolio can help you manage your investment risk. Diversifying means spreading your risk by investing in a variety of investment options. When you diversify, you reduce the chances of being hit hard by the poor performance of one investment or investment type.

Investment Choices

You can choose from a range of investment options that covers the risk/reward spectrum including conservative choices, moderate growth and income funds, and aggressive growth opportunities in both U.S. and international markets.

To learn more about the investment options under the plan and each vendor, you may call or schedule an appointment with a representative from Fidelity or TIAA. If you schedule a consultation with one of these vendors, note that they are under contract to provide information about the plan investment options and not other products. The University has not contracted with them to provide investment advice to you on which investment options to select or other products outside the plan. They may receive compensation for other recommendations they make.

If you do not make an investment election, your account will be invested in the plan's default vendor and investment option.

Understanding Your Investment Choices

Choosing the right investment for you depends on your age, how much risk you are willing to take, your retirement goals, how aggressively you need to invest to meet your retirement goals, other investments you might have, and other factors.

The performance of the plan's vendors and funds are monitored on a routine basis. Periodically, a fund may be replaced with a fund that is believed to be preferable for retirement savings. If a fund holding a portion of your account is replaced, your money may automatically be directed to the replacement fund. You will be notified if a fund or vendor is added, replaced, or removed.

Market Value Changes

The investment funds offered may be affected by market changes. Accordingly, the value of your account reflects both market gains and losses.

Changing Your Investment Fund Elections

As your needs and retirement goals change throughout your life, your investment needs may change as well. If you feel your investment elections no longer meet your needs or financial goals, you may want to change how your money is invested. To make changes in your investment elections, contact a Fidelity or TIAA representative, log on to their participant websites or visit the Retirement Planning Website.

Self-Directed Brokerage Account

In addition to the core investment options offered to you, you will have the opportunity to invest your account through a self-directed brokerage account. This option provides experienced investors with additional flexibility to invest in a broader range of investments, including stocks and bonds. You may transfer all of a portion of your total account balance to a self-directed brokerage account if you wish to direct your account in investments not available to you through the core investment menu offered by TIAA or Fidelity. You pay retail brokerage fees and commissions when you initiate a transaction in your brokerage account. All fees, including any fees assessed for maintaining the brokerage account, will be paid directly from your account and you will be solely responsible for the investment results that occur due to your decision to invest in the self-directed brokerage account.

Expenses

If plan-related administrative expenses are paid from plan assets, these expenses will generally be charged to your account in proportion to the balances of all participant accounts within the plan, or as an equal dollar amount for each participant.

Certain expenses attributable only to your account may be charged only to your account. For example, if you divorce and the plan receives a proposed "eligible or qualified domestic relations order" (EDRO or QDRO) awarding a portion of your account to your former spouse, expenses related to the approval and processing of the order may be charged directly to your account. Distribution and loan fees will also be charged directly to your account.

When You Can Receive Your Benefit

Receiving Your Savings During Employment

One of the primary purposes of the plan is to build long-term financial security. Your savings were meant for retirement. GVSU, however, recognizes that during your active employment you may come up against an unexpected financial need. As such, the plan provides you access to either loans or hardship withdrawals on your *employee contributions* to the plan, if you are qualified. You are also permitted to request a withdrawal at any time after you reach age 59½ or if you become *totally and permanently disabled*.

Loans

You may request a loan from your accounts for *employee contributions*. Loans are not available from any other account. The minimum loan amount is $1,000 and the maximum amount you may borrow is the lesser of:

- 50% of your total vested account balance, or
- $50,000 (reduced by the highest prior 12 month outstanding loan balance).

Loan repayments of principal and interest are credited to your account based on your current investment elections. Loans are not subject to taxation, unlike withdrawals—unless you default on the loan. You may have only one outstanding loan from the plan at any time.

The interest rate of your loan will be determined at the time you take your loan. You must repay your loan within five years; however, a longer term may be available if the loan proceeds will be used to purchase your principal residence. You may repay your loan in full (without penalty) at any time.

If you fail to make loan payments when they are required, your loan will be considered to be "in default" and may become taxable to you. Failing to repay a loan will reduce the benefit you would otherwise be entitled to from the plan. You must consent to using your account as security for the loan. Since your vested account balance is the security for the loan, defaulting on your loan will affect the value of your account.

Hardships

You may request a distribution from your accounts for *elective contributions* to meet an immediate financial hardship. No other accounts may be withdrawn to meet a hardship.

You must demonstrate there is an immediate financial hardship due to one of the following:

Purchase of Home	The purchase of (but not mortgage payments for) your principal residence.
Tuition	Tuition and related educational expenses for post-secondary education for you, your spouse, your children, or your dependents.
Medical Expenses	Certain medical expenses for you, your spouse, or your dependents.
Eviction/Foreclosure	The prevention of eviction from or foreclosure on the mortgage of your principal residence.
Funeral Expenses	Burial or funeral expenses for your parents, your spouse, your children, or your dependents.
Casualty Repair	Expenses in excess of $100 for the repair of a casualty (i.e., damage caused by a sudden, unexpected or unusual incident such as a fire, flood, storm, or vandalism) to your principal residence.
Federally Declared Disaster	Expenses and losses (including loss of income) due to certain disasters declared by the Federal Emergency Management Agency (FEMA) provided your principal residence or place of employment is located in the disaster area.

You may request only the amount you need to satisfy the hardship. However, you may increase the amount you request by the amount of any federal, state or local taxes or penalties you expect to incur from your hardship withdrawal.

Before you may take a hardship withdrawal, you must first take any other distribution available to you under this plan or any other plan maintained by the University. You must also certify that you have insufficient cash or other liquid assets reasonably available to satisfy the immediate financial need.

Age 59½

You may withdraw all or a portion of your vested account balance, while you are employed by GVSU, if you have attained age 59½.

Disabled

If you become *totally and permanently disabled* while you are employed by GVSU, you may withdraw all or a portion of your vested account balance.

Receiving Your Savings After Employment Ends

You may request a distribution from the plan when your employment terminates with GVSU for any reason. If your total vested account balance is more than $1,000, you have the option of requesting a distribution or leaving your account in the plan. If you make a request for distribution, payment will be made as soon as administratively possible.

If you continue to work after your normal retirement date (age 65), GVSU will continue to contribute to your account under the plan as long as you meet all requirements for participation. Keep in mind, however, that if you leave or retire from GVSU, you must begin receiving minimum required distributions no later than your *required beginning date* or you will be penalized by the IRS.

To request a distribution, contact a TIAA or Fidelity representative or visit the applicable participant website.

Automatic Distribution of $1,000 or Less

If your vested account balance in the plan is $1,000 or less when your employment terminates and you do not request an earlier distribution, your entire vested account balance will be distributed as soon as administratively possible after your employment ends.

How Your Benefits Are Paid

Optional Forms of Payment

If your vested account balance is $1,000 or less, payment will be made in a single lump sum. If your vested account balance is more than $1,000, you may elect to receive:

- A single lump sum payment of your entire account balance;
- An annuity purchased from an insurance company that provides for payments over an elected number of years not exceeding your life expectancy (or the joint life expectancy of you and your beneficiary); or
- Installment payments over a period no longer than your life expectancy (or the joint life expectancy of you and your beneficiary) at the time of distribution. The installments must be paid at least annually.

The life expectancies are determined by IRS tables. If your beneficiary is not your spouse, the payment period may be restricted under IRS regulations.

Leave Your Savings in the Plan

If you prefer, you may leave your accounts in the plan and request a distribution at a later date. Your accounts will continue to reflect the performance of your investment funds. Generally, once you leave GVSU, you will no longer be able to make *employee contributions* to the plan. In most circumstances, *University contributions* will also end. You should also keep in mind that by law, if you are no longer actively employed at GVSU, you must begin receiving minimum required distributions when you reach your *required beginning date*.

Distributing Your Benefit If You Die

If you die before receiving any benefits and your total vested account balance is at least $1,000, your beneficiary has the option to request a distribution or leave your account in the plan. However, there are rules specifying the time distributions must begin and limitations on the length of time a non-spouse beneficiary can leave the account in the plan (generally 10 years, but may be as short as five years). If your spouse is your beneficiary, payment may be delayed until the year you would have attained age 72 (70½ if your date of birth is before July 1, 1949). Payment will be made as soon as administratively feasible after your beneficiary requests a distribution and provides the necessary documentation concerning your death.

If you die before receiving any benefits and your vested account balance is less than $1,000, your beneficiary does not have the option of leaving your account in the plan. Your beneficiary will receive a lump sum distribution as soon as possible after your death.

If you die after you have begun to receive installment payments, payments will continue to your beneficiary according to the same schedule of installment payments until your account has been completely distributed. However, your beneficiary may be able to choose to receive the remaining amount in a single lump sum payment.

Designating Your Beneficiary

If you do not designate a beneficiary, the plan provides that benefits payable after your death will be distributed to a beneficiary determined in the following default order:

- your spouse;
- your children (and if deceased, their children);
- your parents; and then
- your brothers and sisters.

If you do not want this order of distribution, or if you want to name a different beneficiary, you should designate a beneficiary by completing and signing a form furnished or approved by the plan administrator. If you have prepared a will to provide for your assets in the event of your death, that will is not effective as a beneficiary designation for your account under the plan.

If you are married, your spouse automatically will be your sole primary beneficiary. The only exception to this rule is if your spouse consents to another primary beneficiary in writing and has the written consent witnessed by a notary public or plan representative.

Your beneficiary designation may be made or changed at any time, with appropriate spousal consent if applicable. Beneficiary designations are held separately for Fidelity and TIAA. You will need to designate your beneficiaries with Fidelity, TIAA, or both. Contact Fidelity or TIAA or visit the Retirement Planning Website to update your beneficiary information.

In the event of your divorce, your beneficiary designation is not automatically revoked. To designate a new beneficiary, you must take separate action.

How Your Plan Benefits Are Taxed

The University designed the plan to take advantage of special tax treatment for retirement plans. As a result, the benefits that you earn are not currently taxable income to you (although you must continue to pay Social

Security and Medicare taxes on your total compensation). You are taxed only when you actually receive a payment from the plan.

Income Tax

Generally, when you receive distributions from the plan, you must report them as taxable income on your annual federal, state and local tax returns. You are responsible for paying all taxes applicable to any distributions you receive. If you receive a distribution from the plan before age 59½, it will also be subject to a 10% early distribution penalty tax, unless an exception applies. Information about the exceptions to the 10% penalty tax is in IRS Publication 575, available on www.irs.gov.

You will generally not be taxed on *Roth contributions* when they are distributed from the plan because they are distributed on an after-tax basis. However, if the distribution is not a *qualified distribution*, the income on your *Roth contributions* will be taxable when distributed.

Mandatory Federal income tax withholding of 20% applies to any eligible rollover distribution paid directly to you from the plan. Mandatory state and/or local tax withholding may also apply.

Delay Income Tax: Direct Rollover of Your Distribution

You can delay paying income tax and avoid mandatory tax withholding by requesting a direct rollover. A direct rollover is when your account is transferred to an individual retirement account (IRA) or other employer's eligible retirement plan (such as a 401(k) qualified plan, a 403(b) tax deferred annuity program, or a governmental employer 457(b) plan).

When you request a distribution eligible for rollover, you will be provided with a summary of the rules about rollovers and the tax treatment of plan distributions.

Required Minimum Distributions

You are required to begin receiving distributions from your account by your *required beginning date*. If you do not take at least the required minimum amount of distribution when it is required, you will owe an excise tax equal to 50% of what should have been distributed.

The taxation of distributions and withdrawals from the plan is complex and subject to frequent changes. **This SPD only provides a general summary of certain tax issues; you may not rely on it as providing tax advice.** You should consult your tax advisor before you take a distribution or withdrawal from the plan.

REEMPLOYMENT

Break in Service

A one-year break in service occurs when you have not completed any service in the twelve consecutive month period beginning with the earlier of the day your employment terminates or the 12-month anniversary of the date on which you are otherwise first absent from service. Generally, you will not have a break in service if you are not working due to maternity or paternity leave, or an unpaid leave of absence under the Family and Medical Leave Act of 1993.

Rehire Within Two Years

If you are rehired before you have a break in service of 24 consecutive months: (1) your prior *years of service* will be reinstated, and (2) if you were not vested in your *University contributions* and *matching contributions,* the nonvested amounts that were forfeited will be fully restored.

Rehire After Two Years

If you are rehired after two or more consecutive breaks in service: (1) your prior *years of service* will be cancelled and (2) nonvested *University contributions* and *matching contributions* at your prior termination of employment will <u>not</u> be restored.

PLAN ADMINISTRATION

Making a Claim

To make a claim, you must follow the plan's claims and appeals procedures. A claim is a written request or allegation related to the plan's operation or administration, including, but not limited to, a claim for benefits or a claim or allegation the plan administrator, a plan fiduciary, or the University has violated the law. These procedures apply to participants, beneficiaries, and alternate payees under a domestic relations order.

Claims and Appeals Procedures

You (or your representative) must submit all claims in writing to the plan administrator. A claim must be submitted within 12 months of the date of the event giving rise to the claim. The plan administrator will notify you of the action on your claim within 90 days (unless you are notified that circumstances require an additional 90 days).

If your claim is denied, the plan administrator will notify you of the reasons for the denial, with specific reference to the appropriate plan provisions, a description of any additional material you could present to prove your claim, an explanation of why the additional material is needed, and an explanation of the steps you must take to appeal the denial.

If your claim is denied, you or your authorized representative may appeal the decision in writing within 60 days after receiving notification of the denial. With your appeal you must state the reasons why your claim should be allowed. In addition, you may review relevant documents and records at no cost and submit to the plan administrator written comments, statements, and records relating to your claim.

The plan administrator will inform you of the approval or denial of your appealed claim within the next 60 days. Normally, the plan administrator will notify you by letter of its final decision and the specific reasons for that decision. In some cases, where an appeal is more complicated than usual, it may take up to 120 days after your appeal before you are notified of the decision.

If your claim is denied in whole or in part on appeal, you must complete all required levels of appeal under the plan before you may bring a civil suit in court. If you do not follow and complete the plan's claim and appeal procedures, an appeal of your claim in court will be subject to dismissal for your failure to exhaust the plan's claim and appeal procedures.

No legal action for benefits under this plan may be brought after one year from the date of the plan administrator's final decision on appeal. Any claim that you may have relating to or arising under the plan may only be brought in a court of competent jurisdiction in the State of Michigan. No other court is a proper venue for your claim. A court of competent jurisdiction in the State of Michigan will have jurisdiction over you and any other participant or beneficiary named in the action.

If you wish to appoint an authorized representative to act on your behalf in connection with an initial claim, an appeal of a denied claim, or both, then you must provide the plan administrator with a duly authorized power of attorney document that includes legally enforceable provisions authorizing the representative to take these actions on your behalf.

OTHER THINGS YOU SHOULD KNOW

Cost of the Plan

To the extent that there are costs associated with the administration of your account, they will generally be deducted directly from your account.

Plan Administrator

The plan administrator is the fiduciary responsible for the plan's operation and administration.

A fiduciary has the authority and responsibility to control and manage the operation and administration of the plan. Fiduciaries must act solely in the interest of plan participants and must exercise prudence in the performance of their plan duties.

The plan administrator has the sole authority and discretion to carry out the provisions of the plan, which include, but are not limited to, the authority and discretion to determine eligibility for the plan and for plan benefits, and to resolve all questions regarding the administration, interpretation, and application of the plan by rules or individual decisions.

You may rely only on written responses, not verbal responses, from the plan administrator. The decision of the plan administrator regarding any disputes arising under the plan is final, conclusive, and binding on all persons having an interest in or under the plan. Any determination made by the plan administrator will be given deference in the event the determination is subject to judicial review and will be overturned by a court only if it determines it is arbitrary and capricious (i.e., an abuse of discretion).

Contributions to the Plan

Contributions to the plan are made in part by participants, in the form of salary reduction, and in part by GVSU. For information, see the appropriate sections of this Summary.

Limitations on Rights

Participation in the plan does not give you the right to remain employed by GVSU. Also, you cannot sell, transfer, or assign either voluntarily or involuntarily the value of your benefit under the plan. However, under certain circumstances, a court may award all or part of your benefit under the plan to a present or former spouse, child, or other dependent through a "qualified or eligible domestic relations order," or QDRO/EDRO.

Investment Control of the Plan

You may direct the investment of your accounts, including *employee contributions* and contributions made by the University. Fidelity or TIAA, as you select, will implement your investment directions. The fiduciaries of the plan are not liable for losses that are the direct result of investment instructions you give.

Suspension or Loss of Benefits

The Grand Valley State University 403(b) Retirement Plan must comply with the tax laws and rules of the Internal Revenue Service. As laws and regulations change, the plan may change. If any provisions or changes materially affect your benefits, you will be notified.

Some situations could cause a loss or delay of your benefits:

- A portion of your account may be assigned to another person under a domestic relations order.
- You may lose money due to investment losses.
- You terminate employment before you earn 100% vesting in your *University contribution* account and *matching contributions* account.

Plan Amendment or Termination

GVSU intends to continue the plan indefinitely. However, the plan may be modified or amended at any time, but it cannot be amended to retroactively reduce your benefits or vested percentage.

GVSU has the right to stop making contributions permanently. The plan may also be terminated in its entirety. If GVSU decides to stop making contributions permanently, your account will become 100% vested, but the funds will remain in the plan until you become eligible to receive a distribution. Generally, if the plan is terminated, your account becomes 100% vested and will be distributed to you. No plan assets will be returned to GVSU.

Pension Benefit Guaranty Corporation

Your benefits under the plan are not insured under the insurance provisions of ERISA which establish the Pension Benefit Guaranty Corporation. This is because the insurance provisions of ERISA do not cover plans (like the Grand Valley State University 403(b) Retirement Plan) that are governmental plans or in which assets are held in individual accounts for each participant.

IRS Limitations on Benefits

Federal regulations have established certain limits on how much employees and GVSU may contribute to the plan.

Effect on Social Security

You will pay Social Security taxes on your total earnings (up to the Social Security wage base) whether or not you make contributions to the plan. This means your future Social Security benefit will not be affected by your participation in the plan.

Domestic Relations Order

The plan must obey certain court orders, called domestic relations orders, that require a portion of your benefits to be paid to a spouse, former spouse, child, or dependent. These orders may authorize the payment of court-ordered benefits to begin while you are still employed. Every effort will be made to inform you of any attempt to subject your benefits to such an order.

Qualified Military Service

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), if you return from *qualified military service* to employment with GVSU within certain time limits, you are entitled to make up the contributions you could have made and receive an allocation of contributions GVSU would have made for you if you had been employed by GVSU during the period of *qualified military service*. If you die while engaged in *qualified military service* (with reemployment rights), you will become 100% vested in all of your accounts regardless of the number of years of vesting service you had at the time you left. For more information on your rights under USERRA and military leaves, contact the plan administrator or visit www.dol.gov/vets.

PLAN DIRECTORY

Plan Name

The name of the plan is the Grand Valley State University 403(b) Retirement Plan.

Type of Plan

The Grand Valley State University 403(b) Retirement Plan is a tax-deferred retirement plan authorized under Internal Revenue Code Section 403(b).

Funding Agents

Fidelity Brokerage Services LLC
900 Salem Street
Smithfield, RI 02917
800-343-0860

The Teachers Insurance and Annuity Association
730 Third Avenue
New York, NY 10017
800-842-2776

Employer Identification Number and Plan Number

If you need to correspond with a government agency about the plan, use the EIN and plan number for the plan as specified below along with the plan name:

Grand Valley State University 403(b) Retirement Plan

EIN: 38-1684280
PN: 003

Plan Year

January 1 through December 31.

Plan Sponsor

The sponsor is:

Grand Valley State University
1 Campus Drive
Allendale, MI 49401
616-331-5000

Plan Administrator

The plan administrator is:

Vice President for Finance and Administration and Treasurer
Grand Valley State University
1 Campus Drive
Allendale, MI 49401
616-331-5000

Agent for Service of Legal Process

The agent for service of legal process is:

Vice President for Finance and Administration and Treasurer
Grand Valley State University
1 Campus Drive
Allendale, MI 49401
616-331-5000

GLOSSARY

Throughout this Summary, certain key words or terms are italicized. These words are defined below to help you understand the plan. You may find it necessary to refer to these key terms as you read this Summary.

Eligible Pay

In general, *eligible pay* includes the salary or wages (base hourly rate including shift differential) paid in your regular paycheck (including any pre-tax contributions made to an eligible plan maintained by GVSU) for the time you are a participant during the year, but excluding attendance bonus payments, gifts, prizes, and other awards, differential military payments, reimbursed moving expenses, or other extra payments including, but not limited to, seminar stipends, car or housing allowances, or health and wellness incentive payments. Payments in lieu of vacation or sick leave at termination of employment are excluded for purposes of *University contributions* and faculty overload pay and overtime are excluded for both *University contributions* and *matching contributions.*

Usually, only amounts paid to you while you are employed are counted as eligible earnings. However, certain amounts paid to you after your employment terminates may also count. To be included, the payment must be one that you would have received had your employment continued, such as your salary or wages, and generally must be paid within 2½ months after your employment terminates. Timely payments for unused accrued sick, vacation, or other leave that you would have been able to use if your employment had continued are also included for purposes of *employee contributions* and *matching contributions* only.

Federal law limits the amount of compensation that can be taken into account on an annual basis. For the *plan year* beginning January 1, 2021, the limitation is $290,000. This amount may be adjusted in future years.

Employee Contributions

Employee contributions are your total contributions to the plan, including *pre-tax contributions* and *Roth contributions*.

Matching Contribution

The *matching contribution* provides a 100% match on your *employee contributions* per pay period up to a maximum match of 2% of *eligible pay* per pay period. To receive the *matching contribution*, you must contribute at least 1% of your *eligible pay* for the pay period to the plan and you must be employed in an eligible classification. The *matching contribution* is subject to collective bargaining and may change if the collective bargaining agreement changes.

Plan Year

The *plan year* is the 12-month period from January 1 through December 31.

Pre-Tax Contributions

Pre-tax contributions are the *employee contributions* you make to the plan on a pre-tax basis. This means your contributions are deducted from your *eligible pay* before federal (and usually state and local) income taxes are withheld, however, you must continue to pay social security and Medicare taxes on your total compensation.

Qualified Distribution

If you have made *Roth contributions*, you have already paid taxes on those contributions. When you are eligible to take a distribution from the plan, you will not owe taxes on the earnings attributable to your *Roth contributions*, if the distribution is a *qualified distribution*. A distribution is considered a *qualified distribution* if it is made (i) after a 5-year participation period <u>and</u> (ii) after you attain age 59½ or, if earlier, the date you die or are disabled. For this purpose, you are considered disabled if you are unable to engage in any substantial gainful employment because of a mental or physical impairment that is expected to result in death or to be of long-term and indefinite duration. The 5-year participation period begins on the first day of the calendar year in which you make your first *Roth contribution* and ends on the last day of the calendar year that is five years later. If you make a direct rollover of *Roth contributions* from another plan to this plan, the applicable 5-year participation period will begin on the first day of the calendar year in which you made the first *Roth contribution* under the other plan, if earlier.

Qualified Military Service

Qualified military service means the performance of duty in a uniformed service. For purposes of this definition, a uniformed service means the U.S. Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, or any other category of persons designated by the President in time of war or national emergency.

Required Beginning Date

Required beginning date is the date benefits must commence under the law. In general, your *required beginning date* is April 1 of the year following the year in which you reach age 72 (70½ if your date of birth is before July 1, 1949) or if later, the year your employment terminates.

Roth Contributions

Roth contributions are the *employee contributions* you make to the plan on an after-tax basis. This means your contributions are deducted from your *eligible pay* after all income taxes are withheld.

Totally and Permanently Disabled

Totally and permanently disabled means a physical or mental condition, arising while you are an employee of GVSU, which renders you unable to perform the duties of your employment. To qualify as *disabled*, you must be eligible for, and receiving, benefits under a long-term disability program sponsored by the University.

University Contribution

The *University contribution* is subject to collective bargaining and may change if the collective bargaining agreement changes. Under the terms of the current collective bargaining agreement, the *University contribution* is 8% of *eligible pay* per pay period. You must be employed in an eligible classification to receive the *University contribution.*

Year of Service for Vesting

A *year of service* for vesting purposes is a full 12-month period, beginning on your hire date or an anniversary of that date, during which you were employed by the University*.* If you were employed by an institution of higher education immediately prior to your employment with the University, you will be given credit for up to 2 *years of service* with your prior employer provided the period between your termination date with your prior employer and your first day of employment with the University would not constitute a break in service under this plan.