



INDIANA UNIVERSITY
UNIVERSITY HUMAN RESOURCE SERVICES

IU Retirement Plan

A 403(b) Base Retirement Plan

Academic and Professional Staff Employees
Plan Document

Amended and Restated February 19, 2010

TABLE OF CONTENTS

ARTICLE I. RESTATEMENT OF PLAN	1
ARTICLE II. DEFINITIONS AND CONSTRUCTION	1
Section 2.01. Construction and Governing Law	1
Section 2.02. Definitions	1
ARTICLE III. ELIGIBILITY	4
Section 3.01. Contribution Level Eligibility Standards	4
Section 3.02. Commencement of Eligibility	5
Section 3.03. Loss of Eligibility	5
ARTICLE IV. CONTRIBUTIONS	5
Section 4.01. IU Contributions	5
Section 4.02. When Contributions Are Made	5
Section 4.03. Post-Retirement Continued Contributions	5
Section 4.04. Rollovers into the Plan	5
ARTICLE V. VESTING	6
Section 5.01. Participants Prior to September 1, 2010	6
Section 5.02. New Participants on or after September 1, 2010	6
Section 5.03. Forfeitures	6
ARTICLE VI. LIMITATIONS ON CONTRIBUTIONS	6
Section 6.01. Code Section 415(c) Limitation	6
Section 6.02. Code Section 401(a)(17) Limitation	7
ARTICLE VII. ACCOUNTING	8
Section 7.01. Participant Accounts	8
Section 7.02. Participant Statements	8
Section 7.03. Value of Account	8
ARTICLE VIII. INVESTMENT OF CONTRIBUTIONS	8
Section 8.01. Manner of Investment	8
Section 8.02. Vendors	8
Section 8.03. Investment of Contributions	9
Section 8.04. Transfer of Plan Account Balances Between Vendors	9
ARTICLE IX. BENEFIT DISTRIBUTIONS	9
Section 9.01. Distributions From Accounts	9
Section 9.02. Benefit Payable	9
Section 9.03. Death Benefit	10
Section 9.04. Required Distribution Rules	10
Section 9.05. Hardship Withdrawals	10
ARTICLE X. LOANS	10

ARTICLE XI. ROLLOVER DISTRIBUTIONS FROM THIS PLAN 10
 Section 11.01. Rollover Distributions 10
 Section 11.02. Explanation of Plan Distribution and Withholding Requirements 10

ARTICLE XII. ADMINISTRATION 11
 Section 12.01. Authority of the Administrator 11
 Section 12.02. Delegation by Administrator 11
 Section 12.03. Advice to Administrator 11
 Section 12.04. Limitation on Recovery 11
 Section 12.05. Benefit Payment Issue Resolution 11
 Section 12.06. Reliance 12

ARTICLE XIII. REQUESTS FOR INFORMATION AND OTHER CLAIMS PROCEDURES 12
 Section 13.01. Requests for Information Concerning Eligibility, Participation, Contributions 12
 Section 13.02. Requests for Information Concerning Distributions, Funding Vehicles, Investment Options .. 12
 Section 13.03. Claims for Benefits 12

ARTICLE XIV. AMENDMENT AND TERMINATION 12
 Section 14.01. Amendment and Termination 12
 Section 14.02. Adverse Effects 12
 Section 14.03. Distribution Upon Termination of the Plan 12

ARTICLE XV. USERRA RIGHTS 13
 Section 15.01. General Rule 13
 Section 15.02. Beneficiary Rights 13
 Section 15.03. Differential Wages 13
 Section 15.04. IU Contributions 13

ARTICLE XVI. MISCELLANEOUS 14
 Section 16.01. Non-Alienation 14
 Section 16.02. Family Medical Leave Act 14
 Section 16.03. Limitation of Rights 14
 Section 16.04. Federal and State Taxes 14
 Section 16.05. Erroneous Payments 14
 Section 16.06. Release 14
 Section 16.07. Liability 15
 Section 16.08. Necessary Parties 15
 Section 16.09. Headings 15
 Section 16.10. Plan Expenses 15
 Section 16.11. Information Provided by Participants 15

EXHIBIT A. VENDORS 16

ARTICLE I.

RESTATEMENT OF PLAN

Indiana University (IU) established the IU Retirement Plan (Plan) pursuant to Section 403(b) of the Internal Revenue Code effective July 1, 1937, and amended it from time to time thereafter. The Plan was, and is intended to remain, an Internal Revenue Code Section 403(b) plan and a governmental plan within the meaning of Internal Revenue Code Section 414(d). As such, the Plan is not subject to and is not intended to be a plan subject to ERISA.

IU now desires to amend and restate the IU Retirement Plan effective October 2, 2009, to comply with the final Treasury regulations under Internal Revenue Code Section 403(b), to incorporate changes approved by the Board of Trustees of IU (The Board of Trustees) since the last restatement of the Plan, and to make other changes.

Except as otherwise specifically provided herein, or amended by The Board of Trustees or new legislation or regulations, the Plan as restated effective October 2, 2009, establishes the rights and obligations with respect to individuals who are Employees (defined in Section 2.02 (p)), and transactions that occur on and after October 2, 2009. The rights and benefits, if any, of individuals who are not Employees, and transactions that did not occur on or after October 2, 2009, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date of their termination of employment with IU or at the time of the transaction, except as otherwise specifically provided herein, or amended by The Board of Trustees or new legislation or regulations.

The terms and conditions of the Funding Vehicles (as defined in Section 2.02(s)) shall be considered part of, and are incorporated into, the Plan, except to the extent that there are any provisions that conflict with the Plan. To the extent that there is any conflict between the terms of such Funding Vehicles and the terms of the Plan, the terms of the Plan shall govern.

ARTICLE II.

DEFINITIONS AND CONSTRUCTION

Section 2.01. Construction and Governing Law.

(a) Governing Law. The Plan shall be construed, administered and enforced according to the Internal Revenue Code and, when not inconsistent with the Internal Revenue Code, the laws of the State of Indiana without regard to conflict of law principles.

(b) Construction. Words used in the masculine gender shall be construed to include the feminine gender when appropriate, and words used in the singular or plural shall be construed as being in the plural when appropriate.

Section 2.02. Definitions.

When the initial letter of a word or phrase is capitalized the meaning of such word or phrase shall be as follows:

(a) "Account" means a separate account maintained for each Participant reflecting IU Contributions attributable to each Participant in the Plan and any gains or losses on such IU Contributions. An account established through a different employer's retirement plan or an account established for a different IU retirement plan may not be used for this Plan. Account includes an Account established for a Beneficiary after a Participant's death and any Account established for an Alternate Payee. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account shall be maintained for each Beneficiary.

(b) "Account Balance" means the balance in the Account maintained for a Participant which reflects the aggregate amount credited to or debited from the Participant's Account, including: (i) IU Contributions and any gains or losses allocable to the Participant; (ii) any transfers from a Participant's Plan Account with another Vendor; and (iii) any distributions made from the Account.

(c) "Administrator" means IU; provided, however, IU has delegated its responsibilities as Administrator to University Human Resource Services with respect to day-to-day operation and administration. University Human Resource Services may also further delegate responsibilities to Vendors. To the extent these delegations have been made, the term Administrator shall be deemed to refer to the appropriate entity.

(d) "Affiliated Employer" means IU and any entity which is a member of a controlled group of corporations (as defined in Code Section 1563(a), as modified by Code Section 1563(f)(5), and determined without regard to Code Sections 1563(a)(4) and 1563(e)(3)(c)), which includes IU; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with IU; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes IU; and any other entity required to be aggregated with IU pursuant to regulations under Code Section 414(o). For purposes of Code Section 415, in applying Code Section 414(b) and (c) to determine an Affiliated Employer, the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in Code Section 1563(a)(1) and the regulations under 414(c). Each such Affiliated Employer shall be included as an Affiliated Employer only for such period or periods during which such entity is under such common control, so affiliated, or so aggregated and only to the extent required by any applicable provision of the Code or Treasury regulations.

(e) "Alternate Payee" means any person who is recognized by a qualified domestic relations order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to a Participant. The Vendor shall determine whether the domestic relations order meets the qualification criteria of Code Section 414(p).

(f) "Annuity Contract" means a nontransferable contract as defined in Code Section 403(b)(1), established for Participants by IU or by each Participant, that is issued by a Vendor who is licensed as an insurance company and qualified to issue annuities in the State of Indiana and that includes payment in the form of an annuity.

(g) "Applicable Form" means the appropriate form as designated and furnished by the Vendor or the Administrator to make the election or provide the notice required by the Plan or by law. Applicable Form shall also include on-line processes to make elections or provide notice required by the Plan of law.

(h) "Approved Vendor" means a Vendor that is currently approved to receive Contributions under the Plan.

(i) "Beneficiary" means the person, institution, trustee, or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death or the default beneficiary, the Participant's estate, if the Participant does not designate a Beneficiary on the Applicable Form.

(j) "Budgeted Base Salary" means the current budgeted base salary actually paid to an Employee for services provided to IU. Budgeted Base Salary shall exclude any amounts of budgeted base salary not actually paid to an Employee due to circumstances such as, but not limited to, unpaid periods of absence or leave. Budgeted Base Salary shall be limited in accordance with Article VI. Budgeted Base Salary shall include amounts of Budgeted Base Salary excluded from taxable income because of an election under Code Sections 125, 132(f), 403(b), 457(b), and/or 402(g)(3).

(k) "Code" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

(l) "Contributions" means the contributions made by IU pursuant to Articles IV and VI.

(m) "Cost of Living Adjustment" means the applicable cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 401(a)(17) or 415(d) for any applicable year.

(n) "Custodial Account" means the group or individual custodial account or accounts, as defined in Code Section 403(b)(7), established for Participants by IU, or by each Participant, with a Vendor to hold assets of the Plan.

(o) "Eligible Employee" means an Employee meeting the eligibility requirements of Article III herein. Eligible Employee does not include: (i) students performing services described in Code Section 3121(b)(10) which includes medical residents and interns; (ii) any person designated in good faith as an independent contractor regardless of whether such person is later determined to be a common law employee for tax purposes; or (iii) non-resident aliens within the meaning of Code Section 410(b)(3)(C).

(p) "Employee" means any common law employee performing services for IU.

(q) "ERISA" means the Employee Retirement Income Security Act.

(r) "Former Vendor" means a Vendor that was but is not currently approved by IU to receive Contributions under the Plan; provided, however, that a Former Vendor shall not include any provider that ceased to be eligible to receive Contributions under the Plan prior to January 1, 2005.

(s) "Funding Vehicles" means the Annuity Contracts and/or Custodial Accounts issued by the Vendors for use under the Plan.

(t) "Investment Options" means the investment funds provided by the Vendors and approved by IU for use under the Plan.

(u) "Participant" means an individual who is or may become eligible to receive a benefit of any type under the Plan, and who has not received a distribution of his or her entire Account under the Plan. Participant includes Beneficiaries and Alternate Payees.

(v) "Plan Year" means January 1 through December 31.

(w) "Section" means, when not preceded by the word Code or Treasury Regulation, a section of the Plan.

(x) "Severance from Employment" means the termination of employment with IU and any Affiliated Employer.

(y) "Total Salary" means Budgeted Base Salary and additional salary actually paid to an Employee for services provided to IU. Total Salary shall exclude any amounts of Budgeted Base Salary and additional salary not actually paid to an Employee due to circumstances such as, but not limited to, unpaid periods of absence or leave. Total Salary shall be limited in accordance with Article VI. Total Salary shall include amounts of Budgeted Base Salary and additional salary excluded from taxable income because of an election under Code Sections 125, 132(f), 403(b), 457(b), and/or 402(g)(3).

(z) "Vendor" means: (i) a company authorized to do business in the State of Indiana; or (ii) a bank or approved non-bank trustee or custodian under Code Section 401(f), the assets of which are invested exclusively in regulated investment company stock, that is or has been approved by IU to receive Contributions under the Plan, and that is set forth in Exhibit A hereto, as amended from time to time.

(aa) "Vested" means the interest of the Participant in his or her Account that is unconditional, legally enforceable, and non-forfeitable.

ARTICLE III.

ELIGIBILITY

Section 3.01. Contribution Level Eligibility Standards. Eligible Employees, in addition to meeting the requirements in Section 2.02(o) herein, must meet the requirements of one of the following four Contribution Levels:

(a) 15% Contribution Level – 100% full-time equivalent (FTE) Academic or Professional Staff Employees hired into a grade 16 and above appointed position before January 1, 1989.

(b) 12% Contribution Level – 100% FTE Academic or Professional Staff Employees hired into a grade 16 and above appointed position from January 1, 1989 through June 30, 1999.

(c) 11.25% Contribution Level - 100% FTE Professional Staff Employees hired into a grade 15 and below appointed position and Academic and Professional Staff Employees who are less than 100% FTE but at least 50% FTE, and were hired before July 1, 1999.

(d) 10% Contribution Level - 50% or more FTE Academic or Professional Staff Employees hired or rehired after June 30, 1999 into an appointed position, and Employees who no longer

satisfy the eligibility requirements for the 15%, 12% or 11.25% Contribution Levels, but satisfy the eligibility requirements for the 10% Contribution Level.

Section 3.02. Commencement of Eligibility. Eligible Employees who meet the requirements of Section 2.02(o) are eligible to receive Contributions upon becoming employed by IU or, if not an Eligible Employee upon being employed by IU, upon becoming an Eligible Employee while employed at IU.

Section 3.03. Loss of Eligibility. If an Eligible Employee does not meet the requirements of Section 2.02(o) or the requirements for participation at the 10% Contribution Level, the Employee will no longer receive IU Contributions, but will remain a Participant in the Plan.

ARTICLE IV.

CONTRIBUTIONS

Section 4.01. IU Contributions.

(a) 15% Contribution Level. An Eligible Employee will receive an IU Contribution equal to the sum of the following:

- 1) 11% of the first \$7,800 of Budgeted Base Salary, plus
- 2) 15% of Budgeted Base Salary thereafter.

(b) 12% Contribution Level. An Eligible Employee will receive an IU Contribution equal to 12% of his or her Budgeted Base Salary.

(c) 11.25% Contribution Level. An Eligible Employee will receive an IU Contribution equal to 11.25% of his or her Total Salary.

(d) 10% Contribution Level. An Eligible Employee will receive an IU Contribution equal to 10% of his or her Budgeted Base Salary.

Section 4.02. When Contributions Are Made. IU Contributions under the Plan shall be made each regular pay period except for the first pay period upon becoming an Eligible Employee, in which case the IU Contribution will be made within 15 business days following the end of the month in which the Eligible Employee received his or her first pay as an Eligible Employee.

Section 4.03. Post-Retirement Continued Contributions. IU shall make Contributions to this Plan for a Participant who meets the requirements for post-retirement continued contributions, as defined in the 18/20 Retirement Plan and IU Replacement Plan. Such 18/20 post-retirement continued contributions shall be made at the 15% Contribution Level described in Section 3.01(a) with terminal base salary, as defined in the 18/20 Retirement Plan and IU Replacement Plan, being used in lieu of Budgeted Base Salary. Such 18/20 continued contributions shall be made for the period, and subject to the restrictions, described in the 18/20 Retirement Plan and the IU Replacement Plan. All such Contributions are subject to the Article VI limitations.

Section 4.04. Rollovers into the Plan. A Participant may not transfer into the Plan any retirement plan assets from any other individual, group, or employer retirement plan, or from any other IU retirement plan.

ARTICLE V.

VESTING

Section 5.01. Participants Prior to September 1, 2010. All Account Balances and future Contributions and earnings of Participants in the Plan prior to September 1, 2010 are fully Vested.

Section 5.02. New Participants on or after September 1, 2010. New Participants in the Plan on or after September 1, 2010, are subject to a three-year cliff Vesting requirement. An Employee's Contributions and earnings are fully Vested upon the earlier of : 1) completion of three years of IU employment as a Plan or Public Employees' Retirement Fund (PERF) Participant; 2) death; 3) disability as defined by social security; or 4) attainment of age 65. Employment with an affiliate does not count toward years of IU employment for Vesting. For Vesting purposes, a year of IU employment includes leaves of absence and constitutes a year of IU employment regardless of pay status, % of full-time equivalency (so long as the Employee meets the Plan eligibility requirements), or pay arrangement (such as 10-pay). If a Participant subject to Vesting terminates employment prior to becoming fully Vested, all Contributions and earnings subject to Vesting are forfeited upon termination. If a Plan Participant terminates employment before Contributions and earnings are fully Vested, and returns to IU employment as a Plan Participant within six months of termination, the forfeited Account Balance on the date of termination will be reinstated as soon as administratively possible. The returning Employee remains subject to Vesting, with prior years of Vesting service counting toward the three-year cliff Vesting requirement.

Section 5.03. Forfeitures. All forfeited Contributions and earnings shall be forfeited to the Plan and may be used to offset future Contributions to the Plan.

ARTICLE VI.

LIMITATIONS ON CONTRIBUTIONS

Section 6.01. Code Section 415(c) Limitation.

(a) Limitation on Annual Additions. Notwithstanding any provision of the Plan to the contrary, annual Contributions to the Plan and to any other Code Section 403(b) plan (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan) for an Eligible Employee shall not exceed the limitation set forth in Code Section 415(c), except to the extent permitted under Code Section 414(v). The limitation on annual additions set forth in Code Section 415(c) for any calendar year is the lesser of:

- (1) \$40,000 increased by the Cost of Living Adjustment; or
- (2) 100% of the Eligible Employee's Budgeted Base Salary or Total Salary, as applicable.

For purposes of this Section, "annual addition" has the meaning provided in Code Section 415(c), as modified by Code Sections 415(l)(1) and 419A(d)(2). In general, Code Section 415(c) defines the annual addition as the sum of the following amounts credited to an Eligible

Employee's Accounts for any calendar year under this Plan and to any 403(b) plan (including the IU Tax Deferred Account (formerly Tax Deferred Annuity) Plan)) or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan maintained by IU: (i) employer contributions; and (ii) employee contributions. The annual additions shall also include: (i) annual additions under a 403(b) or 401(a) plan of an Affiliated Employer, if required by Code Section 415 and the regulations thereunder; (ii) amounts allocated to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by IU or an Affiliated Employer, or both (as applicable); and (iii) mandatory employee contributions to a defined benefit plan maintained by IU or an Affiliated Employer, unless the contributions are "picked-up" by IU or the Affiliated Employer pursuant to Code Section 414(h)(2). Annual additions shall not include any elective deferrals made by an Eligible Employee who is age 50 or older in accordance with, and subject to, Code Section 414(v). Annual additions include Budgeted Base Salary and Total Salary provided it is paid by the later of 2 ½ months after the Employee's Severance from Employment with IU or the end of the calendar year in which the Employee has a Severance from Employment with IU and is:

- (1) Any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with IU, and that would be Budgeted Base Salary or Total Salary if paid prior to the Employee's Severance from Employment.
- (2) A payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if Employment had continued and the payment would be Budgeted Base Salary or Total Salary if paid prior to the Employee's Severance from Employment.

(b) Correction of Excess Contributions. Excess Contributions to the Plan above the Code Section 415(c) limitation shall be allocated to a separate Excess Contribution account in accordance with the Code and applicable regulations. Excess Contributions due to aggregation with an Affiliated Employer's plan shall be treated as an excess annual addition to that other plan before this Plan, if permitted under federal law.

Section 6.02. Code Section 401(a)(17) Limitation.

(a) Limitation on Budgeted Base Salary or Total Salary. Notwithstanding anything in the Plan to the contrary, Budgeted Base Salary or Total Salary, as applicable, during any Plan Year shall not exceed the Code Section 401(a)(17) limit (as increased by the Cost of Living Adjustment) as follows:

- (1) For Plan Years beginning before January 1, 1996, the limitations on Budgeted Base Salary or Total Salary, as applicable, under Code Section 401(a)(17) shall be deemed to be satisfied in accordance with the applicable rules and regulations prescribed by the Secretary of Treasury for governmental plans;
- (2) For Plan Years beginning on or after January 1, 1996, if and to the extent required by Code Section 401(a)(17) for a governmental plan, Budgeted Base Salary or Total Salary, as applicable, for an Eligible Employee who was not an Eligible Employee on or before December 31, 1995 shall not exceed: (i) for Plan Years beginning after 1995 and before 2002, \$150,000 (as increased by the Cost of Living Adjustment); and, (ii) for Plan Years beginning after December 31, 2001, \$200,000 (as increased by the Cost of Living Adjustment).

- (3) For Plan Years beginning on or after January 1, 1996, Budgeted Base Salary or Total Salary taken into account under the Plan for any Plan Year for an individual who became an Eligible Employee on or before December 31, 1995, shall have no limit.

(b) Correction of Excess Contributions. Excess Contributions to the Plan above the 401(a)(17) limitation shall be refunded to IU in accordance with the Code and applicable regulations. Excess Contributions due to aggregation with an Affiliated Employer's plan shall be treated as an excess contributions to that other plan before this Plan, if permitted under federal law.

ARTICLE VII.

ACCOUNTING

Section 7.01. Participant Accounts. The Vendor shall establish and maintain adequate records to reflect the Account of each Participant. Credits and debits shall be made to such Account to reflect Contributions, distributions, transfers to or from another Plan Vendor Account, and any gains or losses pursuant to the terms of each Funding Vehicle and Investment Option. The maintenance of individual accounts is for accounting purposes only, and a segregation of Plan assets to each Account shall not be required.

Section 7.02. Participant Statements. The Vendor shall provide to each Participant as soon as possible following each calendar quarter and year end, a statement depicting the value of such Participant's Account as of the end of such calendar quarter or year, as appropriate.

Section 7.03. Value of Account. The value of the Account of a Participant as of any valuation date is the value of the Account Balance as determined by the Vendor. All transactions and Account records shall be based on fair market value.

ARTICLE VIII.

INVESTMENT OF CONTRIBUTIONS

Section 8.01. Manner of Investment. All Contributions, all property and rights purchased with such amounts under the Funding Vehicles, and any gains or losses attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Account. Each Annuity Contract or Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants, for any part of the assets and income of the Annuity Contracts or Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants. All amounts in each Funding Vehicle shall be nontransferable to any other person or entity other than the Participant, except as provided in Section 16.01.

Section 8.02. Vendors. The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan and set forth in Exhibit A. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy Code Section 403(b) or other requirements of applicable law.

Section 8.03. Investment of Contributions. An Eligible Employee can select one or more Approved Vendors at a time to receive Contributions. At any time, an Eligible Employee may elect to direct future Contributions to a different Approved Vendor(s). A Participant shall direct the investment of his or her Account among the available Investment Options. If a Participant fails to designate one or more Approved Vendors to receive Contributions, such Contributions shall still be made and shall be directed to an Account set up for the Participant with the Plan's default Approved Vendor, in the Plan's default Funding Vehicle and Investment Option. The Plan Administrator shall designate the Plan's default Approved Vendor, Funding Vehicle and Investment Option. If a Participant designates an Approved Vendor but fails to designate an Investment Option, the Contributions will be invested in the default Investment Option of the Approved Vendor.

Section 8.04. Transfer of Plan Account Balances Between Vendors. An Eligible Employee is permitted to transfer all or a portion of his or her Account Balance with a Vendor to an Approved Vendor(s) under the Plan, subject to the terms of the Funding Vehicle and Investment Option. A transfer of a portion or all of an Account Balance with a Vendor to a Former Vendor(s) is not permitted. A permitted transfer of Plan Account Balances must satisfy the following conditions:

- (1) The Eligible Employee has an Account Balance immediately after the transfer that is at least equal to the Account Balance of that Eligible Employee immediately before the transfer (taking into account the Account Balance of that Eligible Employee under both Annuity Contracts and/or a Custodial Account immediately before the transfer);
- (2) The Funding Vehicle receiving the Eligible Employee's Account Balance is issued by an Approved Vendor listed on Exhibit A of the Plan; and
- (3) The Funding Vehicle receiving the Eligible Employee's Account Balance must be subject to distribution restrictions that are not less stringent than those imposed on the transferring Funding Vehicle.

ARTICLE IX.

BENEFIT DISTRIBUTIONS

Section 9.01. Distributions From Accounts.

(a) Eligibility for Distributions. Except as otherwise permitted hereunder, distributions from an Eligible Employee's Account may not be made earlier than the earliest of the date on which the Eligible Employee has a Severance from Employment, dies, or takes a distribution while employed under the IU Phased Retirement Program that was effective 1/1/2009.

(b) Tax Reporting. Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions.

Section 9.02. Benefit Payable. The benefit of a Participant shall be based on the value of the Participant's Account Balance as of the payment date. Benefits shall be paid under a payment option elected by the Participant and available under the Funding Vehicle and Investment Option. The payment options may include the following: a lump sum equal to the Account

Balance, periodic lump sum payments, an annuity or installments, or any other form available under the Funding Vehicle and Investment Option that meets the requirements of Section 9.04.

Section 9.03. Death Benefit. If a Participant dies before the entire distribution of his or her Account has been made, his or her remaining Account Balance shall be distributed to his or her Beneficiary as soon as administratively feasible after the Participant's death, unless the Beneficiary elects a later payment date on the Applicable Form, subject to Section 9.04. A Beneficiary may elect to receive the deceased Participant's Account under any payment option available under the Funding Vehicle and Investment Option, subject to Section 9.04.

Section 9.04. Required Distribution Rules. The provisions of this Section 9.04 take precedence over any inconsistent provisions of the Plan or of any Funding Vehicle and Investment Option. All distributions under this Plan will be made in accordance with Code Section 401(a)(9) and the regulations thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G). For this purpose, each Funding Vehicle agreement shall comply with the minimum distribution requirements of Code Section 401(a)(9) and the regulations thereunder. For purposes of applying the distribution rules of Code Section 401(a)(9), each Funding Vehicle agreement is treated as an individual retirement account (IRA) and distributions will be made in accordance with the provisions of Treasury Regulation Section 1.408-8, except as provided in Treasury Regulation Section 1.403(b)-6(e). Notwithstanding the preceding sentence, each Vendor shall separately comply with the minimum distribution requirements under Code Section 401(a)(9) and the regulations thereunder with respect to its Funding Vehicles under the Plan.

Section 9.05. Hardship Withdrawals. Hardship withdrawals are not permitted under the Plan.

ARTICLE X.

LOANS

Loans are not permitted under the Plan.

ARTICLE XI.

ROLLOVER DISTRIBUTIONS FROM THIS PLAN

Section 11.01. Rollover Distributions. A Participant who is eligible to take a distribution may elect to have any portion of an eligible distribution (as defined in Code Section 402(c)(4)) from the Plan paid directly to an eligible retirement plan (as defined in Code Section 402(c)(8)(B)) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the Participant who is an Alternate Payee under a qualified domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).

Section 11.02. Explanation of Plan Distribution and Withholding Requirements. Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right

to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

ARTICLE XII.

ADMINISTRATION

Section 12.01. Authority of the Administrator. The Administrator shall have the power to construe and interpret the Plan, including any ambiguities, and to determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning the administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as it may deem expedient and, subject to provisions of the Plan regarding claims to benefits, the Administrator should be the sole and final judge of such expediency. The Administrator may provide rules and procedures, not inconsistent with the terms of the Plan, for the operation and management of the Plan, and may from time to time amend or rescind such rules and procedures. The Administrator is authorized to accept service of legal process for the Plan. The Administrator shall have all powers necessary or convenient to enable it to exercise its authority under the Plan.

Section 12.02. Delegation by Administrator. The Administrator may delegate to an individual, committee, organization, or Vendor to carry out its fiduciary duties or other responsibilities under the Plan. Any such individual, committee, organization, or Vendor delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator duties or responsibilities may be revoked without cause or advance notice. Such individual, committee, organization, or Vendor shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Administrator has under the Plan.

Section 12.03. Advice to Administrator. The Administrator may employ or contract with one or more persons to render advice with regard to its duties, responsibilities and authority under the Plan.

Section 12.04. Limitation on Recovery. Participants may not seek recovery against the Administrator, IU, The Board of Trustees, or any employee, contractor, or agent of the Administrator, for any loss sustained by any Participant due to the nonperformance of their duties, negligence, or any other misconduct of the above-named persons.

Section 12.05. Benefit Payment Issue Resolution. The Administrator, or its designee, if in doubt regarding the correctness of its action with respect to a benefit payment, may direct suspension of payment until satisfied as to the correctness of the payment or the person to receive the payment. Alternatively, the Administrator, or its designee, may file, in any state court of competent jurisdiction, a suit, in the form it deems appropriate, for legal determination of the benefits to be paid and the persons to receive them. The Administrator, or its designee, may also bring a suit, or take other action as it deems appropriate, to resolve questions involving investment directions. The Administrator shall comply with the final order of the court in any such suit, and Participants, and the Administrator shall be bound by such an order, insofar as it affects the benefits payable under this Plan, or the method or manner of payment.

Section 12.06. Reliance. If the Administrator or any other fiduciary with respect to the Plan acts in reliance on an election, consent, or revocation made pursuant to this Plan, the election, consent, or revocation shall be treated as valid for purposes of discharging the Plan from liability to the extent of payments made pursuant to such acts.

ARTICLE XIII.

REQUESTS FOR INFORMATION AND OTHER CLAIMS PROCEDURES

Section 13.01. Requests for Information Concerning Eligibility, Participation, Contributions. Requests for information concerning eligibility, participation, Contributions, or other aspects of the operation of the Plan should be directed in writing to University Human Resource Services' Retirement Program Services department.

Section 13.02. Requests for Information Concerning Distributions, Funding Vehicles, Investment Options. Requests for information concerning distributions or the Funding Vehicles or Investment Options, or their terms, conditions, and interpretations thereof, should be directed in writing to the Vendor.

Section 13.03. Claims for Benefits. If a Participant makes a written claim for benefits under the Plan to IU or Vendor, as applicable, and the written request is denied, IU or Vendor, as applicable, shall within a reasonable period of time provide a written denial to the Participant. It shall include the specific reasons for denial, the provisions of the Plan and/or Funding Vehicles or Investment Options on which the denial is based, and how to apply for a review of the denied claim. When appropriate, it shall also include a description of any material which is needed to complete or perfect a claim and why such material is necessary. Within 60 days after the Participant receives notification of the denial, a Participant may request in writing a review of a claim denied by IU or Vendor, as applicable, and review pertinent documents and submit issues and comments in writing to IU or Vendor, as applicable. The Participant shall receive a written decision upon such request for review of a denied claim within a reasonable period of time following receipt of the request.

ARTICLE XIV.

AMENDMENT AND TERMINATION

Section 14.01. Amendment and Termination. While it is expected that the Plan will continue indefinitely, IU reserves the right to modify or terminate the Plan at any time.

Section 14.02. Adverse Effects. Any termination or modification of the Plan will not adversely affect the benefits accrued by Participants prior to the date of termination or modification.

Section 14.03. Distribution Upon Termination of the Plan. IU may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Funding Vehicles, all Accounts will be distributed, provided that IU on the date of termination does not make Contributions to an alternative section 403(b) funding vehicle that is not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Treasury regulations.

ARTICLE XV.

USERRA RIGHTS

Section 15.01. General Rule. Notwithstanding any provisions of this Plan to the contrary, Contributions and benefits with respect to qualified military service shall be provided in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), as amended; effective January 1, 2009, the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended; effective January 1, 2007, Code Section 401(a)(37); and Code Section 414(u). For purposes of this section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

Section 15.02. Beneficiary Rights. Effective January 1, 2007, to the extent provided under Code Section 401(a)(37), in the case of an Eligible Employee whose employment is interrupted by qualified military service and who dies while performing qualified military service, the Beneficiary of such Eligible Employee shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Eligible Employee timely resumed employment in accordance with USERRA and then terminated employment the next day on account of death.

Section 15.03. Differential Wages. Effective January 1, 2009, an Eligible Employee whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service and who receives a differential wage payment within the meaning of Code Section 414(u)(12)(D) from IU shall be treated as an Employee of IU and the differential wage payment shall be treated as Budgeted Base Salary or Total Salary, as applicable. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Section 15.04. IU Contributions. If the Eligible Employee resumes employment in accordance with USERRA, IU will make any Contributions that would have been made if the Eligible Employee had remained employed during the Eligible Employee's qualified military service, reduced by the IU Contributions, if any, actually made for the Eligible Employee during the period of the interruption or leave. IU Contributions made under this paragraph must be made no later than ninety (90) days after the date of reemployment or when Contributions are normally due for the year in which the qualified military service was performed, if later. When determining the Contributions, an Eligible Employee shall be treated as receiving Budgeted Base Salary or Total Salary, as applicable, from IU during such period of qualified military service equal to: (i) the Budgeted Base Salary or Total Salary, as applicable, the Eligible Employee would have received during such period if the Eligible Employee were not in qualified military service, determined based on the Budgeted Base Salary or Total Salary, as applicable, the Eligible Employee would have received from IU but for the absence during the period of qualified military service; or (ii) if the Budgeted Base Salary or Total Salary, as applicable, the Eligible Employee would have received during such period was not reasonably certain, the Eligible Employee's average Budgeted Base Salary or Total Salary, as applicable, from IU during the twelve-month period immediately preceding the qualified military service (or, if shorter, the period of employment immediately preceding the qualified military service).

ARTICLE XVI.

MISCELLANEOUS

Section 16.01. Non-Alienation. A Participant's Account under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant, nor be subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntary or involuntary alienation or other legal or equitable process, nor be transferable by operation of law except a transfer to a Beneficiary upon a Participant's death. However, the Plan will comply with any judgment, decree or order which establishes the right of another person to all or a portion of a Participant's benefit under the Plan to the extent that it is a qualified domestic relations order under Code Section 414(p). In addition, the Administrator may pay from a Participant's Account Balance, provided that the Participant has had a distributable event under Section 9.01, the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant.

Section 16.02. Family Medical Leave Act. Notwithstanding any provisions of this Plan to the contrary, Contributions and benefits with respect to qualified leave will be provided in accordance with the Family Medical Leave Act of 1993, 29 U.S.C. Section 2601 *et. seq.*

Section 16.03. Limitation of Rights. Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor the purchase of any insurance contract, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

- (1) As conferring upon any Participant or any other person any right or claim against IU or the Administrator, except to the extent that such right or claim shall be specifically expressed and provided in the Plan; or
- (2) As an agreement, consideration, or inducement of employment or as effecting in any manner or to any extent whatsoever the rights or obligations of IU or any Participant to continue or terminate the employment relationship at any time.

Section 16.04. Federal and State Taxes. It is intended that Contributions under this Plan, plus any gains there under, are excludable from gross income for federal and state income tax purposes until paid to Participants. However, the Administrator does not guarantee that any particular federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

Section 16.05. Erroneous Payments. If the Administrator or Vendor makes any payment that, according to the terms of the Plan and the benefits provided hereunder, should not have been made, the Administrator or Vendor may recover that incorrect payment, by whatever means necessary, whether or not it was made due to the error of the Administrator or Vendor, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Vendor may deduct it when making any future payments directly to that Participant.

Section 16.06. Release. Any payment to any Participant shall, to the extent thereof, be in full satisfaction of the claim of such Participant being paid thereby and the Administrator, or its

designee, may condition such payment on the Participant delivering the duly executed receipt and release in such form as may be determined by the Administrator, or its designee.

Section 16.07. Liability. The Administrator shall incur no liability in acting upon any notice, request, signed letter, telegram, or other paper, document, or electronic transmission believed by the Administrator to be genuine, or to be executed, or sent by an authorized person.

Section 16.08. Necessary Parties. The Administrator is the only party necessary to any accounting, litigation, or other proceeding relating to the Plan. The settlement or judgment in any such case in which the Administrator is duly served shall be binding upon all affected Participants in the Plan, their estates, and upon all persons claiming by, through, or under them.

Section 16.09. Headings. Any headings or subheadings in the Plan are inserted for convenience of reference only and shall be ignored in the construction of any provisions of the Plan.

Section 16.10. Plan Expenses. All reasonable expenses of administering the Plan shall be charged against and paid from the applicable Account and Funding Vehicle, subject to the terms of the Funding Vehicle, unless paid by IU.

Section 16.11. Information Provided by Participants. Each Participant should provide to the Administrator any information necessary or advisable for the Administrator to administer the Plan.