

**SAINT MARY'S COLLEGE OF CALIFORNIA TAX DEFERRED ANNUITY PLAN**

**SUMMARY OF PLAN PROVISIONS**

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**SAINT MARY'S COLLEGE OF CALIFORNIA TAX DEFERRED ANNUITY PLAN  
SUMMARY OF PLAN PROVISIONS  
INTRODUCTION TO YOUR PLAN**

Saint Mary's College of California Tax Deferred Annuity Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax advantaged basis. This Plan is a type of retirement plan known as a 403(b) plan. This Summary of Plan Provisions contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Summary to understand the features of the Plan.

This Summary addresses the most common questions you might have regarding the Plan. If this Summary does not answer all of your questions, please contact the Plan Administrator or other Plan representative. The Plan Administrator is generally responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan, unless those responsibilities have been delegated to other parties. The name of the Plan Administrator can be found at the end of this Summary in the Article entitled "General Information about the Plan."

This Summary describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this Summary and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

This Summary describes the current provisions of the Plan. The Plan is subject to federal laws the Internal Revenue Code and other federal and state laws which might affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS). Your Employer may also amend or terminate this Plan. The Plan Administrator will notify you if the provisions of the Plan that are described in this Summary change.

**Investment arrangement.** The investment products you select (known as investment arrangements) may also affect the provisions of the Plan. In some cases the investment arrangements may limit your options under the Plan. This Summary does not address the provisions of the various investment arrangements. You should contact the Plan Administrator or the investment provider if you have questions about the provisions of your specific investment arrangements.

**Types of contributions.** The following types of contributions are allowed under this Plan:

- Employee elective deferrals
- Employee rollover contributions

**ARTICLE I  
PARTICIPATION IN THE PLAN**

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

Provided you are not an Excluded Employee, you can begin participating under the Plan once you have satisfied the eligibility requirements and reached your Entry Date, except as indicated below for reclassified employees. The following describes Excluded Employees, the eligibility requirements and Entry Dates that apply. You should contact the Plan Administrator if you have questions about the timing of your Plan participation.

**Elective Deferrals**

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

- employees who are enrolled as students and regularly attending classes offered by the Employer

**Eligibility Conditions.** You will be eligible to participate in elective deferrals on your date of hire. However, you will actually participate in elective deferrals once you reach the Entry Date as described below.

**Entry Date.** For purposes of elective deferrals, your Entry Date will be your date of hire.

**Reclassified Employee**

Regardless of the above, if it is determined that your Employer erroneously classified you as a non-Employee and you should have been treated as an Employee, you are not entitled to participate in the Plan.

**What happens if I'm a Participant, terminate employment and then I'm rehired?**

If you are no longer a Participant because of a termination of employment, and you are rehired, then you will be able to participate in the Plan on the date on which you are rehired if you are otherwise eligible to participate in the Plan.

## ARTICLE II EMPLOYEE CONTRIBUTIONS

### What are elective deferrals and how do I contribute them to the Plan?

**Elective Deferrals.** As a Participant under the Plan, you may elect to reduce your compensation by a specific percentage and have that amount contributed to the Plan on a pre-tax basis as an elective deferral. Your taxable income is reduced by the elective deferral contribution so you pay less in federal income taxes (however, the amount you defer is still counted as compensation for purposes of Social Security taxes). Later, when the Plan distributes the elective deferrals and earnings, you will pay the taxes on those elective deferrals and the earnings. Therefore, federal income taxes on the elective deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

You will always be 100% vested in your elective deferrals (see the Article in this Summary entitled "Vesting").

**Elective Deferral procedure.** The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. You may elect to defer a portion of your compensation payable on or after your Entry Date. Such election will become effective as soon as administratively feasible after it is received by the Plan Administrator. Your election will generally remain in effect until you modify or terminate it.

**Elective Deferral modifications.** You may revoke or make modifications to your salary deferral election in accordance with procedures that the Employer provides. See the Plan Administrator for further information.

**Elective Deferral Limit.** As a Participant, you may elect to defer a *percentage* of your compensation each year instead of receiving that amount in cash. Your total elective deferrals in any taxable year cannot exceed a dollar limit which is set by law. The limit for 2019 is \$19,000. After 2019, the dollar limit may increase for cost-of-living adjustments. See the paragraph below on Annual dollar limit.

**Age 50 Catch-Up Deferrals.** If you are at least age 50 or will attain age 50 before the end of a calendar year, then you may elect to defer additional amounts (called Age 50 Catch-Up Deferrals) to the Plan as of the January 1st of that year. You can defer the additional amounts regardless of any other limitations on the amount you can defer to the Plan. The maximum Age 50 Catch-Up Deferrals that you can make in 2019 is \$6,000. After 2019, the maximum might increase for cost-of-living adjustments.

**Qualified Organization Catch-Up Deferral.** If you have completed at least 15 years of service with the Employer, and the Employer is a "qualified organization," then you may elect to defer additional amounts (called Qualified Organization Catch-Up Deferrals) to the Plan which exceed the elective deferral limit. A Qualified Organization Catch-Up Deferral increases the elective deferral limit by the lesser of: (1) \$3,000; (2) \$15,000 reduced by all amounts excluded from your gross income for prior taxable years by reason of your prior Qualified Organization Catch-Up Deferrals; or (3) the excess of \$5,000 multiplied by the number of years of service with the Employer, over your elective deferrals (including Qualified Organization Catch-Up Deferrals, but excluding Age 50 Catch-Up Deferrals) made for prior calendar years. This means that the maximum Qualified Organization Catch-Up Deferral you can contribute is \$3,000 in any calendar year. A "qualified organization" is an educational organization, hospital, home health service agency, health and welfare service agency, or a church-related organization. See the Plan Administrator for more information if you think you might qualify for Qualified Organization Catch-Up Deferrals.

If you qualify for both Age 50 Catch-Up Deferrals and Qualified Organization Catch-Up Deferrals, you may contribute both types of catch-up deferrals; however, your contributions must be applied to the Qualified Organization Catch-up Deferrals before they are applied to the age-50 Catch-Up Deferrals.

**Automatic Deferral.** The Plan includes an automatic deferral feature. Accordingly, the Employer will automatically withhold a portion of your compensation from your pay each payroll period and contribute that amount to the Plan as an elective deferral unless you make a contrary election.

- **Application to existing Participants.** For those Participants in the Plan as of the automatic deferral effective date, the automatic deferral provisions apply to all Participants except those who have a Salary Reduction Agreement in effect on the automatic deferral provisions effective date, provided that the deferral amount under the agreement is at least equal to the automatic deferral amount specified below.
- **Participants affected.** The automatic deferral provisions apply to Only the following Participants will be affected by automatic enrollment: Any faculty with academic rank (meaning persons having the academic rank at the institution of Professor, Associate Professor or Assistant Professor), Visiting Faculty, Salaried Adjunct Faculty, and staff who are anticipated to be regularly employed a minimum of 20 hours per week on an annual basis and who first meet the eligibility requirements on or after July 1, 2018, excluding students performing services described in Code section 3121(b)(10). For purposes of this election, the capitalized terms "Visiting Faculty and Salaried Adjunct faculty" shall have the meaning provided in the collective bargaining agreement between the institution and the Service Employees International Union Local 1021, effective May 20, 2016 and as thereafter amended, and/or (where applicable) Faculty Handbook. Furthermore, the automatic enrollment provisions above will not apply to Participants who were automatically enrolled under those provisions on or after July 1, 2018 and before July 1, 2019 and who subsequently made a valid Contrary Election.

**Automatic deferral provisions.** The following provisions apply as to automatic deferrals:

- You may complete a Salary Reduction Agreement at any time to select an alternative salary deferral amount or to elect not to defer under the Plan in accordance with the deferral procedures of the Plan. If the Employer automatically enrolled you and you did not want to participate in the Plan, then the Employer can refund your salary deferrals to you within 90 days of the first

payroll in which money was deferred provided you notify the Employer within a reasonable period of time prior to the end of the 90-day period.

- The amount to be automatically withheld from your pay each payroll period will be equal to 3% of your compensation.

#### **Automatic deferral increase**

- While you are a Participant, the automatic deferral amount will increase by 1% up to a maximum of 7%.
- The increase in the amount automatically withheld from your pay will be effective July 1st, beginning with the First year increase will apply on the Change Date occurring on or after the Participant has been automatically enrolled for 3 months July 1st following the date salary deferrals were first automatically withheld from your pay.

#### **Additional automatic deferral provisions**

Automatic Deferrals do not apply to Employees not described above.

Contact the Plan Administrator if you have any questions concerning the application of the automatic deferral provisions.

**Annual dollar limit.** You should also be aware that each separately stated annual dollar limit on the amount you may defer (the annual deferral limit and the "catch-up contribution" limit) is a separate aggregate limit that applies to all such similar salary deferral amounts and "catch-up contributions" you may make under this Plan and any other cash or deferred arrangements (including tax-sheltered 403(b) annuity contracts, simplified employee pensions or other 401(k) plans) in which you may be participating. Generally, if an annual dollar limit is exceeded, then the excess must be returned to you in order to avoid adverse tax consequences. For this reason, it is desirable to request in writing that any such excess salary deferral amounts and "catch-up contributions" be returned to you.

If you are in more than one plan, you must decide which plan or arrangement you would like to return the excess. If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Plan Administrator no later than the March 1st following the close of the calendar year in which such excess deferrals were made. However, if the entire dollar limit is exceeded in this Plan or any other plan the Employer maintains, then you will be deemed to have notified the Plan Administrator of the excess. The Plan Administrator will then return the excess deferral and any earnings to you by April 15th.

#### **What are rollover contributions?**

**Rollover contributions.** Subject to the provisions of your investment arrangements and at the discretion of the Plan Administrator, if you are a Participant in the Plan, you might be permitted to deposit into the Plan distributions you have received from other plans and certain IRAs. Such a deposit is called a "rollover" contribution and might result in tax savings to you. You may ask the Plan Administrator of the other plan or the trustee or custodian of the IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, you may elect to deposit any amount eligible to be rolled over within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is in your best interest.

**Rollover account.** Your rollover contribution will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this Summary entitled "Vesting"). Rollover contributions will be affected by any investment gains or losses.

**Withdrawal of rollover contributions.** You may withdraw the amounts in your "rollover account" at any time.

### **ARTICLE III COMPENSATION AND ACCOUNT BALANCE**

#### **What compensation is used to determine my Plan benefits?**

##### **All Contributions**

**Adjustments to compensation.** Regardless of the definition of compensation, the following adjustments will be made:

- elective deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- compensation paid while not a Participant in the component of the Plan for which compensation is being used will be excluded.
- compensation paid after you terminate is generally excluded for Plan purposes. However, the following amounts will be included in compensation even though they are paid after you terminate employment, provided these amounts would otherwise have been considered compensation as described above and provided they are paid within 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment:

- compensation paid for services performed during your regular working hours, or for services outside your regular working hours (such as overtime or shift differential), or other similar payments that would have been made to you had you continued employment.
- compensation paid for unused accrued bona fide sick, vacation or other leave, if such amounts would have been included in compensation if paid prior to your termination of employment and you would have been able to use the leave if employment had continued.
- nonqualified unfunded deferred compensation if the payment is includible in gross income and would have been paid to you had you continued employment.

## **Elective Deferrals**

**Definition of compensation.** For purposes of elective deferrals, compensation is defined as your total compensation that is subject to income tax and paid to you by your Employer for the Plan Year.

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

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2019 is \$280,000. After 2019, the dollar limit might increase for cost-of-living adjustments.

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

The law imposes a limit on the amount of contributions that may be made to your accounts during a year. For 2019, this total cannot exceed the lesser of \$56,000 or 100% of your includible compensation (generally your compensation for the prior 12-month period, as limited under the previous question). After 2019, the dollar limit might increase for cost-of-living adjustments.

**The above limit may also need to be applied by taking into account contributions made to other retirement plans in which you are a participant.** If you have more than 50% control of a corporation, partnership, and/or sole proprietorship, then the above limit is based on contributions made in this Plan as well as contributions made to any 403(b) or qualified plans maintained by the businesses you control. If you control another business that maintains a plan in which you participate, then you are responsible for providing the Plan Administrator with information necessary to apply the annual contribution limits. If you fail to provide necessary and correct information to the Plan Administrator, it could result in adverse tax consequences to you, including the inability to exclude contributions to the Plan from your gross income for tax purposes.

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

The Plan assets may be invested in mutual funds and Annuity Contracts. See the Plan Administrator for further details regarding permissible investments.

You will be able to direct the investment of your Plan account, including your elective deferrals. The Plan Administrator will provide you with information on the investment choices available to you, the frequency with which you can change your investment choices and other information. If you do not direct the investment of your Plan account, then your account will be invested in accordance with the default investment alternatives your Employer establishes under the Plan. These default investments will be made in accordance with specific rules under which the fiduciaries of the Plan, including your Employer and the Plan Administrator, will be relieved of any legal liability for any losses resulting from the default investments. The Plan Administrator has or will provide you with a separate notice which details these default investments and your right to switch out of the default investment if you so desire.

When you direct investments, your account is segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance for other Participants who have directed their own investments.

You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and your Employer and the Plan Administrator will not provide investment advice or guarantee the performance of any investment you choose.

Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. It is your responsibility to notify the Plan Administrator of any errors you see on any statements within 30 days after the statement is provided or made available to you.

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

**Expenses allocated to all accounts.** Subject to the terms of the investment arrangements funding the plan, the Plan might pay some or all Plan related expenses except for a limited category of expenses which the law requires your Employer to pay. The category of expenses which your Employer must pay are known as "settlor expenses." Generally, settlor expenses relate to the design, establishment or termination of the Plan. See the Plan Administrator for more details. The expenses charged to the Plan might be charged pro rata to each Participant in relation to the size of each Participant's account balance or might be charged equally to each Participant. In addition, some types of expenses might be charged only to some Participants based upon their use of a Plan feature or receipt of a Plan distribution. Finally, the Plan might charge expenses in a different manner as to Participants who have terminated employment with your Employer versus those Participants who remain employed with your Employer.

**Terminated employee.** After you terminate employment, subject to the terms of the investment arrangements funding the Plan, your Employer reserves the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether your Employer pays some of these expenses on behalf of current employees.

**Expenses allocated to individual accounts.** There are certain other expenses that might be paid just from your account subject to the terms of the investment arrangements funding the Plan. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan might incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses might be paid directly from your account (and not the accounts of other Participants) because they are directly attributable to you under the Plan. The Plan Administrator will inform you when there will be a charge (or charges) directly to your account.

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

#### ARTICLE IV VESTING

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

You are always 100% vested in all of your Plan accounts.

#### ARTICLE V DISTRIBUTIONS PRIOR TO TERMINATION OF EMPLOYMENT

**The Individual Agreements governing the investment options that you selected for your Plan contributions might contain additional limits on when you can take a distribution, the form of distribution that is available as well as your right to transfer among approved investment options. Please review both the following information in this Summary of Plan Provisions and the terms of your annuity contracts or custodial agreements before requesting a distribution. Contact your Employer or the investment vendor if you have questions regarding your distribution options.**

##### Can I withdraw money from my account while working?

**In-service distributions.** You may be entitled to receive an in-service distribution. However, this distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement. This distribution is made at your election subject to possible administrative limitations on the frequency and actual timing of such distributions. You may withdraw amounts from accounts for rollover contributions at any time.

**Conditions.** Generally you may receive a distribution from certain accounts prior to termination of employment provided you satisfy any of the following conditions:

- you have attained age 59 1/2. Satisfying this condition allows you to receive distributions from elective deferrals.
- you have incurred a financial hardship as described below.
- you incur a disability (as defined in the Plan). Satisfying this condition allows you to receive distributions from elective deferrals.

**Qualified reservist distributions.** If you: (i) are a reservist or National Guardsman; (ii) were/are called to active duty after September 11, 2001; and (iii) were/are called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature federal distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

##### Can I withdraw money from my account in the event of financial hardship?

**Hardship distributions.** You may withdraw money on account of financial hardship if you satisfy certain conditions, subject to any rules and conditions set forth in the investment arrangements. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance. You may not receive a hardship distribution from your qualified nonelective contribution account, if any.

**Qualifying expenses.** A hardship distribution may be made to satisfy certain immediate and heavy financial needs that you have. A hardship distribution may only be made for payment of the following:

- Expenses for medical care (described in Section 213(d) of the Internal Revenue Code) for you, your spouse or your dependents.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).

- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children or your dependents.
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children or your dependents.
- Expenses for the repair of damage to your principal residence (that would qualify for the casualty loss deduction under Internal Revenue Code Section 165).

**Conditions.** If you have any of the above expenses, a hardship distribution can only be made if you certify and agree that all of the following conditions are satisfied:

- The distribution is not in excess of the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution; and
- You have obtained all distributions, other than hardship distributions.

**Account restrictions.** You may request a hardship distribution only from the vested portion of the following accounts:

- accounts attributable to elective deferrals

**Restricted Amounts.** There are additional restrictions placed on hardship distributions from certain accounts (referred to as "Restricted Accounts"). Restricted Accounts include your elective deferrals and any qualified nonelective contributions. Generally, the only amounts that can be distributed to you from these Restricted Accounts are your elective deferrals (earnings on your elective deferrals cannot be withdrawn for a hardship). Ask the Plan Administrator if you need further details.

## ARTICLE VI DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT

To the extent permitted in the investment arrangements, the provisions in this Article apply to distributions from the Plan following termination of employment.

### When can I get money out of the Plan?

You might be able to receive a distribution of some or all of your accounts in the Plan when you terminate employment with your Employer. The rules regarding the payment of death benefits to your beneficiary are described in the Article in this Summary entitled "Distributions upon Death."

If you terminate employment and your vested benefit exceeds \$5,000, you will be entitled to a distribution within a reasonable time after your termination. You must consent to this distribution. (See the question "How will my benefits be paid?" for a further explanation of how benefits are paid from the Plan.)

If you terminate employment, and the value of your vested benefit does not exceed \$5,000, then a distribution will automatically be paid to you even if you do not consent. Such distribution will be paid to you within a reasonable period of time after your termination of employment. See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.

**Treatment of "rollover" contributions for consent to distribution.** In determining if the value of your vested account balance exceeds the \$5,000 threshold described above used to determine whether you must consent to a distribution, your "rollover account" will not be considered as part of your benefit.

**Military Service.** If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with your Employer. There might also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Plan Administrator for further details.

### What is Normal Retirement Age and what is the significance of reaching Normal Retirement Age?

**Normal Retirement Age.** Your Normal Retirement Age is the date you reach age 65.

**Payment of benefits.** You will become 100% vested in all of your accounts under the Plan (assuming you are not already fully vested) if you are employed on or after your Normal Retirement Age. However, the actual payment of benefits generally will not begin until you have terminated employment. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Age, you may generally defer the receipt of benefits until you actually terminate employment. In such event, benefit payments will begin as soon as feasible at your request, but generally not later than age 70 1/2. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

**When am I considered to be disabled under the Plan?**

**Definition of disability.** Under the Plan, disability is defined as A Participant shall be deemed permanently and totally disabled who has been awarded and continues to be eligible for a Social Security Disability Benefit for permanent and total disability under Title II of the Social Security Act. The college may at any time or from time to time require evidence of continued entitlement to a Social Security Disability Benefit.

**How will my benefits be paid to me?**

**The following provisions apply to the extent permitted under the investment arrangements in which the plan assets are invested.**

**Lump-sum distributions.** If you terminate employment and your vested account balance does not exceed \$5,000, then your vested account balance might only be distributed to you in a single lump-sum payment.

**Distribution methods.** If you terminate employment and your vested account balance exceeds \$5,000 (or another amount as provided in your investment arrangement), then your vested account balance might be distributed to you under any method permitted under your investment arrangements, including the following:

- a single lump-sum payment
- installments over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary)
- an annuity contract that the Vendor provides or purchases with your vested account balance
- ad-hoc distributions. You may request a distribution of some or all of your Plan accounts, at any time following your termination of employment, subject to any reasonable limits regarding timing and amounts as the Plan Administrator or your investment arrangements may impose.
- Any combination above and any option allowed under investment agreement documents.
- installments, but only with respect to minimum required distributions, over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary). (See "Required beginning date" below for an explanation of the commencement of minimum required distributions.)

**Required beginning date.** There are rules that require that certain minimum distributions be made from the Plan. Distributions are required to begin not later than the April 1st following the end of the year in which you reach age 70 1/2 or terminate employment, whichever is later. You may elect to take the minimum distributions as installments over a period of not more than your assumed life expectancy (or your and your beneficiary's assumed life expectancies). You should see the Plan Administrator if you think you might be affected by these rules.

**ARTICLE VII  
DISTRIBUTIONS UPON DEATH**

**What happens if I die while working for the Employer?**

If you die while still employed by the Employer, then your account balance will be used to provide your beneficiary with a death benefit.

**Who is the beneficiary of my death benefit?**

**Married Participant.** If you are married at the time of your death, your spouse will be the beneficiary of the entire death benefit unless you designate in writing a different beneficiary. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NON-SPOUSE BENEFICIARY.

If you are married and you change your designation, then your spouse must again consent to the change. In addition, you may elect a beneficiary other than your spouse without your spouse's consent if your spouse cannot be located.

**Unmarried Participant.** If you are not married, you may designate a beneficiary of your choosing.

**Divorce.** If you have designated your spouse as your beneficiary for all or a part of your death benefit, then upon your divorce, the designation is no longer valid. This means that if you do not select a new beneficiary after your divorce, then you are treated as not having a beneficiary for that portion of the death benefit.

**No beneficiary designation.** Subject to the terms of the investment arrangements, at the time of your death, if you have not designated a beneficiary or the individual named as your beneficiary is not alive, then the death benefit will be paid in the following order of priority to:

Absent a valid Beneficiary designation under Section 7.05, if no Beneficiary survives the Participant, 50% to the Participant's Spouse and 50% to the Participant's estate or, where no Spouse exists, to the Participant's estate..

**How will the death benefit be paid to my beneficiary?**

**Distribution methods.** The death benefit will be distributed to your beneficiary in any of the distribution methods that are available to you.

**When must payments be made to my beneficiary (required minimum distributions)?**

If your designated beneficiary is a person (other than your estate or most trusts) then minimum distributions of your death benefit must generally begin within one year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, the start of payments may be delayed until the year in which you would have attained age 70 1/2. Generally, if you die before you are required to begin minimum distributions (which for most people is shortly after the later of age 70 1/2 or retirement) and your beneficiary is not a person, then your entire death benefit must be paid within five years after your death. Some investment products may allow a person to use this five-year rule. See the Plan Administrator for further details.

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

**What happens if I terminate employment, commence required minimum distribution payments and then die before receiving all of my benefits?**

Your beneficiary will be entitled to your remaining vested interest in the Plan at the time of your death. Payments must generally come out at least as rapidly as the required minimum distributions. See the Plan Administrator for more information regarding the timing and method of payments that apply to your beneficiary.

**Alternative Definition of Spouse**

**Definition of spouse.** For purposes of the Plan other than any rights mandated by federal law, a spouse means includes registered domestic partner, except where otherwise mandated by federal law..

**ARTICLE VIII  
TAX TREATMENT OF DISTRIBUTIONS**

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

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59 1/2 could be subject to an additional federal 10% penalty tax.

**Qualified reservist distributions.** If you: (i) are a reservist or National Guardsman; (ii) were/are called to active duty after September 11, 2001; and (iii) were/are called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution federal penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

**Can I elect a rollover to reduce or defer tax on my distribution?**

**Rollover or Direct Transfer.** You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) **60-day rollover.** You may roll over all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances, all or a portion of a distribution (such as a hardship distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, then the direct rollover option described in paragraph (b) below would be the better choice.

(b) **Direct rollover.** For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of a distribution be made to either an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other employer plan. Like the 60-day rollover, under certain circumstances all or a portion of the amount to be distributed may

not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

#### **Automatic IRA Rollover of Certain Account Balances**

If a mandatory distribution is being made to you before the later of age 62 or Normal Retirement Age and your vested account balance does not exceed \$5,000 (disregarding any rollover contribution), the Plan might distribute your vested portion in a single lump-sum payment. However, you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA"). At the time of your termination of employment, the Plan Administrator will provide you with further information regarding your distribution rights. If the amount of the distribution exceeds \$1,000 (including any rollover contribution) and you do not elect either to receive or to roll over the distribution, the Plan automatically will roll over the distribution to an IRA. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and to provide a reasonable rate of return and liquidity (e.g., an interest-bearing account, a certificate of deposit or a money market fund). The IRA provider will charge your account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. In addition, your beneficiary designation under the Plan, if any, will not apply to the rollover IRA. The IRA's terms will control in establishing a designated beneficiary under the IRA. You may transfer the IRA funds to any other IRA you choose. You may contact the Plan Administrator at the address and telephone number indicated in this Summary for further information regarding the Plan's automatic rollover provisions, the IRA provider and the fees and charges associated with the IRA.

**Tax Notice.** WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE PLAN ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

### **ARTICLE IX LOANS**

#### **Is it possible to borrow money from the Plan?**

Yes, it is possible to borrow money from the Plan. Loans are permitted in accordance with the Plan Loan Policy attached to this Summary and subject to the limitations of your investment arrangements.

### **ARTICLE X CLAIMS PROCEDURES**

#### **What happens if a domestic relations order is issued with respect to my benefits in the Plan?**

The Plan Administrator must honor a domestic relations order (DRO). A DRO is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, children or other dependents (referred to as alternate payees). If a DRO is received by the Plan Administrator, all or a portion of your benefits may be used to satisfy that obligation. Payments may not be made to an alternate payee prior to the time you would be entitled to a distribution. The Plan Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Plan Administrator, without charge, a copy of the procedure used by the Plan Administrator to determine whether a domestic relations order is valid.

#### **Can the Employer amend the Plan?**

Your Employer has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of Participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

#### **What happens if the Plan is discontinued or terminated?**

Although your Employer intends to maintain the Plan indefinitely, your Employer reserves the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will continue to be 100% vested. Your Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. You will be notified if the Plan is terminated.

#### **How do I submit a claim for Plan benefits?**

Benefits will generally be paid to you and your beneficiaries without the necessity for formal claims. Contact the Plan Administrator or investment provider if you are entitled to benefits or if you think an error has been made in determining your benefits. Any such request should be in writing.

If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

**ARTICLE XI  
GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

**Plan Name**

The full name of the Plan is Saint Mary's College of California Tax Deferred Annuity Plan.

**Plan Effective Dates**

This Plan was originally effective on September 1, 1949. The amended and restated provisions of the Plan become effective on July 1, 2019.

**Other Plan Information**

**Plan Year.** The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year ends on December 31st, except for the short Plan Year which begins on July 1, 2019 and ends on December 31, 2019.

The Plan will be governed by the laws of California to the extent not governed by federal law.

**Employer Information**

The Employer's name, address, business telephone number and identification number are:

Saint Mary's College of California  
1928 St. Mary's Road, PMB 4227  
Moraga, California 94575  
925-631-4055  
94-1156599

**Plan Administrator Information**

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. If you have any questions about the Plan or your participation, you should contact the Plan Administrator. The Plan Administrator may designate other parties to perform some duties of the Plan Administrator, and some duties are the responsibility of the investment provider(s) to the Plan.

The name, address and business telephone number of the Plan's Administrator are:

Contact: Saint Mary's College of California  
Address: 1928 St. Mary's Road, PMB 4227  
Moraga, California 94575  
Telephone: 925-631-4055

**APPENDIX  
PLAN LOAN POLICY**

To the extent permitted by the Investment Arrangements in which the Plan assets are invested, Saint Mary's College of California Tax Deferred Annuity Plan permits loans to be made to Participants pursuant to a written loan policy. Please review your annuity contracts or custodial agreements before requesting a loan. The Individual Agreements governing the investment options that you selected for your Plan contributions may contain additional limits on when you can take a loan. Please review both the following information in this Loan Policy and your annuity contracts or custodial agreements before requesting a loan. Contact your Employer or the investment vendor if you have questions regarding your loan options.

The Plan Administrator is authorized to administer the Participant loan policy. All applications for loans will be made by a Participant to the Plan Administrator (or the Plan Administrator's delegate) on forms which the Plan Administrator will make available for such purpose.

**1. LOAN APPLICATION/BORROWER QUALIFICATION**

- Loans are available to Participants on a reasonably equivalent basis. A Participant must apply for each loan with an application which specifies the amount of the loan desired and the requested duration for the loan. The Plan Administrator may request additional information before approving a loan.
- All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant makes formal application.
- The loan will be treated as a directed investment of the borrower's Account.

**2. LOAN LIMITATIONS.** With regard to any loan made pursuant to this loan policy, the following rule(s) and limitation(s) will apply, in addition to such other requirements set forth in the Plan:

- Loans to a Participant will not be approved in an amount which exceeds 50% of his or her nonforfeitable account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess of the Participant's highest outstanding Participant loan balance during the 12-month period ending on the date of the loan over the Participant's current outstanding Participant loan balance on the date of the loan.

Loans from a TIAA Annuity other than an RPL loan are further limited to:

- (a) 45% of the combined accumulations attributable to the funding vehicle(s) under your retirement plan; or
- (b) 90% of the CREF and TIAA Real Estate accumulation attributable to participation under this Plan for Retirement Loan (RL) loans, or
- (c) 90% of your TIAA Annuity accumulation attributable to participation under this Plan for a Group Supplemental Retirement Annuity (GSRA) loan.
- No loan in an amount less than \$1,000 will be granted to any Participant for any single loan.
- A Participant can have 3 loan(s) currently outstanding from the Plan. However, if this loan limitation exceeds three, and your loan is an RPL loan, you may not have more than three loans at any one time from all plans of the employers.
- Loan refinancing is not permitted.

**3. ACCOUNT RESTRICTIONS.** With regard to loans made pursuant to this loan policy (subject to the investment arrangements), the following rules apply:

- Loans may only be made from accounts attributable to:
  - Unmatched Pre-tax Elective Deferrals
  - Rollovers from other plans
  - Applicant must have a vested account balance of at least \$2,000. A loan cannot be taken on an annuitized part of a Participant's accumulation.

**4. EVIDENCE AND TERMS OF LOAN.** The Plan Administrator will document every loan in the form of a promissory note signed by the Participant for the face amount of the loan, according to the following:

- Any loan granted or renewed under this policy will bear a reasonable rate of interest.

The interest rate will be fixed for the duration of the loan. However, with respect to amounts invested with TIAA, the interest rate for your loan will vary, as described below, depending upon how your retirement balance is invested.

- Group Supplemental Retirement Unit-Annuity (GSRA) contract - The interest rate is variable and can increase or decrease every three months. The interest rate you pay initially will be the higher of (1) the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued; or (2) the interest rate credited before your annuity starting date, as stated in the applicable rate schedule, plus 1 percent. Thereafter, the rate may change quarterly, but only if the new rate differs from your current rate by at least 1/2 percent.
  - Retirement Loan (RL) contract - For all Employers except those located in Arkansas, Hawaii, or New Jersey, the interest rate you pay initially will be the higher of (1) the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued; or (2) the interest credited before your annuity starting date, as stated in the applicable rate schedule, plus 1 percent. Thereafter the rate will change annually, but only if the Moody's Corporate Bond Yield Average for the calendar month ending two months before the anniversary of your loan differs from your current rate by at least a 1/2 percent. If the latest average differs by less, your interest rate will remain the same for the next year. For Employers located in Arkansas, Hawaii, or New Jersey, the interest rate will be a fixed rate of 8 percent.
  - Retirement Plan Loans from mutual funds or annuity contract (RPL) - The interest rate will be fixed for the term of the loan and will be equal to the Federal Reserve Board Bank prime loan rate plus 1 percent at the time of the loan origination.
- The loan must provide at least quarterly payments under a level amortization schedule. If you are currently employed by the Employer, the Plan Administrator will require you to enter into either a payroll deduction or an ACH agreement or other repayment method agreed to by the investment arrangement to repay the loan.
  - The Plan Administrator will fix the term for repayment of any loan; however, in no instance may the term of repayment be greater than five years, unless the loan qualifies as a home loan. A "home loan" is a loan used to acquire a dwelling unit which, within a reasonable time, you will use as a principal residence.
  - All loans will be considered a directed investment from your account(s) in the Plan.
  - There might be a charge to your Account for expenses, if any, directly related to the loan set up, annual maintenance, administrative charges, and collection of the note.
  - A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts your Employer's right to terminate the Plan at any time.

You should note that the law treats the amount of any loan (other than a "home loan") not repaid five years after the date of the loan as a taxable distribution on the last day of the five-year period or, if sooner, at the time the loan is in default.

5. SECURITY FOR LOAN. The Plan will require that you provide security before a loan is granted. For this purpose, the Plan will consider your interest under the Plan (account balances) to be adequate security. However, in no event will more than 50% of your vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. Generally, it will be the policy of the Plan not to make loans which require security other than your vested interest in the Plan. However, if additional security is necessary to adequately secure the loan, then the Plan Administrator will require that such security be provided before the loan will be granted.
6. FORM OF PLEDGE. The pledge and assignment of your account balances will be in the form prescribed by the Plan Administrator.
7. LEAVE OF ABSENCE/SUSPENSION OF PAYMENT. The Plan Administrator will suspend loan repayments for a period not exceeding one year which occurs during a military leave of absence. The Plan Administrator will provide you with an explanation of the effect of a military leave of absence upon your loan.
8. PAYMENTS AFTER LEAVE OF ABSENCE. When payments resume following a payment suspension in connection with a military leave of absence authorized above, you must select one of the following methods to repay the loan, to the extent permitted by the investment provider, plus accumulated interest:
  - You will increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, plus accrued interest, over the remaining term of the loan.
  - You will pay a balloon payment of the remaining unpaid principal and interest, at the conclusion of the term of the loan as determined in the promissory note.
  - You may extend the maturity of the loan and re-amortize the payments over the remaining term of the loan. In no event will the amount of the adjusted installment payment be less than the amount of the installment payment provided under the promissory note. The revised term of the loan will not exceed the maximum term permitted above, augmented by the time you were in United States military service.

9. DEFAULT. The Plan Administrator will treat a loan as in default if:

- any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the Participant missed the scheduled payment

Upon default, you will have the opportunity to repay the loan, resume current status of the loan by paying any missed payment plus interest or, if distribution is available under the Plan and investment arrangements, request distribution of the note. If the loan remains in default, the Plan Administrator will offset your vested account balances by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, you remain obligated for any unpaid principal and accrued interest.