

**Board of Trustees of the University of Oregon**  
**Special Meeting**  
**June 11, 12 and 13, 2014**

**Wednesday, June 11, 2014 – Social Gathering**  
**6:00pm-8:00pm**

Reception: Museum of Natural and Cultural History, 1680 E. 15th Ave., Eugene

- Heavy hors d'oeuvres
- Viewing of Atlas of Yellowstone Display
- Explore Oregon Exhibit – Dr. Jon Erlandson, Executive Director
- Museum Store Open for Browsing

PARKING: Parking for Trustees and President Gottfredson is available in Lot 55 adjacent to the Global Scholars Hall. Because of the NCAA Track and Field Championships, others should park in marked faculty/staff parking at the School of Law, the Colombia Garage or Johnson Hall.

**Thursday, June 12, 2014 – Public Meeting – Global Scholars Hall, Great Room 123**

PARKING: Parking for Trustees and President Gottfredson will be available in Lot 55 adjacent to the Global Scholars Hall. Because of the NCAA Track and Field Championships, others should park in marked faculty/staff parking in adjacent lots or at the Colombia Garage as shown on the campus parking map (<http://infographics.uoregon.edu/campusMaps/parkingmap.pdf>)

OTHER NOTES: Because students will be moving out of residence halls and the NCAA Track and Field Championships, campus will be congested. Trustees are encouraged to travel east on Franklin Blvd, turn right (south) on Villard Street, turn right (west) on 15<sup>th</sup> Ave. proceeding a block and a half, then turn left (south) into Lot 55. This lot is immediately adjacent to the Global Scholars Hall. Each trustee who is driving to the meeting will have a space identified by the trustee's name.

**8:30 am** (other times approximate)

1.0 Convene

- Call to Order (Chair)
- Roll Call (General Counsel)
- Chair Comments, Discussion of Meeting Agenda (Chair)
- Approval of Minutes from March Board Meeting (Chair) (Pages 4 to 22) (Action)

2.0 Reports and Public Comment

- Public Comment (Chair)
- Report of President of the University Senate (Rob Kyr)
- Report of President of the Associated Students (Beatriz Gutierrez)
- Committee Reports (Dr. Lillis, Ms. Wilcox and Mr. Kari)

3.0 Seconded Motions from Committees (Pages 23 to 53)

- Finance and Facilities Committee: Adoption of Policy on Tuition, Mandatory Enrollment Fees, and Other Charges, Fines and Fees (Action)

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#### 4.0 Old Business (Pages 54 to 77)

- Adoption of Policy on Retention and Delegation of Authority (Chair) (Action)

#### **10:15 am – Break**

#### **10:30 am**

#### 5.0 Treasury Operations (Vice President for Finance and Administration/Director of Treasury Operations)

- Overview of Treasury Operations (Page 79)
- Overview of Assets, Debt, and Cash Flow (Pages 80 to 92)
- Adoption of Treasury Management Policy (Pages 93 to 96) (Action)
- Treasury Management Procedures, including Central Bank Procedures, Cash & Investment Operational Procedures, and Liability Management Procedures (Pages 97 to 112)
- Treasury Related Board Resolutions (Pages 113 to 123) (Action):
  - Delegation of Authority to make an "Official Declaration of Intent to Reimburse"
  - Delegation of Authority for Borrowing Activity less than \$5 million
  - Delegation of Authority for Treasury Activities and of Authorization of Certain Treasury Transactions

#### 6.0 Adoption of Budget and Expenditure Authority for Fiscal Year 15 (Pages 124 to 132) (Vice President for Finance and Administration) (Action)

#### **12:00 pm – Lunch**

- Trustees roundtable discussion with Bob Berdahl – Ford Alumni Center, Room 403

#### **1:30 pm – Faculty/Research On-Site Visits**

- Depart from Ford Alumni Center, Room 403 (Trustees in two groups to different locations)

#### **3:30 pm – Reconvene – Public Meeting – Global Scholars Hall, Great Room 123**

#### 7.0 Optional Retirement and Tax Deferred Investment Plans (Pages 133 to 312) (VPFA and General Counsel) (Action)

- Summary of Retirement Plans and Necessary Board Actions
- ORP Tier 4 Change
- Adoption of Plans and Appointment of Additional Fiduciaries and Plan Trustees (Action)

#### **5:00 pm – Recess**

#### **6:00 pm – Trustee dinner with faculty representatives – Papé Reception Hall, Jordan Schnitzer Museum of Art**

- Parking for Trustees will be available in the Johnson Hall Lot and the lot immediately east of the museum (both accessible via Johnson Lane)
- Faculty representatives in PLC lot (not reserved)
- Museum staff and students will be on hand to provide tours of the collections and exhibits

**Friday, June 13, 2014 – Public Meeting – Global Scholars, Great Room 123**

**8:30 am** (other times approximate)

8.0 Reconvene

- Roll Call (General Counsel)

9.0 Capital Campaign – this meeting’s strategic discussion (VP Advancement)

**10:45 am – Break**

**11:00 am**

10.0 Review and Preview

- Provost’s report (Provost)
- President's Report (President)
- Preview of future items between now and September meeting (Information) (Chair)
- September Board retreat (Information) (President and Chair)

11.0 Other Business

12.0 Adjourn

## **Section 1.0**

The Board of Trustees of the University of Oregon met in the Ford Alumni Center on the UO campus on March 27 and 28, 2014. All Trustees were present (Trustee Curry appeared by telephone). Below is a summary of Board reports, discussions, and actions.

### **Reports from Board Committees**

Chairs of the Board of Trustees' standing committees reported on the work of their committees following their inaugural meetings.

- Mary Wilcox, chair of the **Academic and Student Affairs Committee**, reported that the committee is focusing on three key areas: (1) a review and revision of the university's mission statement, which must be approved by the Board and submitted to the Higher Education Coordinating Commission (HECC) in September 2014; (2) a review of the UO's Achievement Compact for submission to the Oregon Education Investment Board (OEIB), with a focus on its uses and potential changes; and (3) initiating a longer term board discussion about the UO's academic priorities and plans and ways to take the university to the next level of academic excellence.
- Ross Kari, chair of the **Finance and Facilities Committee**, reported that the committee focused on the tuition proposals to be put before the full Board, and received background information on budget issues to guide Board deliberations later this spring as it approves a new budget for the university. The committee plans to address capital budget proposals, internal bank, and investment policies at its next meeting.
- Chuck Lillis, chair of the **Executive and Audit Committee**, reported that the committee has been working on the retention and delegation of authority policy and will be considering the audit process that will need to be put in place.

### **Regular Reports**

The Board heard reports from the President, Provost, University Senate President, and ASUO President.

- **President Michael Gottfredson** introduced Provost Scott Coltrane as the successful candidate for provost following a national recruitment effort that yielded about 200 applicants. In his President's Report, provided separately in written form to allow more time for other Board presentations, Gottfredson lauded the performance of the UO Foundation and recognized its place in the top 16 percent of university endowments. He noted the successful outcomes of the recent short legislative session, progress made on several construction projects on campus, and the success of the Oregon track team. He cited new national rankings that show UO among top programs in several areas of law, education, and the sciences. He congratulated Professor Geri Richmond on having been chosen to serve as president-elect of the American Association of the Advancement of Science, the world's largest science organization. He expressed appreciation for the help and engagement of the many UO supporters he has met over the past month across the U.S.
- **Provost Scott Coltrane** reported on the planning sessions held with faculty and staff this winter and plans to undertake a revision of the UO Academic Plan next year, including working with the University Senate president on the broader campus engagement. He noted that the HECC is now poised to approve institution

mission statements, so he is launching an immediate mission review and development process. He anticipates circulating drafts to obtain broad campus input, following which the Academic and Student Affairs Committee will review and make its recommendations to the full Board.

- **University Senate President Margie Paris** introduced Rob Kyr as the incoming president of the University Senate. She addressed the proposed Policy on Retention and Delegation of Authority, asking the Board to refrain from voting on the policy pending further input from Senate constituencies. She elaborated on her earlier presentation to the Board regarding shared governance, saying that teaching and research faculty are in the best position to shape curriculum and research policy and standards. Students, she said, learn about participation and conflict management within a shared governance environment. She cited two major reasons for shared governance: (1) the institution makes better decisions with input from constituents, and (2) shared governance lifts morale through information sharing and exchange, with the focus being on shared information, not shared power.
- **ASUO President Sam Dotters-Katz** reported that ASUO had just completed its budget process, delivering a budget of under 3.5% growth, as directed by the President's Office. He noted that his term as president will end on May 24 and that we are entering the student elections season. He mentioned that he will be working with Hans Bernard and the President's Office on a voter registration plan. During the last campaign, ASUO registered 8,000 students; the goal for the next campaign is 3,000.

#### **Public Comment**

Johnny Earl and Carla McNelly, university staff representing SEIU, addressed concerns of classified employees, including salary levels, morale, and the value of inclusive approaches with classified staff in making policy changes.

John Bonine, Professor of Law, shared his concerns about the proposed policy on retention and delegation of authority, focusing on the length of time provided for review by students, faculty, and staff, and urging the Board to postpone action until such review has taken place.

#### **Board Policy on Retention and Delegation of Authority**

Board Chair Chuck Lillis provided an overview of the policy, noting that in the transition from the State Board of Higher Education to the University of Oregon Board of Trustees, critical foundational documents must be in place. The Board has approved its Bylaws, a Statement of Governance and Trustee Responsibilities, and a Policy on Board Committees; the remaining piece is a document on delegation of authority. He commented that the Board has responsibility and authority over the affairs of the university in a manner consistent with the historical practice of shared governance and must determine which responsibilities and authorities it is not willing to delegate. He noted the urgency of adopting a policy to provide guidance to university leadership during the transition to July 1, 2014, when the Board of Trustees will become fully operational. Vice President Jamie Moffitt reported that over 500 policies currently exist within the Oregon University System framework, which UO will inherit in July. Interim Board Secretary Randy Geller noted that much of the language in the policy comes directly from current OUS Board policy.

Board members wrestled with the conflicting concerns for further consultation with the campus community and the urgency of addressing policy needs during the transition to July 1. Board members suggested various courses of action including adoption of a provisional policy with reconsideration in June and delaying adoption of any policy until further campus review has taken place.

Following the discussion, a new proposal was developed that would grant the president temporary authority, with a “sunset” date of the earlier of July 1 or the Board’s adoption of a retention and delegation policy. The Board’s Motion delegating authority to the President was adopted on March 28, 2014 as set forth in Exhibit A to these minutes. Meanwhile, the University Senate president will convene an ad hoc committee of the Senate to collect input from campus constituencies, providing the result of that input to Interim Board Secretary Geller by April 30. Geller will then provide the comments and proposed changes to the Executive and Audit Committee for the committee’s further review and revision prior to submission of the policy to the full Board. The Board unanimously approved this approach and timeline.

### **Budget Overview**

Vice President Moffitt and Vice Provost Brad Shelton presented an overview of the UO budget, including budget structure, budget processes, projections, and key challenges. The discussion of budget structure addressed sources and categories of funds and the flow of major revenue streams. The presentation on budget processes described the academic budget model, the Budget Advisory Group process and membership, administrative overhead rates and rate structure, and F&A negotiations. Projections for significant new incremental E&G revenue and expenses for fiscal years 2014 and 2015 were provided, including recurring sources of operating funds (tuition revenue, state appropriations, and F&A return) and major E&G expense drivers and expenses.

Moffitt and Shelton identified four key challenges for the university: (1) the total resource base for UO, especially compared to AAU public peer universities; (2) mandatory cost increases for PERS and PEBB; (3) needed critical investments in excellence; and (4) timing issues related to budget decisions.

Moffitt concluded the budget overview with a brief presentation on the process for evaluation of proposed capital projects and campus approach to space planning.

### **Response to the Higher Education Coordinating Committee Request for Budget Information**

Moffitt reported on the HECC’s request for budget information from all public universities and community colleges. The request sought answers to three key questions: (1) What is the cost of maintaining the current service level? (2) If there were additional funding, how would the institution deploy those funds to advance the state’s 40-40-20 goals? and (3) What funds would the institution request for “targeted programs” (programs that receive funds that are not formula driven)? Moffitt’s presentation to the Board addressed the first two questions.

Applying the assumptions given in the HECC request, Moffitt reported that the UO would require an additional \$7.4 million in FY 2016 and an additional \$7.7 million in FY 2017 to maintain the current service level.

Shelton described four proposals to address 40-40-20 goals if additional funding were provided:

- **PathwayOregon:** A “high touch” program with demonstrated success, increased funding for PathwayOregon would expand eligibility to serve more Pell-eligible Oregon students, increasing the number served from 1,700 to over 2,300. Cost: \$2,200,000/year.
- **UO Graduation Assistance Grant:** A “last mile” approach targeted to resident upper division students at risk of dropping out, this program would serve an estimated 150 juniors and 250 seniors. Successfully implemented, this program is conservatively estimated to raise UO’s graduation rate by 5 percentage points. Cost: \$4,200,000/year.

- **UO Retention and Completion Initiative:** This is an integrated retention approach that provides enhanced advising, learning, and enrichment support through peer advising, support for building writing skills, assistance for historically difficult “gateway” and general education courses, greater staffing provided through an undergraduate retention office, and greater academic enrichment through residential, first-year, and capstone experiences. Cost: \$3,500,000/year plus \$500,000 one-time funds.
- **University of Oregon Tenured Faculty Initiative:** Recognizing the synergy of research and instruction in providing a high quality learning environment, as well as the attraction to promising undergraduate students of the opportunity to work directly with research faculty, this proposal asks the state to fund half of the proposed increase of 120 tenure-related faculty. Cost: \$7,500,000/year.

### **Fiscal Year 2015 Tuition and Fees**

President Gottfredson noted the unique situation during this transition year, with a dual process for approving fees involving both the UO Board and the OUS Board. To provide the UO Board background for its singular role in approving tuition and fees in the future, Moffitt and Shelton presented an overview of tuition and fee setting structures and processes, historical tuition and fee rates compared to undergraduate enrollment, and comparisons to UO’s AAU public peer universities.

Proposed tuition and fee changes for FY 2015 are:

- Resident undergraduate tuition increase – 0%
- Nonresident undergraduate tuition increase – 3.0%
- College of Business – 5% tuition increase for graduate students in the MBA program (residents and nonresidents) and Accounting Master’s Program (residents)
- Summer school tuition changes as reflected in the detailed tables submitted to OUS
- Replacement of OUS student building fee (\$45/term) with a UO student building fee (\$45/term); net change to students of \$0
- EMU fee, based on the recommendation from students for significant renovation of the Erb Memorial Union – \$67/term

The Board authorized the president to present the proposed mandatory enrollment fees for FY 2015 to the State Board of Higher Education, and to adopt all fees, fines, and charges, other than mandatory enrollment fees, in the manner required by law. The Board's Motion regarding mandatory enrollment fees, including tuition, and fees, fines and charges was adopted on March 28, 2014 as set forth in Exhibit B to these minutes.

### **Shared Services Update**

Geller reviewed the work done with other public universities in Oregon to identify administrative processes previously delivered through the Chancellor’s Office that will in the future be shared among the universities. The universities agreed to share, through June 30, 2015: (1) risk management; (2) retirement plans and the PEBB contribution; and (3) collective bargaining for classified staff. In the case of other services, such as payroll, it will be more efficient for the UO to perform the services internally, rather than purchase them from the shared services organization. Moffitt noted that analysis is under way to determine the impact of remaining in the risk management shared service versus procuring insurance on our own after 2015, and that a decision will need to be made by Fall 2014 on this issue.

## **State and Community Relations Update**

Associate Vice President for State and Community Relations Hans Bernard reviewed the outcomes of the February legislative session, noting that UO went into the session with four primary agenda issues:

- Preserve the SB270 provisions;
- Be able to proceed with two capital construction projects (the utility tunnel and Chapman Hall renovation);
- Keep watch over the 250 bills considered by the Legislature, about 45 of which would have had an impact on the UO; and
- Create good will toward the UO and have UO seen as a leader in Oregon higher education.

The Legislature did not make substantive changes to SB270 authorities. The Legislature granted \$2.1 million in state bond proceeds for construction on the utility tunnel but did not provide funding for the Chapman Hall renovation. The bills passed during the February session did not have an adverse impact on the UO. Finally, UO was the only university to support the OHSU request for \$200 million bonding authority and, in addition, engaged in other collegial efforts, earning the appreciation and public acknowledgement of our sister campuses.

## **Relationship with HECC**

Bernard noted that the HECC is looking seriously at an outcomes based approach to funding and focusing funding on what will advance the metrics related to 40-40-20.

Key elements of HECC's role in relation to the UO Board will occur in the areas of statewide coordination and the authorities transferred from the OUS Board to HECC on July 1, 2014. Of particular interest and concern will be the way in which academic program approval is operationalized. Coltrane noted that the OUS Provosts' Council is addressing this issue in cooperation with the HECC. Board Chair Lillis clarified that the UO Board will want to receive UO's new program proposals before they go to the HECC.

## **Agenda Items for June and September**

The president noted that for the June meeting of the Board, we will still be in a period of transition. Among the issues to address will be budget adoption, mission statement, planning for the capital campaign, and the tax deferred retirement plan.

The September meeting is currently planned as a retreat. Key topics may include a two-year plan for issues the Board will want to address, academic and financial strategies for the university, and athletics.

## **Board Meeting Calendar**

Board members reviewed options for scheduling of regular Board meetings. Statute requires that the Board meet quarterly at minimum. The following dates for full Board meetings were set through June 2015:

- June 12-13, 2014
- September 11-12, 2014
- December 11-12, 2014
- March 5-6, 2015
- June 4-5, 2015

## Motion

### Board of Trustees of the University of Oregon

Whereas, the effective date of Senate Bill 270 (2013) was August 14, 2013;

Whereas, Sections 2, 2a, 2b, 3, 5, 8 to 18, 164, 165, 169 and 170 of Senate Bill 270 and the amendments to statutes and session laws by sections 24, 25, 28 to 37, 40 to 162 and 176 to 178 of Senate Bill 270 and the repeal of statutes by section 163 of Senate Bill 270 become operative on July 1, 2014.

Whereas, Section 172 of Senate Bill 270 provides that the State Board of Higher Education and a university with a governing board may take any action before the operative date that is necessary for the State Board of Higher education and the university to exercise, on and after the operative date all of the duties, functions and powers conferred on the State Board of Higher Education and university by Senate Bill 270.

Now, therefore, the President of the University of Oregon is directed to and shall act for the Board of Trustees and take all actions necessary in the President's judgment for the Board of Trustees to exercise, on and after the operative date, all of the duties, functions and powers conferred on the university by law. The President's authority under this paragraph expires at 12:00 a.m. on July 1, 2014, or until this motion is superseded by Board action, whichever occurs first.

Moved by Susan Gary

Seconded by Peter Bragdon

Trustee	Yes	No
Connie Ballmer	X	
Peter Bragdon	X	
Rudy Chapa	X	
Andrew Colas	X	
Ann Curry	X	
Sam Dotters-Katz	Not Present	Not Present
Allyn Ford	X	
Susan Gary	X	
Joseph Gonyea III	X	
Ross Kari	X	
Chuck Lillis	X	
Ginevra Ralph	X	
Mary Wilcox	X	
Kurt Willcox	X	

Dated this 28<sup>th</sup> day of March, 2014.

Exhibit A

## Motion

### Board of Trustees of the University of Oregon

Whereas, the State Board of Higher Education has requested that the Board of Trustees of the University of Oregon review the mandatory enrollment fees, including tuition, for the 2014-15 Academic Year and for the 2015 Summer Session at the University of Oregon prior to presentation to the State Board of Higher Education;

Whereas, the State Board of Higher Education has traditionally delegated authority to the institutional presidents to adopt all fees, fines and charges, other than mandatory enrollment fees.

Now, therefore, the Board of Trustees of the University of Oregon:

- Acknowledges that it has reviewed the proposed mandatory enrollment fees, including tuition, set forth in Exhibit A hereto, for the 2014-15 Academic Year and for the 2015 Summer Session;
- Authorizes the President to present the mandatory enrollment fees set forth in Exhibit A hereto to the State Board of Higher Education; and
- Authorizes the President to adopt all fees, fines and charges, other than mandatory enrollment fees, in the manner required by law.

Moved by Ross Kari

Seconded by Allyn Ford

Trustee	Yes	No
Connie Ballmer	X	
Peter Bragdon	X	
Rudy Chapa	X	
Andrew Colas	X	
Ann Curry	X	
Sam Dotters-Katz	Not Present	Not Present
Allyn Ford	X	
Susan Gary	X	
Joseph Gonyea III	X	
Ross Kari	X	
Chuck Lillis	X	
Ginevra Ralph	X	
Mary Wilcox	X	
Kurt Willcox	X	

Dated this 28<sup>th</sup> day of March, 2014.

Exhibit B



UNIVERSITY OF OREGON

UNIVERSITY OF OREGON

TUITION AND FEES  
2014-15 ACADEMIC YEAR  
AND  
2015 Summer Session  
(PROPOSED FEES)

**2014-15 ACADEMIC YEAR TUITION AND FEE INCREASES**

**ACADEMIC YEAR**

	2013-14 Tuition	2013-14 Fees	2013-14 Tuition and Fees	2014-15 Tuition	2014-15 Fees	2014-15 Tuition and Fees	14 to 15 Tuition Pct Increase	14 to 15 Fee Pct Increase	14 to 15 Tuition and Fee Pct Increase
<b>UNDERGRADUATE (annual tuition and fees at 15 credit hours)</b>									
Resident	\$8,220	\$1,482.75	\$9,703	\$8,190	\$1,728.00	\$9,918	-0.36%	16.54%	2.22%
Nonresident	\$28,305	\$1,482.75	\$29,788	\$29,160	\$1,728.00	\$30,888	3.02%	16.54%	3.69%
Honors Differential	\$3,573			\$3,696			3.44%		
<b>GRADUATE (annual tuition and fees at the plateau rate)</b>									
<b>AAA</b>									
<i>Studio</i>									
Resident	\$15,459	\$1,482.75	\$16,942	\$15,459	\$1,728.00	\$17,187	0.00%	16.54%	1.45%
Nonresident	\$23,259	\$1,482.75	\$24,742	\$23,907	\$1,728.00	\$25,635	2.79%	16.54%	3.61%
<i>Non-Studio</i>									
Resident	\$14,286	\$1,482.75	\$15,769	\$14,286	\$1,728.00	\$16,014	0.00%	16.54%	1.56%
Nonresident	\$22,371	\$1,482.75	\$23,854	\$23,019	\$1,728.00	\$24,747	2.90%	16.54%	3.74%
<b>CAS</b>									
<i>MA/Phd</i>									
Resident	\$13,824	\$1,482.75	\$15,307	\$13,824	\$1,728.00	\$15,552	0.00%	16.54%	1.60%
Nonresident	\$22,356	\$1,482.75	\$23,839	\$23,031	\$1,728.00	\$24,759	3.02%	16.54%	3.86%
<b>EDUCATION</b>									
<i>Base</i>									
Resident	\$15,600	\$1,482.75	\$17,083	\$16,032	\$1,728.00	\$17,760	2.77%	16.54%	3.96%
Nonresident	\$22,131	\$1,482.75	\$23,614	\$22,752	\$1,728.00	\$24,480	2.81%	16.54%	3.67%
<i>Supervision</i>									
Resident	\$16,791	\$1,482.75	\$18,274	\$17,250	\$1,728.00	\$18,978	2.73%	16.54%	3.85%
Nonresident	\$23,295	\$1,482.75	\$24,778	\$23,943	\$1,728.00	\$25,671	2.78%	16.54%	3.61%
<i>Clinical</i>									
Resident	\$18,297	\$1,482.75	\$19,780	\$18,810	\$1,728.00	\$20,538	2.80%	16.54%	3.83%
Nonresident	\$24,720	\$1,482.75	\$26,203	\$25,422	\$1,728.00	\$27,150	2.84%	16.54%	3.62%
<b>JOURNALISM</b>									
<i>MA/PhD</i>									
Resident	\$13,824	\$1,482.75	\$15,307	\$14,229	\$1,728.00	\$15,957	2.93%	16.54%	4.25%
Nonresident	\$22,356	\$1,482.75	\$23,839	\$23,031	\$1,728.00	\$24,759	3.02%	16.54%	3.86%
<i>Strategic Comm</i>									
Resident	\$14,661	\$1,482.75	\$16,144	\$15,093	\$1,728.00	\$16,821	2.95%	16.54%	4.20%
Nonresident	\$22,356	\$1,482.75	\$23,839	\$23,031	\$1,728.00	\$24,759	3.02%	16.54%	3.86%
<i>Multimedia</i>									
Resident	\$14,661	\$1,482.75	\$16,144	\$15,093	\$1,728.00	\$16,821	2.95%	16.54%	4.20%
Nonresident	\$22,356	\$1,482.75	\$23,839	\$23,031	\$1,728.00	\$24,759	3.02%	16.54%	3.86%
<b>LAW</b>									
<i>JD</i>									
Resident	\$28,008	\$1,484.00	\$29,492	\$28,854	\$1,728.00	\$30,582	3.02%	16.44%	3.70%
Nonresident	\$35,262	\$1,484.00	\$36,746	\$36,324	\$1,728.00	\$38,052	3.01%	16.44%	3.55%
<i>LLM</i>									
Resident	\$35,838	\$1,484.00	\$37,322	\$35,838	\$1,728.00	\$37,566	0.00%	16.44%	0.65%
Nonresident	\$35,838	\$1,484.00	\$37,322	\$35,838	\$1,728.00	\$37,566	0.00%	16.44%	0.65%
<i>CRES</i>									
Resident	\$17,739	\$1,482.75	\$19,222	\$17,739	\$1,728.00	\$19,467	0.00%	16.54%	1.28%
Nonresident	\$23,976	\$1,482.75	\$25,459	\$23,976	\$1,728.00	\$25,704	0.00%	16.54%	0.96%
<b>LCB</b>									
<i>PhD</i>									
Resident	\$13,824	\$1,482.75	\$15,307	\$13,824	\$1,728.00	\$15,552	0.00%	16.54%	1.60%
Nonresident	\$22,356	\$1,482.75	\$23,839	\$23,031	\$1,728.00	\$24,759	3.02%	16.54%	3.86%
<i>MBA</i>									
Resident	\$24,033	\$1,482.75	\$25,516	\$25,230	\$1,728.00	\$26,958	4.98%	16.54%	5.65%
Nonresident	\$33,252	\$1,482.75	\$34,735	\$34,914	\$1,728.00	\$36,642	5.00%	16.54%	5.49%
<i>Accounting</i>									
Resident	\$16,776	\$1,482.75	\$18,259	\$17,610	\$1,728.00	\$19,338	4.97%	16.54%	5.91%
Nonresident	\$24,432	\$1,482.75	\$25,915	\$25,161	\$1,728.00	\$26,889	2.98%	16.54%	3.76%
<b>MUSIC</b>									
<i>MA/PhD</i>									
Resident	\$13,977	\$1,482.75	\$15,460	\$13,977	\$1,728.00	\$15,705	0.00%	16.54%	1.59%
Nonresident	\$21,723	\$1,482.75	\$23,206	\$21,723	\$1,728.00	\$23,451	0.00%	16.54%	1.06%

Source: UO Office of Institutional Research.

For additional information, please contact J.P. Monroe ( jpmo@uoregon.edu ) at 541-346-2085.

**2014-15 SUMMER TUITION AND FEE INCREASES**

**SUMMER**

	Summer 2014 Tuition	Summer 2014 Fees	Summer 2014 Tuition and Fees	Summer 2015 Tuition	Summer 2015 Fees	Summer 2015 Tuition and Fees	14 to 15 Tuition Pct Increase	14 to 15 Fee Pct Increase	14 to 15 Tuition and Fee Pct Increase
<b>UNDERGRADUATE (summer tuition and fees at 12 credit hours)</b>									
Resident	\$1,926	\$327.25	\$2,253	\$1,877	403.75	\$2,281	-2.54%	23.38%	1.22%
Nonresident	\$4,121	\$327.25	\$4,448	\$4,529	403.75	\$4,933	9.90%	23.38%	10.89%
Honors Differential	-na-			-na-			-na-		
<b>GRADUATE (annual tuition and fees at 9 credit hours)</b>									
<b>AAA</b>									
<i>Studio</i>									
Resident	\$3,091	\$327.25	\$3,418	\$3,091	403.75	\$3,495	0.00%	23.38%	2.24%
Nonresident	\$3,877	\$327.25	\$4,204	\$3,985	403.75	\$4,389	2.79%	23.38%	4.39%
<i>Non-Studio</i>									
Resident	\$2,858	\$327.25	\$3,185	\$2,858	403.75	\$3,262	0.00%	23.38%	2.40%
Nonresident	\$3,725	\$327.25	\$4,052	\$3,833	403.75	\$4,237	2.90%	23.38%	4.55%
<b>CAS</b>									
<i>MA/Phd</i>									
Resident	\$2,763	\$327.25	\$3,090	\$2,763	403.75	\$3,167	0.00%	23.38%	2.48%
Nonresident	\$3,714	\$327.25	\$4,041	\$3,822	403.75	\$4,226	2.91%	23.38%	4.57%
<b>EDUCATION</b>									
<i>Base</i>									
Resident	\$3,217	\$327.25	\$3,544	\$3,307	403.75	\$3,711	2.80%	23.38%	4.70%
Nonresident	\$3,797	\$327.25	\$4,124	\$3,905	403.75	\$4,309	2.84%	23.38%	4.47%
<i>Supervision</i>									
Resident	\$3,452	\$327.25	\$3,779	\$3,551	403.75	\$3,955	2.87%	23.38%	4.64%
Nonresident	\$3,987	\$327.25	\$4,314	\$4,095	403.75	\$4,499	2.71%	23.38%	4.28%
<i>Clinical</i>									
Resident	\$3,844	\$327.25	\$4,171	\$3,952	403.75	\$4,356	2.81%	23.38%	4.42%
Nonresident	\$4,323	\$327.25	\$4,650	\$4,449	403.75	\$4,853	2.91%	23.38%	4.35%
<b>JOURNALISM</b>									
<i>MA/PhD</i>									
Resident	\$2,763	\$327.25	\$3,090	\$2,844	403.75	\$3,248	2.93%	23.38%	5.10%
Nonresident	\$3,714	\$327.25	\$4,041	\$3,822	403.75	\$4,226	2.91%	23.38%	4.57%
<i>Strategic Comm</i>									
Resident	\$2,934	\$327.25	\$3,261	\$3,024	403.75	\$3,428	3.07%	23.38%	5.11%
Nonresident	\$3,714	\$327.25	\$4,041	\$3,822	403.75	\$4,226	2.91%	23.38%	4.57%
<i>Multimedia</i>									
Resident	\$2,934	\$327.25	\$3,261	\$3,024	403.75	\$3,428	3.07%	23.38%	5.11%
Nonresident	\$3,714	\$327.25	\$4,041	\$3,822	403.75	\$4,226	2.91%	23.38%	4.57%
<b>LAW</b>									
<i>JD</i>									
Resident	\$11,772	\$327.25	\$12,099	\$12,123	403.75	\$12,527	2.98%	23.38%	3.53%
Nonresident	\$12,825	\$327.25	\$13,152	\$13,212	403.75	\$13,616	3.02%	23.38%	3.52%
<i>LLM</i>									
Resident	\$17,316	\$327.25	\$17,643	\$17,316	403.75	\$17,720	0.00%	23.38%	0.43%
Nonresident	\$17,316	\$327.25	\$17,643	\$17,316	403.75	\$17,720	0.00%	23.38%	0.43%
<i>CRES</i>									
Resident	\$5,913	\$327.25	\$6,240	\$5,913	403.75	\$6,317	0.00%	23.38%	1.23%
Nonresident	\$7,992	\$327.25	\$8,319	\$7,992	403.75	\$8,396	0.00%	23.38%	0.92%
<b>LCB</b>									
<i>PhD</i>									
Resident	\$2,763	\$327.25	\$3,090	\$2,763	403.75	\$3,167	0.00%	23.38%	2.48%
Nonresident	\$3,714	\$327.25	\$4,041	\$3,822	403.75	\$4,226	2.91%	23.38%	4.57%
<i>MBA</i>									
Resident	\$4,798	\$327.25	\$5,125	\$5,037	403.75	\$5,441	4.98%	23.38%	6.16%
Nonresident	\$5,545	\$327.25	\$5,872	\$5,821	403.75	\$6,225	4.98%	23.38%	6.00%
<i>Accounting</i>									
Resident	\$3,355	\$327.25	\$3,682	\$3,521	403.75	\$3,924	4.93%	23.38%	6.57%
Nonresident	\$4,077	\$327.25	\$4,404	\$4,199	403.75	\$4,603	3.00%	23.38%	4.51%
<b>MUSIC</b>									
<i>MA/PhD</i>									
Resident	\$2,797	\$327.25	\$3,124	\$2,797	403.75	\$3,201	0.00%	23.38%	2.45%
Nonresident	\$3,620	\$327.25	\$3,947	\$3,620	403.75	\$4,024	0.00%	23.38%	1.94%

**2014-15 FEE INCREASES — PER TERM**

	2013-14 Academic Year			2014-15 Academic Year			Percentage Change		
	<u>UG</u>	<u>Grad</u>	<u>Law (per Semester)</u>	<u>UG</u>	<u>Grad</u>	<u>Law (per Semester)</u>	<u>UG</u>	<u>Grad</u>	<u>Law (per Semester)</u>
Building Fee	45.00	45.00	68.00	45.00	45.00	68.00	0.0%	0.0%	0.0%
Incidental Fee	208.00	208.00	312.00	215.25	215.25	323.00	3.5%	3.5%	3.5%
Health Service Fee	154.00	154.00	231.00	155.00	155.00	233.00	0.6%	0.6%	0.9%
Recreation Center Bond	38.00	38.00	57.00	38.00	38.00	57.00	0.0%	0.0%	0.0%
Recreation Center Fee	49.25	49.25	74.00	55.75	55.75	84.00	13.2%	13.2%	13.5%
EMU Fee	-na-	-na-	-na-	67.00	67.00	101.00	-na-	-na-	-na-
<b>Total Fees</b>	<b>494.25</b>	<b>494.25</b>	<b>742.00</b>	<b>576.00</b>	<b>576.00</b>	<b>864.00</b>	<b>16.5%</b>	<b>16.5%</b>	<b>16.4%</b>

Source: UO Office of Institutional Research.

For additional information, please contact J.P. Monroe ( [jpmonroe@uoregon.edu](mailto:jpmonroe@uoregon.edu) ) at 541-346-2085.

**University of Oregon**

**Academic Year 2014-15 Undergraduate Tuition and Fees**

Credits	Undergraduate				Undergraduate — Clark Honors College			
	Resident		Nonresident		Resident		Nonresident	
	Tuition	Fees	Tuition	Fees	Tuition	Fees	Tuition	Fees
1	182.00	758.00	648.00	1,224.00	1,414.00	1,990.00	1,880.00	2,456.00
2	364.00	940.00	1,296.00	1,872.00	1,596.00	2,172.00	2,528.00	3,104.00
3	546.00	1,122.00	1,944.00	2,520.00	1,778.00	2,354.00	3,176.00	3,752.00
4	728.00	1,304.00	2,592.00	3,168.00	1,960.00	2,536.00	3,824.00	4,400.00
5	910.00	1,486.00	3,240.00	3,816.00	2,142.00	2,718.00	4,472.00	5,048.00
6	1,092.00	1,668.00	3,888.00	4,464.00	2,324.00	2,900.00	5,120.00	5,696.00
7	1,274.00	1,850.00	4,536.00	5,112.00	2,506.00	3,082.00	5,768.00	6,344.00
8	1,456.00	2,032.00	5,184.00	5,760.00	2,688.00	3,264.00	6,416.00	6,992.00
9	1,638.00	2,214.00	5,832.00	6,408.00	2,870.00	3,446.00	7,064.00	7,640.00
10	1,820.00	2,396.00	6,480.00	7,056.00	3,052.00	3,628.00	7,712.00	8,288.00
11	2,002.00	2,578.00	7,128.00	7,704.00	3,234.00	3,810.00	8,360.00	8,936.00
12	2,184.00	2,760.00	7,776.00	8,352.00	3,416.00	3,992.00	9,008.00	9,584.00
13	2,366.00	2,942.00	8,424.00	9,000.00	3,598.00	4,174.00	9,656.00	10,232.00
14	2,548.00	3,124.00	9,072.00	9,648.00	3,780.00	4,356.00	10,304.00	10,880.00
15	2,730.00	3,306.00	9,720.00	10,296.00	3,962.00	4,538.00	10,952.00	11,528.00
16	2,912.00	3,488.00	10,368.00	10,944.00	4,144.00	4,720.00	11,600.00	12,176.00
17	3,094.00	3,670.00	11,016.00	11,592.00	4,326.00	4,902.00	12,248.00	12,824.00
18	3,276.00	3,852.00	11,664.00	12,240.00	4,508.00	5,084.00	12,896.00	13,472.00
Each Add'l Credit Hour	182.00		648.00		182.00		648.00	

*Note:*

(1) A one-time Matriculation fee is assessed on all new and transfer students — \$375 Undergraduate / \$375 Graduate and Law.

(2) Students coded as international undergraduates will be assessed a \$200 fee during the regular academic year (for the 2014-15 academic year of \$50 remission will be provided to all international student assessed the fee).

**University of Oregon**

**Summer 2015 Undergraduate Tuition and Fees**

Credits	Undergraduate			
	<i>Resident</i>		<i>Nonresident</i>	
	Tuition	Fees	Tuition	Fees
1	216.00	619.75	437.00	1,013.00
2	367.00	770.75	809.00	1,385.00
3	518.00	921.75	1,181.00	1,757.00
4	669.00	1,072.75	1,553.00	2,129.00
5	820.00	1,223.75	1,925.00	2,501.00
6	971.00	1,374.75	2,297.00	2,873.00
7	1,122.00	1,525.75	2,669.00	3,245.00
8	1,273.00	1,676.75	3,041.00	3,617.00
9	1,424.00	1,827.75	3,413.00	3,989.00
10	1,575.00	1,978.75	3,785.00	4,361.00
11	1,726.00	2,129.75	4,157.00	4,733.00
12	1,877.00	2,280.75	4,529.00	5,105.00
13	2,028.00	2,431.75	4,901.00	5,477.00
14	2,179.00	2,582.75	5,273.00	5,849.00
15	2,330.00	2,733.75	5,645.00	6,221.00
16	2,481.00	2,884.75	6,017.00	6,593.00
17	2,632.00	3,035.75	6,389.00	6,965.00
18	2,783.00	3,186.75	6,761.00	7,337.00
Each Add'l Credit Hour	151.00		372.00	

(1) A one-time Matriculation fee is assessed on all new and transfer students — \$375 Undergraduate / \$375 Graduate and Law.

University of Oregon  
Academic Year 2014-15 Graduate Tuition Rates

RESIDENT TUITION RATES

Credits	School of Architecture and Allied Arts		College of Arts and Sciences	College of Business			College of Education			Graduate School	School of Journalism and Communication			School of Music and Dance	School of Law		
	Graduate Level 1	Graduate Level 2 - Studio	Masters / Doctoral	MBA	Masters In Accounting	Doctoral Programs	Masters / Doctoral	Masters / Doctoral Supervision	Masters Clinical Science	Master / Doctoral	Media Studies Masters / Doctoral	Graduate Strategic Communication	Graduate Multimedia	Masters / Doctoral	JD (per semester)	Conflict Resolution	Envir. & Natural Resources LLM (per semester)
1	770.00	1,009.00	512.00	2,322.00	1,462.00	512.00	1,032.00	1,078.00	1,126.00	512.00	527.00	559.00	559.00	667.00	1,603.00	657.00	1,991.00
2	1,269.00	1,527.00	1,024.00	3,083.00	2,013.00	1,024.00	1,571.00	1,662.00	1,769.00	1,024.00	1,054.00	1,118.00	1,118.00	1,166.00	3,206.00	1,314.00	3,982.00
3	1,768.00	2,045.00	1,536.00	3,844.00	2,564.00	1,536.00	2,110.00	2,246.00	2,412.00	1,536.00	1,581.00	1,677.00	1,677.00	1,665.00	4,809.00	1,971.00	5,973.00
4	2,267.00	2,563.00	2,048.00	4,605.00	3,115.00	2,048.00	2,649.00	2,830.00	3,055.00	2,048.00	2,108.00	2,236.00	2,236.00	2,164.00	6,412.00	2,628.00	7,964.00
5	2,766.00	3,081.00	2,560.00	5,366.00	3,666.00	2,560.00	3,188.00	3,414.00	3,698.00	2,560.00	2,635.00	2,795.00	2,795.00	2,663.00	8,015.00	3,285.00	9,955.00
6	3,265.00	3,599.00	3,072.00	6,127.00	4,217.00	3,072.00	3,727.00	3,998.00	4,341.00	3,072.00	3,162.00	3,354.00	3,354.00	3,162.00	9,618.00	3,942.00	11,946.00
7	3,764.00	4,117.00	3,584.00	6,888.00	4,768.00	3,584.00	4,266.00	4,582.00	4,984.00	3,584.00	3,689.00	3,913.00	3,913.00	3,661.00	11,221.00	4,599.00	13,937.00
8	4,263.00	4,635.00	4,096.00	7,649.00	5,319.00	4,096.00	4,805.00	5,166.00	5,627.00	4,096.00	4,216.00	4,472.00	4,472.00	4,160.00	12,824.00	5,256.00	15,928.00
9	4,762.00	5,153.00	4,608.00	8,410.00	5,870.00	4,608.00	5,344.00	5,750.00	6,270.00	4,608.00	4,743.00	5,031.00	5,031.00	4,659.00	14,427.00	5,913.00	17,919.00
10	4,762.00	5,153.00	4,608.00	8,410.00	5,870.00	4,608.00	5,344.00	5,750.00	6,270.00	4,608.00	4,743.00	5,031.00	5,031.00	4,659.00	14,427.00	5,913.00	17,919.00
11	4,762.00	5,153.00	4,608.00	8,410.00	5,870.00	4,608.00	5,344.00	5,750.00	6,270.00	4,608.00	4,743.00	5,031.00	5,031.00	4,659.00	14,427.00	5,913.00	17,919.00
12	4,762.00	5,153.00	4,608.00	8,410.00	5,870.00	4,608.00	5,344.00	5,750.00	6,270.00	4,608.00	4,743.00	5,031.00	5,031.00	4,659.00	14,427.00	5,913.00	17,919.00
13	4,762.00	5,153.00	4,608.00	8,410.00	5,870.00	4,608.00	5,344.00	5,750.00	6,270.00	4,608.00	4,743.00	5,031.00	5,031.00	4,659.00	14,427.00	5,913.00	17,919.00
14	4,762.00	5,153.00	4,608.00	8,410.00	5,870.00	4,608.00	5,344.00	5,750.00	6,270.00	4,608.00	4,743.00	5,031.00	5,031.00	4,659.00	14,427.00	5,913.00	17,919.00
15	4,762.00	5,153.00	4,608.00	8,410.00	5,870.00	4,608.00	5,344.00	5,750.00	6,270.00	4,608.00	4,743.00	5,031.00	5,031.00	4,659.00	14,427.00	5,913.00	17,919.00
16	4,762.00	5,153.00	4,608.00	8,410.00	5,870.00	4,608.00	5,344.00	5,750.00	6,270.00	4,608.00	4,743.00	5,031.00	5,031.00	4,659.00	14,427.00	5,913.00	17,919.00
17	5,261.00	5,671.00	5,120.00	9,171.00	6,421.00	5,120.00	5,883.00	6,334.00	6,913.00	5,120.00	5,270.00	5,590.00	5,590.00	5,158.00	16,030.00	6,570.00	19,910.00
18	5,760.00	6,189.00	5,632.00	9,932.00	6,972.00	5,632.00	6,422.00	6,918.00	7,556.00	5,632.00	5,797.00	6,149.00	6,149.00	5,657.00	17,633.00	7,227.00	21,901.00
Each Add'l																	
Credit Hour	499.00	518.00	512.00	761.00	551.00	512.00	539.00	584.00	643.00	512.00	527.00	559.00	559.00	499.00	1,603.00	657.00	1,991.00

Notes:

- (1) A one-time Matriculation fee is assessed on all new and transfer students — \$375 Undergraduate / \$375 Graduate and Law.
- (2) Law and Law LLM students pay per semester rather than per term.
- (3) AAA "Level 1" includes Art History; Arts and Administration; Historic Preservation; and Planning, Public Policy and Management.
- (4) AAA "Level 2" includes Architecture; Interior Architecture; Art; and Landscape Architecture.
- (5) Education "Masters / Doctoral" includes programs in Educational Leadership, Doctoral Programs in Communication Disorders and Sciences, Critical and Socio-Cultural Studies in Education, and Special Education and Early Intervention.
- (6) Education "Masters / Doctoral Supervision" includes Doctoral Programs in Counseling Psychology and School Psychology. Masters Programs in Curriculum and Teaching, Curriculum and Teacher Education, School Psychology, and Special Education.
- (7) Education "Masters Clinical Science" includes programs in Communication Disorders and Sciences and Couples and Family Therapy.
- (8) Journalism and Communication's professional Master's program falls under Media Studies.

University of Oregon  
Academic Year 2014-15 Graduate Tuition Rates

NONRESIDENT TUITION RATES

Credits	School of Architecture and Allied Arts			College of Business			College of Education			Graduate School	School of Journalism and Communication			School of Music and Dance	School of Law		
	Graduate Level 1	Graduate Level 2 - Studio	Masters / Doctoral	MBA	Masters In Accounting	Doctoral Programs	Masters / Doctoral	Masters / Doctoral Supervision	Masters Clinical Science		Master / Doctoral	Media Studies Masters / Doctoral	Graduate Strategic Communication		Graduate Multimedia	Masters / Doctoral	JD (per semester)
1	1,113.00	1,345.00	853.00	2,742.00	1,763.00	853.00	1,280.00	1,325.00	1,370.00	853.00	853.00	853.00	853.00	961.00	2,018.00	888.00	1,991.00
2	1,933.00	2,173.00	1,706.00	3,854.00	2,591.00	1,706.00	2,068.00	2,157.00	2,258.00	1,706.00	1,706.00	1,706.00	1,706.00	1,746.00	4,036.00	1,776.00	3,982.00
3	2,753.00	3,001.00	2,559.00	4,966.00	3,419.00	2,559.00	2,856.00	2,989.00	3,146.00	2,559.00	2,559.00	2,559.00	2,559.00	2,531.00	6,054.00	2,664.00	5,973.00
4	3,573.00	3,829.00	3,412.00	6,078.00	4,247.00	3,412.00	3,644.00	3,821.00	4,034.00	3,412.00	3,412.00	3,412.00	3,412.00	3,316.00	8,072.00	3,552.00	7,964.00
5	4,393.00	4,657.00	4,265.00	7,190.00	5,075.00	4,265.00	4,432.00	4,653.00	4,922.00	4,265.00	4,265.00	4,265.00	4,265.00	4,101.00	10,090.00	4,440.00	9,955.00
6	5,213.00	5,485.00	5,118.00	8,302.00	5,903.00	5,118.00	5,220.00	5,485.00	5,810.00	5,118.00	5,118.00	5,118.00	5,118.00	4,886.00	12,108.00	5,328.00	11,946.00
7	6,033.00	6,313.00	5,971.00	9,414.00	6,731.00	5,971.00	6,008.00	6,317.00	6,698.00	5,971.00	5,971.00	5,971.00	5,971.00	5,671.00	14,126.00	6,216.00	13,937.00
8	6,853.00	7,141.00	6,824.00	10,526.00	7,559.00	6,824.00	6,796.00	7,149.00	7,586.00	6,824.00	6,824.00	6,824.00	6,824.00	6,456.00	16,144.00	7,104.00	15,928.00
9	7,673.00	7,969.00	7,677.00	11,638.00	8,387.00	7,677.00	7,584.00	7,981.00	8,474.00	7,677.00	7,677.00	7,677.00	7,677.00	7,241.00	18,162.00	7,992.00	17,919.00
10	7,673.00	7,969.00	7,677.00	11,638.00	8,387.00	7,677.00	7,584.00	7,981.00	8,474.00	7,677.00	7,677.00	7,677.00	7,677.00	7,241.00	18,162.00	7,992.00	17,919.00
11	7,673.00	7,969.00	7,677.00	11,638.00	8,387.00	7,677.00	7,584.00	7,981.00	8,474.00	7,677.00	7,677.00	7,677.00	7,677.00	7,241.00	18,162.00	7,992.00	17,919.00
12	7,673.00	7,969.00	7,677.00	11,638.00	8,387.00	7,677.00	7,584.00	7,981.00	8,474.00	7,677.00	7,677.00	7,677.00	7,677.00	7,241.00	18,162.00	7,992.00	17,919.00
13	7,673.00	7,969.00	7,677.00	11,638.00	8,387.00	7,677.00	7,584.00	7,981.00	8,474.00	7,677.00	7,677.00	7,677.00	7,677.00	7,241.00	18,162.00	7,992.00	17,919.00
14	7,673.00	7,969.00	7,677.00	11,638.00	8,387.00	7,677.00	7,584.00	7,981.00	8,474.00	7,677.00	7,677.00	7,677.00	7,677.00	7,241.00	18,162.00	7,992.00	17,919.00
15	7,673.00	7,969.00	7,677.00	11,638.00	8,387.00	7,677.00	7,584.00	7,981.00	8,474.00	7,677.00	7,677.00	7,677.00	7,677.00	7,241.00	18,162.00	7,992.00	17,919.00
16	7,673.00	7,969.00	7,677.00	11,638.00	8,387.00	7,677.00	7,584.00	7,981.00	8,474.00	7,677.00	7,677.00	7,677.00	7,677.00	7,241.00	18,162.00	7,992.00	17,919.00
17	8,493.00	8,797.00	8,530.00	12,750.00	9,215.00	8,530.00	8,372.00	8,813.00	9,362.00	8,530.00	8,530.00	8,530.00	8,530.00	8,026.00	20,180.00	8,880.00	19,910.00
18	9,313.00	9,625.00	9,383.00	13,862.00	10,043.00	9,383.00	9,160.00	9,645.00	10,250.00	9,383.00	9,383.00	9,383.00	9,383.00	8,811.00	22,198.00	9,768.00	21,901.00
Each Add'l																	
Credit Hour	820.00	828.00	853.00	1,112.00	828.00	853.00	788.00	832.00	888.00	853.00	853.00	853.00	853.00	785.00	2,018.00	888.00	1,991.00

Notes:

- (1) A one-time Matriculation fee is assessed on all new and transfer students — \$375 Undergraduate / \$375 Graduate and Law.
- (2) Law and Law LLM students pay per semester rather than per term.
- (3) AAA "Level 1" includes Art History; Arts and Administration; Historic Preservation; and Planning, Public Policy and Management.
- (4) AAA "Level 2" includes Architecture; Interior Architecture; Art; and Landscape Architecture.
- (5) Education "Masters / Doctoral" includes programs in Educational Leadership, Doctoral Programs in Communication Disorders and Sciences, Critical and Socio-Cultural Studies in Education, and Special Education and Early Intervention.
- (6) Education "Masters / Doctoral Supervision" includes Doctoral Programs in Counseling Psychology and School Psychology. Masters Programs in Curriculum and Teaching, Curriculum and Teacher Education, School Psychology, and Special Education.
- (7) Education "Masters Clinical Science" includes programs in Communication Disorders and Sciences and Couples and Family Therapy.
- (8) Journalism and Communication's professional Master's program falls under Media Studies.

University of Oregon  
Summer 2015 Graduate Tuition Rates

RESIDENT TUITION RATES

Credits	School of Architecture and Allied Arts		College of Arts and Sciences	College of Business			College of Education			Graduate School	School of Journalism and Communication			School of Music and Dance	School of Law		
	Graduate Level 1	Graduate Level 2 - Studio	Masters / Doctoral	MBA	Masters In Accounting	Doctoral Programs	Masters / Doctoral	Masters / Doctoral Supervision	Masters Clinical Science	Master / Doctoral	Media Studies	Graduate Strategic Communication	Graduate Multimedia	Masters / Doctoral	JD	Conflict Resolution	Envir. & Natural Resources LLM
1	434.00	555.00	371.00	1,149.00	792.50	371.00	595.00	623.00	672.00	371.00	380.00	400.00	400.00	381.00	1,347.00	657.00	1,924.00
2	737.00	872.00	670.00	1,635.00	1,133.50	670.00	934.00	989.00	1,082.00	670.00	688.00	728.00	728.00	683.00	2,694.00	1,314.00	3,848.00
3	1,040.00	1,189.00	969.00	2,121.00	1,474.50	969.00	1,273.00	1,355.00	1,492.00	969.00	996.00	1,056.00	1,056.00	985.00	4,041.00	1,971.00	5,772.00
4	1,343.00	1,506.00	1,268.00	2,607.00	1,815.50	1,268.00	1,612.00	1,721.00	1,902.00	1,268.00	1,304.00	1,384.00	1,384.00	1,287.00	5,388.00	2,628.00	7,696.00
5	1,646.00	1,823.00	1,567.00	3,093.00	2,156.50	1,567.00	1,951.00	2,087.00	2,312.00	1,567.00	1,612.00	1,712.00	1,712.00	1,589.00	6,735.00	3,285.00	9,620.00
6	1,949.00	2,140.00	1,866.00	3,579.00	2,497.50	1,866.00	2,290.00	2,453.00	2,722.00	1,866.00	1,920.00	2,040.00	2,040.00	1,891.00	8,082.00	3,942.00	11,544.00
7	2,252.00	2,457.00	2,165.00	4,065.00	2,838.50	2,165.00	2,629.00	2,819.00	3,132.00	2,165.00	2,228.00	2,368.00	2,368.00	2,193.00	9,429.00	4,599.00	13,468.00
8	2,555.00	2,774.00	2,464.00	4,551.00	3,179.50	2,464.00	2,968.00	3,185.00	3,542.00	2,464.00	2,536.00	2,696.00	2,696.00	2,495.00	10,776.00	5,256.00	15,392.00
9	2,858.00	3,091.00	2,763.00	5,037.00	3,520.50	2,763.00	3,307.00	3,551.00	3,952.00	2,763.00	2,844.00	3,024.00	3,024.00	2,797.00	12,123.00	5,913.00	17,316.00
10	3,161.00	3,408.00	3,062.00	5,523.00	3,861.50	3,062.00	3,646.00	3,917.00	4,362.00	3,062.00	3,152.00	3,352.00	3,352.00	3,099.00	13,470.00	6,570.00	17,316.00
11	3,464.00	3,725.00	3,361.00	6,009.00	4,202.50	3,361.00	3,985.00	4,283.00	4,772.00	3,361.00	3,460.00	3,680.00	3,680.00	3,401.00	14,817.00	7,227.00	17,316.00
12	3,767.00	4,042.00	3,660.00	6,495.00	4,543.50	3,660.00	4,324.00	4,649.00	5,182.00	3,660.00	3,768.00	4,008.00	4,008.00	3,703.00	16,164.00	7,884.00	17,316.00
13	4,070.00	4,359.00	3,959.00	6,981.00	4,884.50	3,959.00	4,663.00	5,015.00	5,592.00	3,959.00	4,076.00	4,336.00	4,336.00	4,005.00	17,511.00	8,541.00	17,316.00
14	4,373.00	4,676.00	4,258.00	7,467.00	5,225.50	4,258.00	5,002.00	5,381.00	6,002.00	4,258.00	4,384.00	4,664.00	4,664.00	4,307.00	18,858.00	9,198.00	17,316.00
15	4,676.00	4,993.00	4,557.00	7,953.00	5,566.50	4,557.00	5,341.00	5,747.00	6,412.00	4,557.00	4,692.00	4,992.00	4,992.00	4,609.00	20,205.00	9,855.00	17,316.00
16	4,979.00	5,310.00	4,856.00	8,439.00	5,907.50	4,856.00	5,680.00	6,113.00	6,822.00	4,856.00	5,000.00	5,320.00	5,320.00	4,911.00	21,552.00	10,512.00	17,316.00
17	5,282.00	5,627.00	5,155.00	8,925.00	6,248.50	5,155.00	6,019.00	6,479.00	7,232.00	5,155.00	5,308.00	5,648.00	5,648.00	5,213.00	22,899.00	11,169.00	19,240.00
18	5,585.00	5,944.00	5,454.00	9,411.00	6,589.50	5,454.00	6,358.00	6,845.00	7,642.00	5,454.00	5,616.00	5,976.00	5,976.00	5,515.00	24,246.00	11,826.00	21,164.00
Each Add'l Credit Hour	303.00	317.00	299.00	486.00	341.00	299.00	339.00	366.00	410.00	299.00	308.00	328.00	328.00	302.00	1,347.00	657.00	1,924.00

Notes:

- (1) A one-time Matriculation fee is assessed on all new and transfer students — \$375 Undergraduate / \$375 Graduate and Law.
- (2) AAA "Level 1" includes Art History; Arts and Administration; Historic Preservation; and Planning, Public Policy and Management.
- (3) AAA "Level 2" includes Architecture; Interior Architecture; Art; and Landscape Architecture.
- (4) Education "Masters / Doctoral" includes programs in Educational Leadership, Doctoral Programs in Communication Disorders and Sciences, Critical and Socio-Cultural Studies in Education, and Special Education and Early Intervention.
- (5) Education "Masters / Doctoral Supervision" includes Doctoral Programs in Counseling Psychology and School Psychology. Masters Programs in Curriculum and Teaching, Curriculum and Teacher Education, School Psychology, and Special Education.
- (6) Education "Masters Clinical Science" includes programs in Communication Disorders and Sciences and Couples and Family Therapy.
- (7) Journalism and Communication's professional Master's program falls under Media Studies.

University of Oregon  
Summer 2015 Graduate Tuition Rates

NONRESIDENT TUITION RATES

Credits	School of Architecture and Allied Arts		College of Arts and Sciences	College of Business			College of Education			Graduate School	School of Journalism and Communication			School of Music and Dance	School of Law		
	Graduate Level 1	Graduate Level 2 - Studio	Masters / Doctoral	MBA	Masters In Accounting	Doctoral Programs	Masters / Doctoral	Masters / Doctoral Supervision	Masters Clinical Science	Master / Doctoral	Media Studies	Graduate Strategic Communication	Graduate Multimedia	Masters / Doctoral	JD	Conflict Resolution	Envir. & Natural Resources LLM
1	553.00	673.00	494.00	1,269.00	887.20	494.00	665.00	687.00	729.00	494.00	494.00	494.00	494.00	484.00	1,468.00	888.00	1,924.00
2	963.00	1,087.00	910.00	1,838.00	1,301.20	910.00	1,070.00	1,113.00	1,194.00	910.00	910.00	910.00	910.00	876.00	2,936.00	1,776.00	3,848.00
3	1,373.00	1,501.00	1,326.00	2,407.00	1,715.20	1,326.00	1,475.00	1,539.00	1,659.00	1,326.00	1,326.00	1,326.00	1,326.00	1,268.00	4,404.00	2,664.00	5,772.00
4	1,783.00	1,915.00	1,742.00	2,976.00	2,129.20	1,742.00	1,880.00	1,965.00	2,124.00	1,742.00	1,742.00	1,742.00	1,742.00	1,660.00	5,872.00	3,552.00	7,696.00
5	2,193.00	2,329.00	2,158.00	3,545.00	2,543.20	2,158.00	2,285.00	2,391.00	2,589.00	2,158.00	2,158.00	2,158.00	2,158.00	2,052.00	7,340.00	4,440.00	9,620.00
6	2,603.00	2,743.00	2,574.00	4,114.00	2,957.20	2,574.00	2,690.00	2,817.00	3,054.00	2,574.00	2,574.00	2,574.00	2,574.00	2,444.00	8,808.00	5,328.00	11,544.00
7	3,013.00	3,157.00	2,990.00	4,683.00	3,371.20	2,990.00	3,095.00	3,243.00	3,519.00	2,990.00	2,990.00	2,990.00	2,990.00	2,836.00	10,276.00	6,216.00	13,468.00
8	3,423.00	3,571.00	3,406.00	5,252.00	3,785.20	3,406.00	3,500.00	3,669.00	3,984.00	3,406.00	3,406.00	3,406.00	3,406.00	3,228.00	11,744.00	7,104.00	15,392.00
9	3,833.00	3,985.00	3,822.00	5,821.00	4,199.20	3,822.00	3,905.00	4,095.00	4,449.00	3,822.00	3,822.00	3,822.00	3,822.00	3,620.00	13,212.00	7,992.00	17,316.00
10	4,243.00	4,399.00	4,238.00	6,390.00	4,613.20	4,238.00	4,310.00	4,521.00	4,914.00	4,238.00	4,238.00	4,238.00	4,238.00	4,012.00	14,680.00	8,880.00	17,316.00
11	4,653.00	4,813.00	4,654.00	6,959.00	5,027.20	4,654.00	4,715.00	4,947.00	5,379.00	4,654.00	4,654.00	4,654.00	4,654.00	4,404.00	16,148.00	9,768.00	17,316.00
12	5,063.00	5,227.00	5,070.00	7,528.00	5,441.20	5,070.00	5,120.00	5,373.00	5,844.00	5,070.00	5,070.00	5,070.00	5,070.00	4,796.00	17,616.00	10,656.00	17,316.00
13	5,473.00	5,641.00	5,486.00	8,097.00	5,855.20	5,486.00	5,525.00	5,799.00	6,309.00	5,486.00	5,486.00	5,486.00	5,486.00	5,188.00	19,084.00	11,544.00	17,316.00
14	5,883.00	6,055.00	5,902.00	8,666.00	6,269.20	5,902.00	5,930.00	6,225.00	6,774.00	5,902.00	5,902.00	5,902.00	5,902.00	5,580.00	20,552.00	12,432.00	17,316.00
15	6,293.00	6,469.00	6,318.00	9,235.00	6,683.20	6,318.00	6,335.00	6,651.00	7,239.00	6,318.00	6,318.00	6,318.00	6,318.00	5,972.00	22,020.00	13,320.00	17,316.00
16	6,703.00	6,883.00	6,734.00	9,804.00	7,097.20	6,734.00	6,740.00	7,077.00	7,704.00	6,734.00	6,734.00	6,734.00	6,734.00	6,364.00	23,488.00	14,208.00	17,316.00
17	7,113.00	7,297.00	7,150.00	10,373.00	7,511.20	7,150.00	7,145.00	7,503.00	8,169.00	7,150.00	7,150.00	7,150.00	7,150.00	6,756.00	24,956.00	15,096.00	19,240.00
18	7,523.00	7,711.00	7,566.00	10,942.00	7,925.20	7,566.00	7,550.00	7,929.00	8,634.00	7,566.00	7,566.00	7,566.00	7,566.00	7,148.00	26,424.00	15,984.00	21,164.00
Each Add'l																	
Credit Hour	410.00	414.00	416.00	569.00	414.00	416.00	405.00	426.00	465.00	416.00	416.00	416.00	416.00	392.00	1,468.00	888.00	1,924.00

Notes:

- (1) A one-time Matriculation fee is assessed on all new and transfer students — \$375 Undergraduate / \$375 Graduate and Law.
- (2) AAA "Level 1" includes Art History; Arts and Administration; Historic Preservation; and Planning, Public Policy and Management.
- (3) AAA "Level 2" includes Architecture; Interior Architecture; Art; and Landscape Architecture.
- (4) Education "Masters / Doctoral" includes programs in Educational Leadership, Doctoral Programs in Communication Disorders and Sciences, Critical and Socio-Cultural Studies in Education, and Special Education and Early Intervention.
- (5) Education "Masters / Doctoral Supervision" includes Doctoral Programs in Counseling Psychology and School Psychology. Masters Programs in Curriculum and Teaching, Curriculum and Teacher Education, School Psychology, and Special Education.
- (6) Education "Masters Clinical Science" includes programs in Communication Disorders and Sciences and Couples and Family Therapy.
- (7) Journalism and Communication's professional Master's program falls under Media Studies.

**University of Oregon  
Academic Year 2014-15 Mandatory Fees per Term**

	<b>Building</b>	<b>Incidental</b>	<b>Health Service</b>	<b>Recreation Center Bond</b>	<b>Recreation Center Fee</b>	<b>EMU Fee</b>	<b>Total Fees</b>
Undergraduate	45.00	215.25	155.00	38.00	55.75	67.00	576.00
Graduate	45.00	215.25	155.00	38.00	55.75	67.00	576.00
Law (per Semester)	68.00	323.00	233.00	57.00	84.00	101.00	864.00

**University of Oregon  
Summer 2015 Mandatory Fees**

	<b>Building</b>	<b>Incidental</b>	<b>Health Service</b>	<b>Recreation Center Bond</b>	<b>Recreation Center Fee</b>	<b>EMU Fee</b>	<b>Total Fees</b>
Undergraduate	34.00	54.00	155.00	38.00	55.75	67.00	403.75
Graduate	34.00	54.00	155.00	38.00	55.75	67.00	403.75
Law	34.00	54.00	155.00	38.00	55.75	67.00	403.75

*Note:*

(1) During the regular academic year, law students on semesters pay 150% of the academic fee.

### **Section 3.0**

**Board of Trustees of the University of Oregon**  
**Discussion of Policies on Tuition, Mandatory Enrollment Fees and other**  
**Charges, Fines, and Fees**  
**June 12-13, 2014**

At its March meeting, the Board of Trustees unanimously adopted a motion acknowledging that it had reviewed the proposed mandatory enrollment fees, including tuition, for the 2014-15 Academic Year and for the 2015 Summer Session; authorizing the President to present the mandatory enrollment fees set forth to the State Board of Higher Education; and authorizing the President to adopt all fees, fines and charges, other than mandatory enrollment fees, in the manner required by law.

**TUITION AND MANDATORY ENROLLMENT FEE RATES**

The President's designee presented the University's mandatory enrollment fee proposal (which includes tuition rates) to the Chancellor for forwarding to the State Board of Higher Education (State Board). The Finance & Administration Committee of the State Board met on May 18, 2014, to review the proposed mandatory enrollment fees for each public university for the 2014-15 Academic Year and for the 2015 Summer Session. The committee also met to review the proposed tuition and fee policies applicable to the seven public universities. The full State Board is scheduled to meet on June 6, 2014, to review and approve the proposed mandatory enrollment fees for each public university for the 2014-15 Academic Year and for the 2015 Summer Session. The State Board adopts mandatory enrollment fees as an administrative rule.

Effective July 1, 2014, the respective boards of trustees of Oregon State University, Portland State University, and the University of Oregon will be responsible for establishing tuition and mandatory enrollment fee rates for their respective institutions. However, Section 170 of Senate Bill 270 provides in pertinent part that the lawfully adopted rules and policies of the State Board pertaining to a university will continue in effect until lawfully superseded or repealed by the standards or policies of the governing board or the university. OSU, PSU, UO and the Chancellor's Office agreed that the State Board would adopt mandatory enrollment fees for OSU, PSU, and UO for the 2014-15 Academic Year and for the 2015 Summer Session as administrative rules. Such administrative rules will continue in effect until superseded or repealed by the relevant board of trustees as to the institution it governs.

**It is recommended that the Board of Trustees of the University of Oregon take no steps to supersede or repeal the mandatory enrollment fee rates established by the State Board for the University of Oregon for the 2014-15 Academic Year and for the 2015 Summer Session, thus leaving those mandatory enrollment fee rates in effect until in the Board of Trustees establishes new rates for the 2015-16 Academic Year and 2016 Summer Session. It is anticipated that the Board of Trustees will establish new rates for the 2015-16 Academic Year and 2016 Summer Session at its meeting during Winter Term 2015.**

**TUITION AND FEE POLICIES**

As noted above, the State Board is scheduled to meet on June 6, 2014, to review and approve tuition and fee policies for each public university for the 2014-15 Academic Year and for the 2015 Summer Session. The policies are adopted as administrative rules. The policies are drafted to apply to the four public universities that will remain in the Oregon University System under the governance of the State

Board after July 1, 2014. It is the University of Oregon's view that the contents are not easily interpreted or applied in the context of an independent university like OSU, PSU or UO.

Section 170 of Senate Bill 270 provides in pertinent part that the lawfully adopted rules and policies of the State Board of Higher Education pertaining to a university will continue in effect until lawfully superseded or repealed by the standards or policies of the governing board or the university. Section 172 of Senate Bill 270 provides that a board of trustees may take any action before the operative date that is necessary for the board of trustees to exercise on and after the operative date all of the duties, functions and powers conferred on the board of trustees by Senate Bill 270. Section 11(1)(q) authorizes a board of trustees to establish policies for the administration of the university. Section 11(3) of Senate Bill 270 provides that a board of trustees may perform any other acts that in the judgment of the board of trustees are required, necessary or appropriate to accomplish the rights and responsibilities granted to a board and a university by law.

At this writing, it is anticipated that the Finance and Facilities Committee will forward Tuition and Fee Policies specific to the University of Oregon to the Board of Trustees as a seconded motion.

**It is recommended that the Board of Trustees adopt tuition and fee policies specific to the University of Oregon for the 2014-15 Academic Year and for the 2015 Summer Session, thus superseding and repealing, as to the University of Oregon, the tuition and fee policies of the State Board.**

**FEES, FINES AND CHARGES OTHER THAN TUITION AND MANDATORY ENROLLMENT FEES**

The President has initiated a process for adoption of all fees, fines and charges, other than mandatory enrollment fees, in the manner required by law. Adoption will be effective July 1, 2014.

## **Board of Trustees of the University of Oregon**

### **Motion Regarding Policies on Tuition and Other Matters**

Whereas, Sections 2, 2a, 2b, 3, 5, 8 to 18, 164, 165, 169 and 170 of Senate Bill 270 and the amendments to statutes and session laws by sections 24, 25, 28 to 37, 40 to 162 and 176 to 178 of Senate Bill 270 and the repeal of statutes by section 163 of Senate Bill 270 become operative on July 1, 2014.

Whereas, Section 172 of Senate Bill 270 provides that the State Board of Higher Education (State Board) and the Board of Trustees of the University of Oregon (Board of Trustees) may take any action before the operative date that is necessary for the State Board and the Board of Trustees to exercise on and after the operative date all of the duties, functions and powers conferred on the State Board and the Board of Trustees by Senate Bill 270.

Whereas, Section 10(1) of Senate Bill 270 provides that, except as set forth in Section 10, the Board of Trustees may authorize, establish, collect, manage, use in any manner and expend all revenue derived from tuition and mandatory enrollment fees.

Whereas, Section 11(1)(a) of Senate Bill 270 provides that the Board of Trustees may acquire, receive, hold, keep, pledge, control, convey, manage, use, lend, expend and invest all moneys, appropriations, gifts, bequests, stock and revenue from any source.

Whereas, Section 11(1)(m) of Senate Bill 270 provides that the Board of Trustees may establish policies for the organization, administration and development of the university which, to the extent set forth in those policies, shall have the force of law and may be enforced through university procedures that include an opportunity for appeal and in any court of competent jurisdiction.

Whereas, Section 11(1)(t) of Senate Bill 270 provides that the Board of Trustees may delegate and provide for the further delegation of any and all powers and duties, subject to the limitations expressly set forth in law.

Whereas, Section 11(3) of Senate Bill 270 provides that the Board of Trustees may perform any other acts that in the judgment of the Board of Trustees are required, necessary or appropriate to accomplish the rights and responsibilities granted to the Board and the University by law.

Whereas, pursuant to the Board's Policy on Committees, the Finance and Facilities Committee of the Board of Trustees voted to refer this motion as a seconded motion to the Board of Trustees for adoption.

Now, therefore, the Board of Trustees acts as follows:

1. The "Policies on Tuition, Mandatory Enrollment Fees and Other Charges, Fines and Fees" attached hereto as Exhibit A are adopted. This Motion is hereby incorporated into such policies by this reference.
2. The Policies shall be effective July 1, 2014, and shall repeal, supersede and replace all State Board and Oregon University System rules and policies related to subject matters addressed in the Policies, except as determined by the President.
3. The Policies shall have the force of law and may be enforced through university procedures that include an opportunity for appeal and in any court of competent jurisdiction.
4. The Policies shall be in effect until superseded in accordance with applicable law, action of the Board of Trustees, or Presidential action authorized by the Board of Trustees.
5. The President of the University of Oregon is directed to and shall act for the Board of Trustees and take all actions necessary in the President's judgment to implement and enforce the Policies.
6. The President may delegate and provide for the further delegation of the implementation and enforcement of the Policies.

### Record of Vote Follows ###

Trustee	Yes	No
Connie Ballmer		
Peter Bragdon		
Rudy Chapa		
Andrew Colas		
Ann Curry		
Sam Dotters-Katz		
Allyn Ford		
Susan Gary		
Joseph Gonyea III		
Ross Kari		
Chuck Lillis		
Ginevra Ralph		
Mary Wilcox		
Kurt Willcox		

Dated this \_\_\_\_ day of \_\_\_\_\_, 2014.

# **BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON**

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**POLICIES ON TUITION, MANDATORY  
ENROLLMENT FEES AND OTHER CHARGES,  
FINES, AND FEES**

**2014-15 ACADEMIC YEAR**

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**2015 SUMMER SESSION**



# Authority

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## State Board of Higher Education

ORS 351.063 grants authority to the State Board of Higher Education (State Board) to establish enrollment fees for each public university that is part of the Oregon University System (OUS). Enrollment fees include tuition for education and services and any other charges found by the State Board of Higher Education to be necessary to carry out the educational program of the Oregon University System. Tuition and the Health Service Fee are established under this statute.

Under ORS 351.070, the State Board may prescribe incidental fees, for a public university that is part of OUS, for programs under the supervision or control of the board found by the board, upon its own motion or upon recommendation of the recognized student government, to be advantageous to the cultural or physical development of students. The Incidental Fee is established under this statute.

Under ORS 351.170(1), the State Board may establish rates, charges and fees for use of buildings, structures and projects under its control for a public university that is part of OUS. The rates and charges must be sufficient, in the judgment of the State Board and with other available revenues, as defined in ORS 351.160, to pay the operating costs and any indebtedness for the buildings, structures and projects. The Recreation Center Fee and the Recreation Center Bond Fee are established under this statute.

Under ORS 351.170(2), the State Board "shall charge and collect from each regular student a building fee at a rate not to exceed \$45.00 for each regular term." The Building Fee is established under this statute for a public university that is part of OUS.

Based on recommendations from the public universities and the Chancellor, the State Board annually sets fees for enrollment at OUS institutions, including:

- Tuition
- Building Fees
- Health Service Fees
- Incidental Fees
- Student Recreation Center Fees
- Student Union Fees
- Other Mandatory Enrollment Fees
- Other Special Fees as determined by the Board

Under Senate Bill 270 (2013), the fees for enrollment adopted by the State Board at its June 2014 meeting will continue to apply to the University of Oregon until repealed by the Board of Trustees of the University of Oregon.

The State Board has delegated the authority to each president of an OUS institution to establish certain fees, fines, and charges for services and materials, including:

- Laboratory and Course fees
- Fees for workshops
- Instruction fees for Continuing Education, Extended Programs, and Distance Education
- Residence Hall Room and Board Rates
- Charges for auxiliary services, e.g. food services, student centers, and parking
- Fines for violation of campus regulations
- Charges for facilities use
- Charges for other materials and services

As authorized by the Board of Trustees of the University of Oregon, the President of the University of Oregon intends to adopt all fees, fines and charges on or shortly after July 1, 2014, in compliance with Senate Bill 270.

## **Board of Trustees of the University of Oregon**

Effective July 1, 2014, the University of Oregon is no longer governed by or under the control of the State Board and is no longer part of OUS. Under ORS 352.102, which is operative July 1, 2014, the Board of Trustees (Trustees or Board) may authorize, establish, eliminate, collect, manage, use in any manner and expend all revenue derived from tuition and mandatory enrollment fees. After July 1, 2014, the Trustees will be required to establish a process for determining tuition and mandatory enrollment fees. The process must provide for participation of enrolled students and the recognized student government of the university.

In determining tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition, the Trustees may not increase the total of tuition and mandatory enrollment fees by more than five percent annually unless the Board first receives approval from the Higher Education Coordinating Commission or the Legislative Assembly.

The Trustees will adopt definitions of "tuition" and "mandatory enrollment fees," and a process for determining tuition and mandatory enrollment fees that provides for the participation of enrolled students and the Associated Students of the University of Oregon (ASUO).

Under ORS 352.105, which is operative July 1, 2014, the Board will also collect mandatory incidental fees upon the request of the ASUO under a process established by the ASUO in consultation with the Trustees. Mandatory incidental fees collected by the Board will be allocated by the recognized student government. The mandatory incidental fee proposed by the ASUO, uses of the fee or decision to modify an existing fee may be refused by the Board of Trustees or the university President if one determines that:

- The recognized student government assessed or allocated the mandatory incidental fees in violation of applicable local, state or federal law;
- The allocation conflicts with a preexisting contractual financial commitment;
- The total mandatory incidental fees budget is an increase of more than five percent over the level of the previous year; or
- The fee request is not advantageous to the cultural or physical development of students.

Under ORS 352.107(1)(d), which is operative July 1, 2014, the Board may establish, collect and use charges, fines and fees for services, facilities, operations and programs. This provision does not cover tuition and mandatory enrollment fees or incidental fees, but it covers every other charge, fine or fee that could be established.

2014-15 Academic Year and 2015 Summer Session. For this transition period, the State Board of Higher Education, the Chancellor, and the institutional presidents have determined that establishing tuition, building fees, health service fees, incidental fees, student recreation center fees, student union fees, and other mandatory enrollment fees should be completed under existing statutes governing the State Board and pursuant to the existing processes, procedures, and policies established by the State Board. The State Board has asked that each of the three boards of trustees (Oregon State University, Portland State University, and the University of Oregon) approve proposed enrollment fees that the president of the relevant university would then submit to the State Board via the Chancellor.

The University of Oregon will follow the relevant Oregon University System policies for the 2013-14 Academic Year and 2014 Summer Session regarding tuition, building fees, health service fees, incidental fees, student recreation center fees, student union fees, and other mandatory enrollment fees with only technical corrections for the 2014-15 Academic Year and 2015 Summer Session, except to the extent provided in this policy. The President of the University of Oregon will establish, collect and use charges, fines and fees for services, facilities, operations and programs, other than tuition and mandatory enrollment fees, for the period from July 1, 2014, to June 30, 2015, substantially in accordance with existing practice. This too will result in little if any disruption and allow the President, and the Board as appropriate, to consider changes to current practice in due course.

## **Tuition and Fee Policies for 2014-15**

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### **Tuition**

Tuition for students enrolled in a program is established based on such factors as state-appropriated funds per full-time equivalent student, the financial needs of the University, market comparators, student classification (including but not limited to undergraduate, graduate and doctoral), residency, credit hours taken, degree program, and other factors. In determining tuition for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition:

- (1) The Board of Trustees may not increase the total of tuition and mandatory enrollment fees by more than five percent annually unless the board first receives approval from:
  - a) The Higher Education Coordinating Commission; or
  - b) The Legislative Assembly.
- (2) The Board of Trustees shall attempt to limit annual increases in tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and have

established residency in Oregon to a percentage that is not greater than the percentage increase in the Higher Education Price Index, as compiled by the Commonfund Institute.

The Board of Trustees may not delegate authority to determine tuition for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition. Revenues derived from tuition may be managed and used in any manner.

Non-admitted part-time students enrolling for a combination of undergraduate and graduate courses are assessed tuition using the rates for each respective classification and fees based on the undergraduate fee tables for total enrolled credits.

Tuition may be established for any University program and may vary by regular academic year, summer session, continuing education programs, and other programs.

- **Academic Year:** Charges assessed to students during the academic year are comprised of Tuition, Mandatory Enrollment Fees, and all other student fees. Enrollments during the academic year are usually referred to as “in-load” enrollments.
- **Summer Session:** For summer session programs, tuition is typically assessed on a per-credit hour basis or aligned to the preceding academic year’s structure. The University may choose to make a residency determination for summer term. Tuition rates in the summer session may differ from the academic year.
- **Continuing Education:** For continuing education programs, tuition is typically assessed regardless of residency or course load. Generally, rates must be set no lower than necessary to cover direct plus indirect costs.

## Fees

### **Mandatory Enrollment Fees**

A fee is a mandatory enrollment fee if it is required to be paid, as a condition of enrollment in the University, by every student enrolled in the University. In determining mandatory enrollment fees for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition:

- (1) The Board of Trustees may not increase the total of tuition and mandatory enrollment fees by more than five percent annually unless the board first receives approval from:
  - a) The Higher Education Coordinating Commission; or
  - b) The Legislative Assembly.
- (2) The Board of Trustees shall attempt to limit annual increases in tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and have

established residency in Oregon to a percentage that is not greater than the percentage increase in the Higher Education Price Index, as compiled by the Commonfund Institute.

The Board of Trustees may not delegate authority to determine mandatory enrollment fees for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition. For Academic Year 2014-15, mandatory enrollment fees are the Building, Health Service, Incidental, Recreation Center and Student Union Fees. Students enrolled less than full-time are subject to these fees at a rate appropriate to the specific number of credit hours taken each term. The University has the option of assessing mandatory enrollment fees during the summer session at rates comparable to those assessed in the academic year.

- **Building Fee:** The Building Fee for Academic Year 2014-15 is \$45 per student per term or \$68 per semester. The Building Fee for summer session is approximately 75% percent of the academic year rate. A pro rata fee is assessed on part-time students.
- **Incidental Fee:** Incidental fee recommendations for Academic Year 2014-15 were made by student committees to the President of the University in accordance with OAR 580-010-0090. Once approved by the President, a recommendation is submitted to the Chancellor, who submits a recommendation to the State Board. Students enrolled in off-campus programs (OIMB and Portland only) are assessed 50% of the Incidental fee.
- **Health Services Fee:** This fee is used to support student health services. During summer sessions, student health services may be provided at reduced levels or not at all. The recommended summer session rates reflect lower service levels. Students enrolled in the Portland programs use the Portland State University Student Health Center, and pay the same Health Service Fee as PSU students.
- **Recreation Center Fees; Student Union Fee:** The Recreation Center Fee and the Student Union Fee are used to fund the construction, debt service, maintenance, and operation costs of the student centers as the mandatory Building Fee assessed per term is not adequate to fund or operate projects of this scale.

### ***Student Residency***

A resident student is one who fulfills requirements established by the Inter-Institutional Residency Compact between and among the seven public universities in Oregon. Graduate students who become Graduate Teaching, Research Assistants, or Administrative are converted to resident status for enrollment fee purposes.

### ***All Other Fees***

This category includes all charges, fines and fees that are neither tuition nor mandatory enrollment fees. The Board of Trustees, the President, or designee may establish these fees and use them for services, facilities, operations and programs.

- **The Matriculation Fee:** The Matriculation fee is a one-time fee charged to newly admitted students upon enrollment. This fee is a one-time assessment and was developed to reduce the large number of enrollment-related fees for student orientation, course scheduling (drop/add fees), transcripts, degree applications, and re-enrollment. The fees are also used to support academic programming for freshman interest groups and learning communities.
- **Undergraduate International Student Fee:** The university sets the international student services fee to provide a set of services and activities to support international students. The fee supports services related to academic support; enrollment services; increased immigration compliance and reporting as required by the federal government (such as SEVIS II); personal and cultural counseling and advising; and accelerated planning and delivery of new programs.
- **Laboratory and Course Fees:** Laboratory and course fees must be published. Generally, laboratory and course fees are limited to fees for equipment, materials, or ancillary services consumed by the student as a part of course instruction where the equipment or material is not readily available for purchase through a private source.
- **Other Charges, Fees and Fines for Services, Facilities, Operations and Programs:** The level of charges, fines and fees should be at least sufficient to ensure recovery associated direct and indirect costs. Some charges, fines and fees may be established at a level to deter conduct that is contrary to University policies and standards or applicable law. Charges, fees and fines are for purposes such as the following: auxiliary services such as housing, food services, and parking; use of facilities; athletics and other tickets and events; and violation of policies and standards, such as late fines for library books and parking fines.
- **Application Fee:** The President or designee determines application fees. The University may assess greater application fees for admission to selected programs or schools. The relevant application fee must be received before the application will be evaluated. Application fees are not refundable.

**Application Fee Deferral Program:** The President or designee may, upon request, defer the application fee for first-time freshmen or transfer students who, at the time of application, are either eligible for or participate in any of the following:

- Free or reduced school lunch program;
- TRIO-type college preparatory programs (e.g., Upward Bound, Talent Search, EOC, HEP);
- State of Oregon or U.S. public assistance; College Board fee waiver; or
- Foster Youth Tuition and Fee Waiver

Prospective students who reside outside the United States at the time of their application may be eligible for an application fee deferral on a substantially similar basis as other students. The Office of Admissions administers the application fee deferral program.

To request an application for Application Fee deferral, go to the following web address located at: <http://brp.uoregon.edu/special-fees-fines-book>. The student must complete the deferral form and have it signed by a school official (high school counselor), special program official, or university official,

and submit it at the time of application. Application fees deferred under this provision become payable upon the student's enrollment and receipt of financial aid funds. If a student does not complete the application process or does not enroll, the Application Fee is canceled. Students residing outside the United States at the time of their application must prove to the satisfaction of institutional officials that they would meet comparable eligibility guidelines in their country of residence.

### **Post-baccalaureate, Non-graduate Student Classification**

A holder of an accredited baccalaureate degree who has not been admitted to a graduate degree program and who submits an official application for admission to pursue a second baccalaureate degree or enroll in course work not to be used for graduate credit is called a post baccalaureate, non-graduate student and is assessed tuition at undergraduate rates.

Fees and policies applicable under the part-time fee policy apply when a student classified as a post baccalaureate, non-graduate enrolls part-time.

Baccalaureate degree holders who are admitted to post baccalaureate, non-graduate status are ineligible for graduate credits taken while in this status. However, in individual cases, the University may allow the reservation of not more than six of graduate credits per term to apply in the institution's graduate programs. Graduate credits reserved in combination as an undergraduate and post baccalaureate, non-graduate may not exceed 15 credits. Baccalaureate degree holders who are not admitted to post baccalaureate, non-graduate status will be assessed graduate tuition rates.

Students who are admitted to an advanced degree program may convert to post baccalaureate, non-graduate student status only upon approval of the Provost or designee but only if the graduate degree has been awarded, the student has not been disqualified from the advanced degree program for academic or conduct reasons, or a request is approved by the dean of the Graduate School for voluntary relinquishment of graduate status.

Students who are admitted to a 45-hour standard norm certificate program are not eligible for the post baccalaureate, non-graduate student status. Graduate tuition rates are applicable whether or not students in the program seek graduate credit.

### **Reduced Tuition Policies**

The University's commitment to the 40-40-20 goal described in ORS.009 is achieved through an array of reduced tuition programs and policies. These programs and policies promote the university's goals of providing accessibility to high-quality higher education.

#### ***Student Financial Aid Programs***

The combined aid for a student may not exceed the cost of attendance for that student, except as approved by the President or designee. The University's student financial aid offerings are comprised of programs similar to others offered across the country (often referred to as "fee waivers" or "tuition discounts") enhanced by initiatives specific to the University or the state of Oregon. As an enrollment

management tool, programmatic student aid allows an institution to target specific campus enrollment goals including recruitment of needy or meritorious students, international students, athletes, and other student populations. The following are summaries of University student financial assistance programs:

### ***Diversity Programs***

- **University of Oregon Diversity Initiatives**
  - *Criteria:* These initiatives are open to all admitted students, resident or nonresident, undergraduate, graduate, or law. The programs may consider different factors in making awards and may offer financial aid programs that support the university's commitment to diversity and supports its educational mission.
  - *Awards:* The university may make partial or full scholarships based on need or to expand the number of students who receive at least some funding support. Awards are specific to the University of Oregon, and students may not take a scholarship with them if they move to another institution.

### ***International Cultural Service Programs***

- **International Fee Remission Program**
  - *Criteria:* This program is for admitted undergraduate or graduate students with international student status.
  - *Awards:* Awards may vary in amount but cannot exceed the total nonresident undergraduate or graduate tuition and mandatory enrollment fees. The university has the option to remit all or a portion of these fees.
- **Cultural Service Program**
  - *Criteria:* This program is for admitted undergraduate or graduate students with international student status who: are competitively selected on the basis of academically meritorious achievement; and fulfill the community service requirements of the program while receiving the award.
  - *Awards:* Awards may vary in amount but cannot exceed the total nonresident undergraduate or graduate tuition and mandatory enrollment fees. Remission of mandatory enrollment fees is at the university's option.

### ***International Exchanges***

- **International OUS Exchange Program**

- *Criteria:* This program is for students who are attending Oregon University System institutions as a part of a University of Oregon-approved exchange program.
- *Awards:* Awards may consist of remission of all or some of the Enrollment Fees, depending upon the reciprocal agreement under which the student is enrolled.
- **International University of Oregon Exchange Program**
  - *Criteria:* This program is for students who are attending the University of Oregon as apart of a University of Oregon-approved exchange program.
  - *Awards:* Awards may consist of remission of all or some of the Enrollment Fees, depending upon the reciprocal agreement under which the student is enrolled.

### ***Contract and Grant***

- **Contract and Grant: Academic Year**
  - *Criteria:* This provision is for students who participate in specific courses or programs during the academic year funded by grant or contract with an outside agency or firm.
  - *Awards:* Awards are generally for remission of tuition only, depending upon agreement with the granting agency.
- **Contract and Grant: Summer Session**
  - *Criteria:* This provision is for students who participate in specific courses or programs during the summer session funded by grant or contract with an outside agency or firm.
  - *Awards:* Awards are generally for remission of tuition only, depending upon agreement with the granting agency.

### ***University of Oregon Tuition Waiver***

- *Criteria:* The University of Oregon Tuition Waiver is a need-based tuition grant program available to qualified Oregon resident students.
- *Awards:* These supplemental tuition grants may not exceed the total Tuition assessed for the regular academic year.

### ***VOYAGER Fee Remission***

The Voyager Tuition Assistance Program (Voyager) was implemented in the Fall of 2005 in response to a direct gubernatorial request and is intended for National Guard and Reservists who have been in an area of hostility since 9/11.

- *Criteria:* The VOYAGER fee remissions are for Oregon residents who are members of the National Guard or Reserves and were deployed in an area of military combat since September 11, 2001. This fee remission is for full-time students pursuing their initial bachelor's degree. Students must submit a Free Application for Federal Student Aid annually and continue to maintain satisfactory academic progress to maintain eligibility.
- *Awards:* Award is the difference between the National Guard and Reserves tuition benefit of \$4,500 and total enrollment fees. Students are responsible for securing the National Guard or Reserves tuition benefit. Duration of the VOYAGER award is four years excepting those five-year degree programs as documented in the University of Oregon catalog. Students are not eligible for the award once they earn fifteen credits above the minimum number of credits required by the degree.

### ***Veteran's Dependent Tuition Waiver***

- *Criteria:* The Veteran's Dependent tuition waiver is for qualified students accepted into a baccalaureate or master's degree program. A qualified student is a child (includes adopted child or stepchild), spouse or an unremarried surviving spouse of a service member or a child of a Purple Heart recipient.
  - The service member is one who:
    - Died on active duty;
    - Has a 100% total and permanent service-connected disability rating as certified by the United States Department of Veterans Affairs; or
    - Died as a result of a military service-connected disability.
  - The Purple Heart recipient is a person, alive or deceased, who:
    - Was relieved or discharged from service in the Armed Forces of the United States with either an honorable discharge or a general discharge under honorable conditions; and
    - Was awarded the Purple Heart in 2001 or thereafter for wounds received in combat.
- An eligible child must be 23 years of age or younger at the time the child applies for the waiver. A child who is older than 23 years of age is eligible for a waiver for a master's degree program if the child:
  - Applied for and received a waiver for a baccalaureate degree when the child was 23 years of age or younger; and
  - Applied for a master's program waiver within 12 months of receiving a baccalaureate degree.

The qualifying new, transfer, or community college co-enrolled student must meet Oregon residency requirements.

- *Awards:* The award maybe granted for credit hours for courses that are offered at the University of Oregon. The award does not cover other mandatory enrollment and course specific fees. The maximum waiver granted under this remission program shall be:
  - The total number of attempted credit hours equal to four years of full-time attendance for a baccalaureate degree; and
  - The total number of attempted credit hours equal to two years of full-time attendance for a master’s degree.
  
- Notwithstanding sections 1 and 2 of this paragraph, a waiver may not exceed the total number of credit hours the qualified student needs to graduate with a baccalaureate or a master’s degree. Transferred credit hours accepted for a degree program may or may not count toward the total credit hours needed for degree completion.
  - The amount of tuition waived may be reduced by the amount of any federal aid scholarships or grants, awards from the Oregon Opportunity Grant program established under ORS 348.205, or any other aid from the eligible post-secondary institution, received by the qualified student.
  - The amount of tuition waived may not be reduced by the amount of any Survivors’ and Dependents’ Educational Assistance under 38 U.S.C. Chapter 35 paid to a qualified student.
  - Awards to children of Purple Heart recipients apply only to students admitted as new but not continuing for Fall 2013 or thereafter.
  - Please, visit the University of Oregon webpage at <http://brp.uoregon.edu/special-fees-fines-book> for additional program information and application process.

***Nonresident Veteran Fee Remission***

As required by law, the university participates to the fullest extent allowed in the federal educational assistance programs under the Supplemental Appropriations Act of 2008 (e.g., Post 9/11 G.I. Bill and its component Yellow Ribbon Program), so as to reduce the overall tuition rate for students eligible under this policy.

- *Criteria:* The Nonresident Veteran Fee Remission is a tuition and fee reduction for qualified students who are not Oregon residents and who are attending classes as an admitted undergraduate or graduate student at the university if the student:
  - Served in the Armed Forces of the United States;

- Was relieved or discharged from that service with either an honorable discharge or a general discharge under honorable conditions as shown on an original or certified copy of the student's DD-214; and
  - Provides proof that the student has established a physical presence in Oregon within 12 months of being enrolled at one of the public universities.
- *Award:* Qualified undergraduate students admitted for enrollment for an academic term prior to Fall 2013 are charged tuition and fees no greater than the resident rate, plus 50 percent of the difference between the resident tuition and fee total and the nonresident tuition and fee total with the following listed qualifications; students admitted as new but not continuing undergraduate students for the Fall 2013 term or later are charged tuition and fees no greater than the resident rate with the following listed qualifications:
- A student who served in the Armed Forces of the United States and who receives federal tuition benefits in excess of the tuition and fees charged under this policy shall pay tuition and fees equal to the federal tuition benefits received.
  - Distance education and self-support courses as identified by the university are excluded from this discount.
  - If a nonresident student is otherwise eligible for tuition benefits under this discount and receiving federal vocational rehabilitation education benefits, that student shall pay full nonresident tuition and fees charged by the University of Oregon.

Qualified graduate students admitted for enrollment for an academic term prior to Fall 2014 are charged tuition and fees no greater than non-resident tuition and fee total with the listed qualifications; students admitted as new but not continuing graduate students for the Fall 2014 term or later are charged tuition and fees no greater than the resident rate with the following listed qualifications:

- A student who served in the Armed Forces of the United States and who receives federal tuition benefits in excess of the tuition and fees charged under this policy shall pay tuition and fees equal to the federal tuition benefits received.
- Distance education and self-support courses as identified by the university are excluded from this discount.
- If a nonresident student is otherwise eligible for tuition benefits under this discount and receiving federal vocational rehabilitation education benefits, that student shall pay full nonresident tuition and fees charged by the University of Oregon.

### ***Foster Youth Tuition Waiver***

The Foster Youth Tuition and Fee Waiver originated with the passage of HB 3471 in the 2011 Regular Session of the Oregon Legislative Assembly and is intended to "increase access to higher education for

current and former foster children by providing a Tuition and Fee Waiver” to minimize the amount of tuition absorbed by the student. It was further amended by HB 2095 in the 2013 Regular Session to align the definition of “former foster youth” with the federal standard.

- *Criteria:* The Foster Youth Tuition and Fee Waiver is open to qualified current and former foster children enrolled as undergraduate students within the university for the purposes of pursuing an initial undergraduate degree (as evidenced by admission into an undergraduate degree program). This program waives tuition and fees for current and former foster youth who enroll prior to reaching 25 years of age until the student receives “the equivalent of four years of undergraduate education.”
- To qualify for the program, the student must:
  - Have spent at least 180 days in substitute care after age 14, was not dismissed from care prior to reaching 16 years of age and either left foster care (had ward ship terminated) or completed high school/GED within the previous 3 years; and
  - Be admitted to an undergraduate degree program and enroll prior to reaching 25 years of age; and
  - Submit a completed FAFSA (Free Application for Federal Student Aid) for each academic year he/she is eligible for the program; and
  - For years after the first academic year at an institution of higher education, have completed a minimum of 30 volunteer service hours in the previous academic year performing community service activities such as mentoring foster youth or assisting in the provision of peer support service activities, according to policies developed by the institution of higher education at which the current or former foster child is enrolled.
- *Awards:*
  1. A qualified student for The Foster Youth Tuition and Fee Waiver is entitled to waiver of tuition and fees as noted below:
    - a. Tuition for academic credit courses (at base or differential rates depending upon program to which student is admitted) but not for noncredit courses.
    - b. Mandatory enrollment fees: building, incidental, health service, recreation center, or other mandatory fees that may be added from time to time.
    - c. Fees required for instruction related services such as lab or course fees that are assessed upon registration for a particular course.
    - d. The waiver excludes all other charges, fees and fines for such as residence hall room and board, dining services, parking fees and fines, library fines, etc. In addition, text books and other course materials not assessed as part of a course fee are also excluded. Fees considered as “pass through” fees, paid to an outside provider, are exempt from the Tuition and Fee Waiver.
  2. Eligible students may receive the Foster Youth Tuition and Fee Waiver for up to 12 terms of full-time study or the equivalent. Attendance at less than full-time will be prorated accordingly.

3. If a student meets all other criteria for eligibility, but does not require the Foster Youth Tuition and Fee Waiver, the student shall remain eligible until the student receives the equivalent of 4 years of undergraduate education.
4. As noted previously, to be considered eligible for this program, the student must complete and submit a FAFSA for each academic year they are eligible for the program. Awards made under The Foster Youth Tuition and Fee Waiver shall be applied after the following:
  - a. Any federal Pell or Supplemental Educational Opportunity Grants (SEOG)
  - b. Oregon Opportunity Grant established under ORS 384.205
  - c. Any other gift, grantor scholarship received from the institution of higher education which may be applied to the tuition and fees covered under this program.
5. For purposes of this program, non-tuition scholarships from sources outside of the university, which pass through either OSAC or the institution, are not included in the calculation of the tuition and fee waiver award amount.

*Definition of Terms:* For purposes of this waiver, the following terms are defined as follows: A “former foster child” is defined as an individual who, for a total of six or more months while between 14 and 21 years of age, was:

- A ward of the court pursuant to ORS 419B.100(1)(b) to (e) and in the legal custody of the Oregon Department of Human Services (or one of the nine federally recognized Tribes in Oregon) for out-of-home placement and not dismissed from care before reaching 16 years of age; or
- An Indian child subject to the Indian Child Welfare Act (25 U.S.C. 1901 et seq.), under the jurisdiction of a tribal court for out-of-home placement and not dismissed from care before reaching 16 years of age.

The “equivalent of 4 years of undergraduate education” and “equivalent of 4 academic years” is defined as up to 12 terms of full time study or the equivalent. Attendance at less than full-time will be prorated, accordingly.

Please, visit the University of Oregon webpage at <http://brp.uoregon.edu/special-fees-fines-book> for additional program information and application process.

### ***Western Undergraduate Exchange***

Tuition for students admitted under the Western Undergraduate Exchange (WUE) program is assessed at 150% of the prevailing resident undergraduate tuition rate.

The WUE program allows first-time enrolling, nonresident undergraduate students from participating states to pay 150% of resident tuition when enrolled in selected programs. Students participating in this program must maintain enrollment in these designated programs to retain qualification. The time spent

as a WUE student cannot apply toward residency status. Students previously or currently enrolled in the university are not eligible for this program. The university is not obligated to notify prospective, admitted, or enrolled students who are eligible for this program. Institutions that implement this program must report WUE enrollment as directed, and validate WUE students quarter to quarter. Consistent with the policy of nonresident students covering the full cost of instruction, institutions participating in the WUE should carefully consider whether high demand programs should be eligible for the reduced rates.

### ***Tuition Equity***

The 2013 Oregon Legislature passed the OUS-supported Tuition Equity Act. The Tuition Equity Act, as outlined in House Bill 2787 (2013), became law on April 2, 2013, and exempts the following students from paying nonresident tuition and fees for enrollment in Oregon's public universities:

1. Students who are not citizens or lawful permanent residents of the United States provided the student:
  - a. During each of the three years immediately prior to receiving a high school diploma or leaving school before receiving a high school diploma, attended an elementary or a secondary school in Oregon;
  - b. During each of the five years immediately prior to receiving a high school diploma or leaving school before receiving a high school diploma, attended an elementary or a secondary school in any state or territory of the United States, the District of Columbia or the Commonwealth of Puerto Rico;
  - c. No more than three years before initially enrolling in an Oregon public university, received a high school diploma from a high school in this state or received the equivalent of a high school diploma (such as a GED); and
  - d. Shows intention to become a citizen or a lawful permanent resident of the United States by submitting to the public university the student attends or plans to attend:
    - e. An official copy of the student's application to register with a federal immigration program or federal deportation deferral program or a statement of intent that the student will seek to obtain citizenship as permitted under federal law; and
    - f. An affidavit stating that the student has applied for a federal individual taxpayer identification number or other official federal identification document.
2. Students who are financially dependent upon a person who is not a citizen or a lawful permanent resident of the United States if the student:
  - a. During each of the three years immediately prior to receiving a high school diploma or leaving school before receiving a high school diploma, attended an elementary or a secondary school in this state and resided in this state with the person upon whom the student is dependent;
  - b. During each of the five years immediately prior to receiving a high school diploma or leaving school before receiving a high school diploma, attended an elementary or a secondary school in any state or territory of the United States, the District of Columbia

- or the Commonwealth of Puerto Rico and resided with the person upon whom the student is dependent;
- c. No more than three years before initially enrolling in an Oregon public university, received a high school diploma from a secondary school in this state or received the equivalent of a high school diploma.
3. For a student who is not already a citizen or lawful permanent resident of the United States, shows intention to become a citizen or a lawful permanent resident of the United States by submitting to the public university the student attends or plans to attend:
- a. An official copy of the student's application to register with a federal immigration program or federal deportation deferral program or a statement of intent that the student will seek to obtain citizenship as permitted under federal law; and
  - b. An affidavit stating that the student has applied for a federal individual taxpayer identification number or other official federal identification document.

A student will continue to qualify for exemption from nonresident tuition and fees (e.g., be able to pay in-state tuition rates) under subsection (1) or (2) above for five years after initial enrollment.

A student who is a citizen or a lawful permanent resident of the United States and who has resided outside of Oregon for more than three years while serving in the Armed Forces of the United States, but who otherwise meets the requirements of subsection (1) or (2) above, shall qualify for exemption from nonresident tuition and fees for enrollment in a public university listed in ORS 352.002 without having to reestablish residency in Oregon.

Please, visit the University of Oregon webpage at <http://brp.uoregon.edu/special-fees-fines-book> for additional program information and application process.

### ***University of Oregon Scholarship Programs***

- *Criteria:* The University of Oregon scholarship programs are merit based tuition discounts that support the mission and goals of the university. These scholarships assist in the recruitment and retention of students.
- *Awards:* Scholarship amounts and eligibility criteria may vary across programs, and across academic years. These programs will be reviewed periodically to ensure that they continue to support the university's enrollment goals. Both resident and nonresident undergraduates will be eligible to receive funds under this program, with award amounts differing due to the difference in tuition for these groups of students.

### ***Reduced Tuition Benefit for Academic and Classified Employees***

The academic term rate for employees is 30% of resident undergraduate tuition assessed at the teaching institution, rounded to the nearest dollar. For campuses where a differential tuition structure is in effect, the staff fee rate will be charged at the "regular" (not differential) resident undergraduate tuition rate for employees enrolled in either undergraduate or graduate programs.

Charges for mandatory enrollment fees do not apply; nor are employees entitled to health services or incidental fee services through this program. No Application Fee will be required for employees and no breakage or other deposit is required when registering for classes. Other fees such as lab or course fees are assessed at the full rate and no discount is provided.

Staff fees are not applicable to certain courses. For a complete reference list of excluded programs, please go to <http://www.ous.edu/dept/hr/benefits/stafffee.php>. Excluded programs are determined at the discretion of the institution's president and the notice of exclusion must be filed with the institution's Registrars' office prior to the first day of registration for a term.

1. On approval of the president or designee of the teaching institution and with the concurrence of the employee's immediate supervisor, the staff fee is available to employees appointed at half-time (.5 FTE) or more (not including temporary classified employees or other student employees).
2. To qualify for this fee, the staff member must meet the criteria no later than the first day of classes of the term of enrollment. The maximum number of credits to which the staff fee may be applied is 12 credits per quarter or per semester. See exception for retired employees and employees on leave, Section (d) of OAR580-022-0030. For more information please go to: <http://brp.uoregon.edu/special-fees-fines-book>.
3. Employees enrolled for more than 12 credits in one term will pay for each additional credit at the campus designated per credit tuition rate applicable to resident undergraduate or graduate students, depending upon the employee's degree status.
4. For purposes of this rule, the term "employee" may include persons with full-time courtesy appointments who provide a benefit to the institution in the form of teaching, research, or counseling, under the direction of the institution and using the facilities of the institution.
5. Retired employees and employees on leave are eligible for staff fee privileges. Subject to the approval of the president or designee of the teaching institution, the maximum credit limitation may be waived for retired employees and for employees on leave. See exception under Senior Citizen Tuition.
6. Employees who use the staff fee for courses away from their home institution are subject to staff fee policies and procedures of the instructing institution. There is no fee plateau at any campus for employees, family and dependents, or retired staff.
7. Employees may be permitted to take noncredit courses at one-third of the fee assessed to other registrants. Teaching units are not required to extend staff fees for noncredit courses, self-sustaining workshops, or self-support credit courses.
8. Employees on furlough or lay-off status may be eligible for staff fees in accordance with provisions of a collective bargaining agreement.
9. No tuition shall be assessed to courses enrolled in by employees with a grading option of 'audit'. Attendance under such condition must be with the instructor's consent and on a space-available basis. Institutions are required to maintain a record of the courses audited. Courses approved for audit by the instructor confer no credit to the student, are not charged staff fee rates or regular tuition, and may be used in addition to staff fee privileges during a term. However, any applicable course, lab or material fees associated with auditing for-credit classes will be assessed by the institution and is the responsibility of the employee. This provision cannot be

subdivided in conjunction with the Employee Family Member and Domestic Partner Transfer provisions.

10. The benefit may be used at any Oregon University System institution.
11. Effective July 1, 2014, University of Oregon unclassified employees who are using this tuition discount for the undergraduate education of a dependent child will be entitled to a second, concurrent tuition discount for a dependent child to attend undergraduate programs at the University of Oregon. The terms, conditions, eligibility requirements, and discount available applicable to this additional tuition discount will be the same as the terms, conditions, eligibility requirements and discount available under the OUS tuition discount program.

### ***Reduced Tuition Benefit for Family Members and Domestic Partners of Employees***

To improve the recruitment and retention of high quality faculty and staff, the staff fee policy is extended to qualified family members, eligible dependents, as well as domestic partners and their eligible dependents on a limited basis.

The academic term rate for family members is 30% of resident undergraduate tuition assessed at the teaching institution, rounded to the nearest dollar. For campuses where a differential tuition structure is in effect, the staff fee rate will be charged at the "regular" (not differential) resident undergraduate tuition rate for both undergraduate and graduate student employees.

Qualified family members including spouse, domestic partners, and dependents receiving the transferred benefit are responsible for all mandatory enrollment fees in addition to laboratory/course fees, late fees, and registration fees, if applicable. Breakage and/or other mandatory application deposits are required of the participating family member to register for classes.

Staff fees are not applicable to certain courses. For a complete reference list of excluded programs, please go to <http://www.ous.edu/dept/hr/benefits/stafffee.php>. Excluded programs are determined at the discretion of the institution's president and the notice of exclusion must be filed with the institution's Registrars' office prior to the first day of registration for a term.

1. The staff fee provisions may be transferred to a qualified family member or domestic partner of employees appointed at half-time (.5 FTE) or more (not including temporary classified employees, graduate assistants, or other student employees). Employee eligibility is verified through Human Resource System records. To qualify for this fee, the family member, domestic partner, or eligible dependent must meet the criteria no later than two weeks prior to the first day of classes of the term of enrollment.
2. For purposes of this policy, the eligible family members include spouse, domestic partner, dependent children and dependent children of domestic partners in accordance with IRS Code 152 and Section One of the Public Employees Benefit Board.
3. The maximum number of transferrable credits is 12 credits per quarter or per semester. Only one staff member, spouse, domestic partner or dependent may use the staff fee benefit per term or semester. The benefit may not be subdivided among family members during a term.
4. The qualified family member or domestic partner enrolled for more than twelve (12) credits in one term must pay for additional credits at the per credit tuition rate applicable to resident undergraduate or graduate students, depending upon the family member's or domestic

partner's degree status. All applicable credits will be charged at the relevant resident tuition rate.

5. The Presidents of the university may exclude certain programs from the policy.
6. The transfer of staff fee benefits is not available for retired employees.
7. Qualified family members or domestic partners of employees who use the staff fee for courses away from the employee's employing institution are subject to staff fee policies and procedures of the instructing institution. There is no fee plateau at any campus for employees, retired staff, domestic partners, or eligible dependents.
8. Qualified family members or domestic partners of employees may be permitted to take noncredit courses at approximately one-third of the fee assessed to other registrants. Teaching units are not required to extend staff fees for noncredit courses, self-sustaining workshops, or self-supported credit courses.
9. Eligibility of employees on furlough or lay-off status is subject to applicable collective bargaining agreements.
10. No tuition shall be assessed to courses enrolled in by employees with a grading option of 'audit'. Attendance under such condition must be with the instructor's consent and on a space-available basis. Institutions are required to maintain a record of the courses audited. Courses approved for audit by the instructor confer no credit to the student, are not charged staff fee rates or regular tuition, and may be used in addition to staff fee privileges during a term. Any applicable course, lab or material fees associated with auditing for-credit classes will be assessed by the institution and is the responsibility of the family member. This provision cannot be subdivided in conjunction with the Employee Family Member and Domestic Partner Transfer provisions.
11. The benefit may be utilized at any Oregon University System institution.

### ***Graduate Assistants***

Graduate students appointed by the University of Oregon as Graduate Teaching Fellows (GTFs), including as graduate teaching assistants and graduate research assistants, are paid at established institutional salary rates and are exempt from the payment of tuition at the University of Oregon up to the first 16 credits per term subject to institutional policy. Appointment as a GTF may not be for less than .20 FTE for the term of appointment.

The tuition will be assessed to the employing account or department within the university, not to exceed the graduate resident, full-time student tuition per term. When a GTF is authorized to exceed 16 credits per term, the university shall charge the GTF the resident overload tuition for the excess credits. GTFs appointed at .20 FTE and above are exempt from payment of tuition and of fees for self-support courses that are required for the completion of the degree for up to 16 credit hours taken in any quarter to which the appointment applies.

Students with academic year GTF appointments may be eligible for a summer tuition waiver if they meet the criteria outlined on the Graduate School website. GTFs are assessed mandatory enrollment fees, a portion of which is subsidized by the institution.

### ***Resident Oregon Senior Citizen Program***

The Senior Citizen Program is designed for persons not seeking credit or working toward a degree. If credit is sought, charges for special materials or fees, if any, will be assessed according to applicable tuition schedules and records will be maintained. Self-support classes are excluded from this benefit and Incidental Fee services are not available. Oregon resident senior citizens, age 65 or older, may attend classes on a space-available basis.

### ***Auditors***

Students enrolled in a combination of credit and audit courses or audit only will be assessed for the total credits under the credit tuition and fee schedule appropriate to their classification and residency.

### ***University/School Partnership Co-Pay Program***

School districts having contracts with the university to supervise educator professionals preparing for Oregon licensure may exercise these provisions.

#### ***Earning the Co-Pay***

For each permissible activity provided under contract with a cooperating district, a district earns a co-pay privilege to register any licensed educational professional employed by the district at the university co-pay fee rate. The rate should be one-third of the tuition charged for the course. Institutions with current contractual obligations may elect to defer compliance of the rate until expiration of the existing contract.

A "co-pay privilege" allows one individual to register for up to 8 quarter credit hours in the term it is used. The total reduced fee credits awarded for practica and student teaching may not exceed 11 in a year, per each university student provided services by the district.

Supervised full-time student teaching: Co-pay privileges of 5 credit hours may be awarded for supervision of the final full-time student teaching per quarter. Student teaching is the culminating, full-time supervised teaching experience provided for students completing a program approved by the Teacher Standards and Practices Commission, leading to Initial Licensure in one or more of four authorizations: Early Childhood, Elementary, Middle, and High School; and specialty endorsements.

Experiential preparatory practica or part-time student teaching: Co-pay privileges of 3 credit hours may be awarded for supervision of students in experiential preparatory practica or part-time student teaching per academic quarter. These are practica assigned to or required of the student prior to or concurrent with student teaching and block practica and/or other miscellaneous practica offered by colleges and divisions of education for students completing a program approved by the Teacher Standards and Practices Commission, leading to Initial Licensure in one or more of four authorizations: Early Childhood, Elementary, Middle, and High School; and specialty endorsements.

#### ***Redeeming Reduced Fee Credits***

Earned co-pay privileges must be used by a licensed educator professional employed by the school district within five successive academic quarters (including summer session) following the quarter in which the supervision is provided, after which time the co-pay privilege is void.

The co-pay fee is applicable only up to 8 credit hours in any academic quarter for any one licensed educator professional, including summer session, even though the district may have earned two or more enrollment privileges, or if the licensed educator professional using the privilege enrolls for fewer than 8 credits.

Unused portions of an enrollment privilege may not be carried to another term or used by another teacher.

A co-pay privilege may be used during any academic term (including summer session) at the university to the extent that it has a teacher preparation program. The university may enter into “partnerships of trade” with any sister institution if they are willing to accept vouchers from other institutions.

The university may set limits on courses available for those redeeming vouchers/co-pays (for example, courses in summer session, distance education, continuing licensure, continuing/extended education). Each institution will indicate on the voucher the existence of restrictions.

The co-pay privilege may also be redeemed by an administrator, counselor, or other licensed educator professional in a cooperating district.

#### *Other Provisions*

If a licensed educator professional using a co-pay privilege registers for 8 hours or fewer and desires the in-residence services provided by the Health Service and Incidental Fee, the licensed educator professional may elect those services by paying the appropriate fee for the number of hours enrolled. If the licensed educator professional using the co-pay privilege registers for more than 8 credit hours, the first 8 hours may be taken at the institution’s co-pay rate. Hours in excess of 8 shall be at the appropriate credit hour rate (graduate or undergraduate, resident or nonresident) and the institution shall charge all enrollment fees applicable to the total number of hours for which the licensed educator professional is registering.

Each institution may, at its discretion, extend to the eligible district licensed educator professional other privileges such as use of the institution library, access to campus parking, and admission to campus events at faculty and staff rates, provided that such extended privileges do not exceed the benefits made available to the faculty and staff of the institution.

#### ***Other Remission Programs***

The university may create individual fee remission programs to address enrollment management and financial aid program needs. The President will report to the Board of Trustees on the creation of each program.

- Awards: Awards may vary in amount but cannot exceed the total cost of education.

## Fee Policies Specific to Summer Session

Tuition rates may be assessed based on undergraduate and graduate course designation or student classification.

Course level designations are generally defined as follows:

- Course numbers assigned 499 and below are assigned undergraduate fee rates.
- Course numbers assigned 500 and higher are assigned graduate fee rates.

Semester rates for students attending the University of Oregon Law programs are modified for the Summer Session program.

Tuition may be assessed on a per-credit hour basis or aligned to the preceding academic year structure. Staff, qualifying family/dependents, and graduate assistant fee privileges may be authorized during the Summer Session at the option of the university. If authorized, fees and study privileges shall conform to policies set forth in this Fee Book. Staff members or qualifying family/dependents who seek to use the staff fee privilege for courses away from their home institution are subject to corresponding fee policies of the instructing institution.

The Building Fee is assessed at \$34.00 per student as a mandatory charge to all students attending Summer Session classes. The Incidental Fee is based on recommendations and incidental fee guidelines of the university. The Summer Incidental Fee cannot exceed the per-term amount charged during the previous academic year.

The Health Service Fee is authorized based on institutional recommendations for the level of service to be provided during the summer. Summer fee rates cannot exceed the per term amount charged during the prior academic year. Institutions may choose to extend health services to students not enrolled for Summer Session, under the following conditions:

- A student had been enrolled in the prior academic year term and is expected to enroll in the subsequent academic year term; and
- The student pays the Summer Session Health Services Fee.

A student enrolled in a combination of credit and audit courses will be assessed for the total hours under the tuition and fee schedule appropriate to that individual's course or student level. If enrolled for audit courses only, the student will pay the same required fees as assessed for similar hours of for-credit classes.

The summer refund policy for course load reduction or withdrawal differs from the academic year policy; the policy can be found at

<http://brp.uoregon.edu/sites/brp/files/brp/fees/Fee%20Refund%20Schedule.pdf>

## **Refunds, Waivers, and Accounts Receivable Policies**

### ***Refund Policies***

Refund policies for course load reduction or withdrawal are subject to university policy and procedure. Refunds may be granted to students in accordance with the refund schedule at <http://brp.uoregon.edu/sites/brp/files/brp/fees/Fee%20Refund%20Schedule.pdf>

### ***Military Duty Refund Policy***

Any student with orders to report for active military duty may withdraw at any time during the term and receive a full refund. If sufficient course work has been accomplished and the instructor feels justified in granting credit for the course work completed, credit may be granted and no refund will be given.

### ***Waiver of Certain Student Fees***

Certain student fee charges may be waived when regulations of federal agencies or contract agreements preclude the assessment of those fees. Please contact the University of Oregon's Office of Business Affairs to determine which fee charges are eligible, if any, for this waiver.

### ***Institution Authority to Adjust Charges***

The President or designee may make tuition refunds and waive fines or charges that result from circumstances beyond the student's control or are for the best interest of the institution.

### ***Revolving Charge Agreement***

The University of Oregon has adopted a policy establishing a Revolving Charge Agreement which supersedes State Board rules. Transactions covered by the Plan may include (by way of description and not limitation) tuition, fees, housing charges and other obligations primarily involving students, including and fines and penalties, incurred by anyone.

The policy shall:

- Describe the interest to be charged, as well as service charges, collection and other fees and costs, if any, and penalties that would apply should an account become delinquent;
- Provide for an agreement to be signed by the obligor

### ***Interest on Overdue Accounts***

The University of Oregon charges simple interest on the total due amount not paid within the grace period. The annual rate is 9 percent. Periodic rate of interest is .75 percent per month, or fraction thereof, of the unpaid total due balance remaining on the account as of the tenth of the month.

## **Section 4.0**

**Board of Trustees of the University of Oregon**  
**Discussion of Policy on Retention and Delegation of Authority**  
**June 12-13, 2014**

Based on comment at its March meeting, the Board authorized a process by which a University Senate ad hoc committee would provide comments on the draft Policy on Retention and Delegation of Authority by April 30, 2014. The executive coordinator of the University Senate provided the Trustees with the results of the work of the ad hoc committee, including a revised draft policy and comments submitted by members of the university community, on May 7, 2014. The ad hoc committee materials may be found here:

<http://senate.uoregon.edu/content/ad-hoc-committee-delegation-authority-policy>

A draft motion adopting the policy is attached to this discussion item. A clean, revised version of the draft policy is attached as Exhibit A. A redlined version of the draft policy is attached as Exhibit B.

In producing the redlined version revised draft policy, revisions recommended by the ad hoc committee were accounted for in the following:

Page 1  Lines 25 to 29 Lines 31 to 32 Line 37	Page 2  Line 1 Lines 6 to 7 Lines 16 to 21 Lines 34 to 35 Line 42 Line 46	Page 3  Line 2 Line 40
Page 4  Line 4 Line 7 Lines 10 to 12 (with modifications)	Page 5  Lines 10 to 12 Lines 24 to 27 Line 47	Page 6  Line 1 Lines 11 to 13 (with modifications) Lines 19 to 21
Page 7  Lines 1 to 2	Page 8  Line 15 Lines 23 to 24 Line 29 Lines 33 to 35 Lines 41 to 43 Lines 46 to 48	

Additional changes to the redlined version of the revised draft policy were made to attempt to account for other comments as follows:

<p>Page 1</p> <p>Lines 6 to 22 Line 48</p>	<p>Page 2</p> <p>Line 1 to 2 Lines 22 to 32 Line 38</p>	<p>Page 4</p> <p>Line 42</p>
<p>Page 6</p> <p>Lines 16 to 17 Lines 24 to 34</p>	<p>Page 7</p> <p>Line 40</p>	<p>Page 8</p> <p>Lines 16-18</p>

The updated policy reflects several improvements over the previous version:

- **Preamble:** Starting with the preamble, the policy reflects greater clarity regarding the statutes governing the respective roles of the Board, President and Faculty.
- **Accountability:** The policy expressly states the legislative finding that the Board must act in the best interests of both the University and the State of Oregon as a whole.
- **Labor Relations:** Express provisions have been added to reflect Oregon law that neither the Board nor the President may alter a collective bargaining agreement. In addition, in accordance with the law and practice under the State Board of Higher Education, the policy provides for the chief executive officer to be responsible for collective bargaining.
- **Tuition and Fees:** Both the Board's role and the role of the recognized student government have been clarified to ensure compliance with Oregon law, in particular regarding the incidental fee.
- **Student Conduct:** In keeping with current State Board policy, authority for student conduct has been delegated to the President, who must take into account the views of students, faculty, and others. The Board also affirms the importance of active student involvement in the deliberative and decision-making processes.
- **Faculty Authority:** The authority of the faculty is clarified to account for the statutes that govern the respective roles of the three parties that share in the governance of the University. The policy expressly states that the faculty has primary authority over choice of method of instruction; subject matter to be taught; academic standards for admitting students; and standards of student competence in a discipline.
- **University Constitution:** The policy acknowledges the existing constitution ratified by President Lariviere in December 2011. The policy also affirms the importance of shared governance in higher

education and does not preclude the faculty or the UO senate from establishing and defining the charge of faculty or senate committees.

- **Higher Education Coordinating Commission:** The policy recognizes the University's obligation to abide by the statutory authority of the HECC to approve "any significant change in the university's academic programs."

## **Board of Trustees of the University of Oregon**

### **Motion on Policy on Retention and Delegation of Authority**

Whereas, Sections 2, 2a, 2b, 3, 5, 8 to 18, 164, 165, 169 and 170 of Senate Bill 270 and the amendments to statutes and session laws by sections 24, 25, 28 to 37, 40 to 162 and 176 to 178 of Senate Bill 270 and the repeal of statutes by section 163 of Senate Bill 270 become operative on July 1, 2014.

Whereas, Section 172 of Senate Bill 270 provides that the State Board of Higher Education (State Board) and the Board of Trustees of the University of Oregon (Board of Trustees) may take any action before the operative date that is necessary for the State Board and the Board of Trustees to exercise on and after the operative date all of the duties, functions and powers conferred on the State Board and the Board of Trustees by Senate Bill 270.

Whereas, as provided in ORS 352.029, the Board of Trustees manages the affairs of the university by exercising and carrying out all of the powers, rights and duties that are expressly conferred upon the board by law, or that are implied by law or are incident to such powers, rights and duties.

Whereas, as provided in ORS 352.107, the Board of Trustees may establish policies for the organization, administration and development of the university which, to the extent set forth in those policies, shall have the force of law and may be enforced through university procedures that include an opportunity for appeal and in any court of competent jurisdiction.

Whereas, as provided in ORS 352.107, the Board of Trustees may perform any other acts that in the judgment of the Board are required, necessary or appropriate to accomplish the rights and responsibilities granted to the board and the university by law.

Whereas, as provided in ORS 352.146, the president and professors constitute the faculty and as such have the immediate government and discipline of a university with a governing board and the students therein, except as otherwise provided by law or action of the Board of Trustees. The faculty may, subject to the supervision of the Board and ORS 352.089 prescribe the course of study to be pursued in the university and the textbooks used.

Now, therefore, the Board of Trustees of Oregon adopts the Policy on Retention and Delegation of Authority attached hereto as Exhibit A.

**### Record of Vote Follows ###**

Moved by \_\_\_\_\_

Seconded by \_\_\_\_\_

Trustee	Yes	No
Connie Ballmer		
Peter Bragdon		
Rudy Chapa		
Andrew Colas		
Ann Curry		
Sam Dotters-Katz		
Allyn Ford		
Susan Gary		
Joseph Gonyea III		
Ross Kari		
Chuck Lillis		
Ginevra Ralph		
Mary Wilcox		
Kurt Willcox		

Dated this \_\_\_\_ day of \_\_\_\_\_, 2014.

1 **Board of Trustees of the University of Oregon**  
2 **Policy on Retention and Delegation of Authority**

3  
4 **Preamble**

5  
6 As provided in ORS 352.025, the Legislative Assembly has found that the State of Oregon will benefit  
7 from having public universities with governing boards that provide transparency, public accountability  
8 and support for the university and act in the best interests of both the university and the State of  
9 Oregon as a whole.

10  
11 As provided in ORS 352.029, the Board of Trustees manages the affairs of the university by exercising  
12 and carrying out all of the powers, rights and duties that are expressly conferred upon the board by law,  
13 or that are implied by law or are incident to such powers, rights and duties.

14  
15 As provided in ORS 352.107, the Board of Trustees may perform any other acts that in the judgment of  
16 the Board are required, necessary or appropriate to accomplish the rights and responsibilities granted to  
17 the board and the university by law.

18  
19 As provided in ORS 352.096, the president of the university is the president of the faculty. The president  
20 is also the executive and governing officer of the university, except as otherwise provided by statute or  
21 action of the governing board. Subject to the supervision of the governing board, the president of the  
22 university has authority to direct the affairs of the university.

23  
24 As provided in ORS 352.146, the president and professors constitute the faculty and as such have the  
25 immediate government and discipline of a university with a governing board and the students therein,  
26 except as otherwise provided by law or action of the Board of Trustees. The faculty may, subject to the  
27 supervision of the Board and ORS 352.089 prescribe the course of study to be pursued in the university  
28 and the textbooks used.

29  
30 Nothing in this Policy affects any collective bargaining agreement entered into prior to the adoption of  
31 this Policy.

32  
33 **1.0 Authority of the Board of Trustees; Appointment of the President of the University**

34  
35 1.1 Board Authority. The Board of Trustees is the final University authority and has full control of  
36 the University and its property of various kinds. The Board may take any and all Board actions as it  
37 determines necessary or appropriate to the extent permitted by law. Board actions have precedence  
38 over other policies, standards, directives and other actions of the University and its constituent parts.  
39 Any policies, standards, directives and other actions of the University and its constituent parts shall be  
40 consistent with Board actions. To the extent permitted by law, The Board may review and intervene in  
41 any and all aspects of the University; modify any policy, standard, or directive; amend or rescind any  
42 existing policy, standard or directive; and enact and issue such policies, standards and directives as it  
43 deems proper for the University. The Board shall adopt a mission statement for the University in  
44 consultation with the faculty, students and staff members.  
45

1 1.2 Appointment of the President of the University. As provided in ORS 352.096, in consultation  
2 with the Governor, or the Governor's designee, the Board shall appoint and employ a President of the  
3 University. Except in the case of an interim or acting president, the hiring committee for the president of  
4 the University shall include representatives of the university community and at least one other president  
5 of a public university based in Oregon. The President reports exclusively to the Board, and the Board  
6 supervises the President. The Board shall prescribe the President's compensation and terms and  
7 conditions of employment and is responsible for the reappointment or removal of the President. The  
8 President shall perform such duties as are assigned by the Board. Except as otherwise provided by law  
9 or Board action, the President is the executive and governing officer of the University and President of  
10 the faculty. The President shall, from time to time, report to the Board all significant matters within the  
11 President's knowledge related to the affairs of the University.

12  
13 1.3 University Budget. The Board shall adopt the budget of the University.

14  
15 1.4 Tuition and Fees.

16  
17 1.4.1 The Board shall determine tuition and mandatory enrollment fees in accordance with  
18 ORS 352.102, ORS 352.105, and other applicable law.

19 1.4.2 The incidental fee is a mandatory enrollment fee. The recognized student government  
20 will, in consultation with the President, establish a process for requesting the amount of  
21 the incidental fee, all uses of the proceeds of the incidental fee, and the modification of  
22 the existing incidental fee.

23 1.4.3 The amount of the incidental fee, uses of the proceeds of the incidental fee, and a  
24 decision to modify the existing incidental fee may be refused by the Board or the  
25 President if the Board or President determines that: (a) the recognized student  
26 government assessed or allocated the mandatory incidental fees in violation of  
27 applicable local, state or federal law; or (b) The allocation conflicts with a preexisting  
28 contractual financial commitment; or (c) the total mandatory incidental fees budget is  
29 an increase of more than five percent over the level of the previous year; or (d) the  
30 request is not advantageous to the cultural or physical development of students.

31 1.4.4 The mandatory incidental fee, use of the fee or decision to modify an existing fee may  
32 not be refused by the Board or the President based on considerations about the point of  
33 view that the funding seeks to advance.

34 1.4.5 The President determines all other fees, fines and charges, after providing notice to the  
35 Board. In arriving at a determination of fees, fines and charges, the President shall  
36 consult with employees and students as the President deems appropriate.

37  
38 1.5 Student Conduct. The Board has the authority to establish written standards of student conduct  
39 in consultation with the President, faculty and students.

40  
41 1.6 Employees and Volunteers.

42  
43 1.6.1 The Board has the authority, subject to any collective bargaining agreements, to appoint  
44 and employ any instructional, research, administrative, professional, trade, occupational  
45 and other personnel as are necessary or appropriate and establish their compensation  
46 and other terms and conditions of employment. The Board also has the authority to

1 appoint volunteers as necessary or appropriate and establish the terms and conditions  
2 of the activities of such appointed volunteers. The Board has delegated the authority  
3 described in this subsection as set forth in Board actions.  
4

5 1.6.2 Subject to any collective bargaining agreements, the Board has the authority to  
6 establish written codes of conduct for instructional, research, administrative,  
7 professional, trade, occupational and other personnel, including volunteers.  
8

9 1.7 Business and Administrative Affairs. The Board retains authority for the following:  
10

11 1.7.1 The approval of the naming of University buildings or outdoor areas in recognition of  
12 individuals or organizations.

13 1.7.2 The approval of the execution of instruments relating to real property where the  
14 anticipated cost or value to the University exceeds \$5,000,000.

15 1.7.3 The approval of the appointment of external auditors.

16 1.7.4 The approval of a capital project budget that is anticipated to exceed \$5,000,000,  
17 including for architects, construction managers, engineers and other professional  
18 consultants; and approval of any increase to a capital project budget that causes the  
19 total of all increases to the capital project budget to exceed \$5,000,000.

20 1.7.5 The approval of the execution of instruments relating to any borrowing or debt finance  
21 transactions which are or may be in excess of \$5,000,000, singularly or in the aggregate.

22 1.7.6 The approval of the execution of instruments relating to any shares, stock or other  
23 equity or interests in or obligations of any entity other than the University in excess of  
24 \$5,000,000, unless the shares, stock or other equity or interests in or obligations of the  
25 entity are publicly traded or provided through the State Treasurer, University of Oregon  
26 Foundation or a brokerage firm, investment bank, depository or other licensed firm.

27 1.7.7 Consent to the encumbrance of University real property by the State of Oregon.

28 1.7.8 The approval of the execution of any other instruments, including but not limited to  
29 instruments related to the acquisition, disposal or provision of goods and services,  
30 where the anticipated cost or value to the University exceeds \$5,000,000; and approval  
31 of any increase or decrease in cost or value that causes the total of all increases or  
32 decreases in cost or value to exceed \$5,000,000. When the ultimate aggregate cost to  
33 the University is not known in advance for instruments relating to the acquisition,  
34 disposal or provision of goods or services on a continuing or intermittent basis (e.g.  
35 rental, service, or supply contracts), the amounts set forth in this paragraph shall be  
36 calculated on an annual basis.

37 1.7.9 The approval of the execution of any instrument that the President, Treasurer, Chair of  
38 the Board of Trustees, or a majority of the Trustees deems appropriate for consideration  
39 by the Board or a Board committee, so long as the instrument has not been executed.  
40

41 1.8 Academic Programs; Degrees; Admissions.  
42

43 1.8.1 The Board has the authority to establish, eliminate, control or substantially reorganize  
44 academic programs and units of operation. Any significant change in the University's  
45 academic programs as defined by the Higher Education Coordinating Commission must  
46 be approved by the Board prior to submission to the Commission.

- 1  
2 1.8.2 The Board confers academic degrees, certificates and other forms of recognition upon  
3 the recommendation of the faculty. Such academic degrees, certificates and other forms  
4 of recognition are granted in the name of the Board of Trustees of the University of  
5 Oregon and are executed by the Board Chair and the University President. The Board  
6 reserves the right to review and approve the granting of any degree, certificate or  
7 recognition. The Board shall have the exclusive authority to approve honorary degrees.  
8
- 9 1.8.3 The Board has the authority to establish standards, qualifications, policies and practices  
10 relating to admission to study at the University and the curriculum, grading, credits,  
11 scholarships, and academic standards of the University. Except as set forth in law or  
12 Board action, the faculty (the "president and professors") has the immediate  
13 government and discipline of the university and the students therein and the authority  
14 to prescribe the course of study to be pursued in the University and the textbooks to be  
15 used. The faculty shall have primary authority over choice of method of instruction;  
16 subject matter to be taught; academic standards for admitting students; and standards  
17 of student competence in a discipline.  
18
- 19 1.9 Gifts. The Board retains authority for the acceptance of the following gifts:  
20
- 21 1.9.1 Gifts that create obligations on the part of the University for which there is no  
22 established funding source.
- 23 1.9.2 Gifts with a value exceeding \$5,000,000 which involve: (1) Construction of facilities not  
24 previously approved; or (2) Non-traditional investment assets (such as real estate, debt  
25 instruments, closely held stock, partnership interests, permanent insurance policies,  
26 royalties, copyrights, licenses, and other illiquid assets); provided that gifts described in  
27 this subsection with a value between \$1,000,000 and \$5,000,000 will be reported to the  
28 Board of Trustees quarterly.
- 29 1.9.3 A gift requiring naming of a University building or outdoor area.
- 30 1.9.4 Any other gift that the President, Treasurer, or a majority of the Board of Trustees  
31 deems appropriate for Board consideration.
- 32 1.9.5 Current gifts of non-traditional investment assets, charitable lead trusts where the  
33 University is to act as trustee, bargain sale gifts of property, and partial interest gifts.
- 34 1.9.6 Deferred gifts, if the University is to act as trustee or custodian of the deferred gift.
- 35 1.9.7 Gifts of real estate, interests in real estate, or gifts of debt instruments secured by real  
36 estate from other than the University of Oregon Foundation. The Treasurer shall  
37 determine in each such case, including when the gift is from the University of Oregon  
38 Foundation, whether a hazardous waste inquiry or other due diligence is required, and  
39 the scope and extent of such inquiry. The President and the Treasurer, in consultation  
40 with the Vice President for Advancement, shall establish further policies and procedures  
41 regarding evaluation of gifts of real estate, as may be necessary or desirable from time  
42 to time.  
43
- 44 1.10 Gifts to the University of Oregon Foundation. Gifts to the University of Oregon Foundation shall  
45 be accepted by the University of Oregon Foundation in accordance with then-current agreements  
46 between the University and the Foundation (as may be amended from time to time).

1  
2 **2.0 Policies, Standards and Directives**

3  
4 2.1 Governing Documents. The University shall have the following governing documents:

5  
6 2.1.1 Bylaws of the University of Oregon, policies, standards, directives and other actions  
7 approved by the Board of Trustees or a committee of the Board as appropriate ("Board  
8 actions").

9 2.1.2 Policies, standards and directives approved by the President of the University regarding  
10 matters within the authority of the President ("Presidential actions").

11 2.1.3 A University Constitution as described in this policy by which the President, professors  
12 and University constituencies shall exercise their shared governance roles in accordance  
13 with ORS Chapter 352.

14  
15 2.2 Force of Law; Emergency and Temporary Actions. Board actions shall have the force of law to  
16 the extent set forth therein. Emergency and temporary Presidential actions may have the force of law to  
17 the extent set forth therein. Any Board action or Presidential action that is intended to have the force of  
18 law must include an opportunity for appeal.

19  
20 2.3 Enforcement. Any Board action or Presidential action may be enforced by the University through  
21 internal procedures and in any court of competent jurisdiction. All Board actions and Presidential actions  
22 are binding on University employees, students, volunteers, contractors and members of the public,  
23 except as set forth therein.

24  
25 2.4 Public Notice. Except for emergency and temporary Board actions and Presidential actions,  
26 meeting materials and public notice shall be provided according to the Oregon Public Meetings Law.

27  
28 2.5 Posting. After approval, emergency and temporary Board actions and Presidential actions shall  
29 be posted on the University website in a manner reasonably calculated to provide public notice of the  
30 approval.

31  
32 **3.0 Authority of the President of the University**

33  
34 3.1 Executive and Governing Officer; Delegation. The President of the University is the executive  
35 and governing officer of the University, except as otherwise provided by statute or Board actions.  
36 Subject to the supervision of the Board and Board action, the President shall direct the affairs of the  
37 University. The authorities and responsibilities of the President of the University include, but are not  
38 limited to, the authorities and responsibilities set forth in and modified by section 1.0 and this section  
39 3.0, and the President may delegate any authorities and responsibilities, except as provided by Board  
40 actions. Any delegation must be consistent with Board actions. The President remains responsible for  
41 the proper functioning of the University, notwithstanding any delegation.

42  
43 3.2 Policies, Standards and Directives; Consultation. The President of the University shall formulate,  
44 prescribe and issue Presidential actions regarding matters within the authority of the President when  
45 the Board or the President deems it necessary or appropriate. Any Presidential actions are subordinate  
46 to and must be consistent with Board actions. In carrying out these duties, the President shall consult

1 with the faculty, other employees, and students as deemed appropriate by the President. Consultation  
2 shall not remove from the President the authority and the responsibility vested in the President by law  
3 and Board actions.

4  
5 3.3 Emergency and Temporary Actions; Technical Corrections. The President of the University shall  
6 establish emergency and temporary policies, standards and directives when the Board or the President  
7 deems it necessary or appropriate. Such policies, standards and directives may have the scope and force  
8 of Board actions and must be reported to the Board expeditiously. Pursuant to expedited procedures,  
9 the President of the University may amend Board actions and Presidential actions in order to correct  
10 typographical errors, make address or formatting changes, or clarify language without changing their  
11 effect. Such amendments must be reported to the Board quarterly. The President may make expedited  
12 repeals of Board actions (upon notice to the Board) and Presidential actions, provided that expedited  
13 repeals of Board actions must be ratified at the next Board or Executive Committee meeting.

14  
15 3.4 Committees, Councils and Advisory Groups. The President of the University shall establish and  
16 define the charge of any and all University committees, councils, and advisory groups, except as  
17 provided in Board action. The establishment and charge of any and all University committees, councils  
18 and advisory groups shall be consistent with law and Board actions. The recommendations and reports  
19 of all committees, councils and advisory groups shall be made to the President. The President shall  
20 inform the Executive Committee of the Board regarding significant recommendations and reports  
21 related to the affairs of the University.

22  
23 3.5 Students. Subject to Board action, the President is responsible for development and  
24 administration of University policies and rules governing the role of students and their conduct. In  
25 carrying out this responsibility, the President shall take into account the views of students, faculty, and  
26 others. The guidelines for student conduct which set forth prohibited conduct and provide for  
27 appropriate disciplinary hearings and sanctions for violations of institutional rules must be consistent  
28 with standards of procedural fairness. The Board recognizes and affirms the importance of active  
29 student involvement in the deliberative and decision-making processes.

30  
31 3.6. University Personnel.

32  
33 3.6.1 The President of the University shall act for the Board of Trustees regarding all  
34 personnel and employment matters, including labor relations and approval of collective  
35 bargaining agreements. Subject to Board action, the President has the exclusive  
36 authority to and shall establish necessary or appropriate written policies, standards and  
37 directives covering all employees not represented by a collective bargaining  
38 organization and necessary or appropriate written policies, standards and directives  
39 covering employees represented by a collective bargaining organization, subject to any  
40 legal obligation to negotiate the terms and conditions of such policies, standards and  
41 directives with the exclusive representative of the relevant bargaining unit.

42  
43 3.6.2 In a manner consistent with applicable state law and applicable collective bargaining  
44 agreements, the President may appoint any instructional, research, administrative,  
45 professional, trade, occupational and other personnel as are necessary or appropriate  
46 and establish their compensation and other terms and conditions of employment.

1  
2 3.6.3 The President may appoint volunteers as necessary or appropriate and establish the  
3 terms and conditions of the activities of such appointed volunteers.  
4

5 3.7 Research Grants and Contracts. The President of the University shall act for the Board of  
6 Trustees regarding grants and contracts for research, development, service, and training. However, a  
7 quarterly report to the Board is required for each initial contract or grant award that exceeds  
8 \$5,000,000, and when any increase or decrease to a contract or grant award causes the total of all  
9 increases or decreases to the contract or grant award to exceed \$5,000,000.  
10

11 3.8 Execution and Administration of University Affairs. Except as provided by Board action, the  
12 President of the University shall act for the Board regarding the execution and administration of  
13 instruments and the affairs of the University. Notwithstanding the dollar limits specified in section 1.0  
14 above, the President shall act for the Board of Trustees regarding the execution and administration of all  
15 instruments, business affairs, and operations relating to:  
16

17 3.8.1 Acquisition of electricity, natural gas, sewer, water, and all other utility services;

18 3.8.2 Subcontracts for collaborative research entered into in furtherance of sponsored  
19 research programs.

20 3.8.3 The acquisition of goods and services made by participating in contracts entered into by  
21 group purchasing organizations or pursuant to collaborative purchasing initiatives with  
22 public or non-profit entities.

23 3.8.4 The acquisition of fixtures, equipment and furnishings that are included in capital  
24 project budgets that have been authorized by the Board of Trustees.

25 3.8.5 The acquisition of goods and services for sponsored research programs when the source  
26 of the goods or services is directed by the sponsor, or the sponsor retains title to the  
27 goods acquired.

28 3.8.6 The settlement of claims or lawsuits brought against the University.

29 3.8.7 The acquisition of insurance or self-insurance.

30 3.8.8 Leases and licenses of real property and modifications thereto of up to 20 years.

31 3.8.9 Deferred gift assets.

32 3.8.10 Real property acquired through gift or devise from the University of Oregon Foundation;

33 3.8.10 The protection of the University's interests, property and operations in an emergency.

34 3.8.12 Actions and execution of documents necessary to establish legal entities, controlled by  
35 the University, through which the University may conduct business;

36 3.8.13 The selection of depositories and investments.

37 3.8.14 The execution of instruments or the conduct of business affairs where approval by the  
38 Board or a Board committee is impractical due to time or other constraints. The  
39 President shall submit a report of any actions taken pursuant to this delegation to the  
40 Board of Trustees or its Executive Committee on or before the next regularly scheduled  
41 meeting.  
42

43 3.9 Legal Action. The President of the University shall act for the Board of Trustees regarding all  
44 legal action necessary or appropriate to protect the interests of the University. However, no litigation  
45 shall be instituted against a public entity or official or in exercise of the power of eminent domain

1 without approval by the Board of Trustees. The Board Chair may authorize the institution of other  
2 litigation.

3  
4 3.10 Gifts. Subject to Board action, the President of the University shall act for the Board of Trustees  
5 regarding all current and deferred gifts to the University, including gifts to establish quasi-endowed or  
6 permanently endowed funds. Notwithstanding any delegation by the President, a gift with unusual  
7 terms or conditions affecting an academic program shall be accepted only with the concurrence of the  
8 President to the proposed terms or conditions. The proceeds of any gift, devise, bequest, or contribution  
9 received by the University shall be administered in accordance with the intention of the donor and any  
10 directions of the Board of Trustees in accepting the gift. Wherever possible, the University of Oregon  
11 Foundation shall manage gifts. The President of the University is authorized to act for the Board of  
12 Trustees regarding the disposition of gifts.

13  
14 3.11 Fees, Fines and Charges. Subject to Board action and applicable laws, the President of the  
15 University shall establish fees, fines, and charges after providing notice to the Board. In arriving at a  
16 determination of fees, fines and charges, the President shall consult with employees and students as the  
17 President deems appropriate. The President shall enforce the collection of tuition, mandatory  
18 enrollment fees, other fees, fines, charges, and all other amounts due to the University.

#### 19 20 **4.0 Authority of the Faculty**

21  
22 4.1 Role of the Faculty. As provided in ORS 352.146, the faculty, which consists of the President and  
23 the professors, has:

24  
25 4.1.1 The immediate government and discipline of the university and the students therein,  
26 except as otherwise provided by law or action of the Board.

27  
28 4.1.2 The authority, subject to the supervision of the Board, to prescribe the course of study  
29 to be pursued in the University and the textbooks to be used.

30  
31 4.2 The President and the Professors. The President and the professors constitute the faculty. The  
32 President of the University is the president of the faculty. Shared governance, as a principle in American  
33 higher education, is embedded in longstanding practices, and reflects the regard for all stakeholders in  
34 the academic endeavors of the University.

35  
36 4.3 Higher Education Coordinating Commission. Any significant change in the University's academic  
37 programs as defined by the Higher Education Coordinating Commission must be approved by the Board  
38 prior to submission to the Commission.

39  
40 4.4 University Constitution. The faculty has adopted a University Constitution which was ratified by  
41 the President in 2011. A University Constitution, and any amendments to it, must be consistent with law  
42 and Board actions.

43  
44 4.5 Modification. A University Constitution is subject to modification as set forth therein or by  
45 the Board of Trustees in consultation with the President and the professors consistent with  
46 applicable law.

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**5.0 Channel of Authority**

The faculty and officers and employees of the University shall, through appropriate channels, be responsible to the President of the University and through the President to the Board of Trustees, except that the Treasurer, General Counsel and Secretary are responsible to the Board in relation to the business of the Board.

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**Board of Trustees of the University of Oregon  
Policy on Retention and Delegation of Authority**

**Preamble**

As provided in ORS 352.025, the Legislative Assembly has found that the State of Oregon will benefit from having public universities with governing boards that provide transparency, public accountability and support for the university and act in the best interests of both the university and the State of Oregon as a whole.

As provided in ORS 352.029, the Board of Trustees manages the affairs of the university by exercising and carrying out all of the powers, rights and duties that are expressly conferred upon the board by law, or that are implied by law or are incident to such powers, rights and duties.

As provided in ORS 352.107, the Board of Trustees may perform any other acts that in the judgment of the Board are required, necessary or appropriate to accomplish the rights and responsibilities granted to the board and the university by law.

As provided in ORS 352.096, the president of the university is the president of the faculty. The president is also the executive and governing officer of the university, except as otherwise provided by statute or action of the governing board. Subject to the supervision of the governing board, the president of the university has authority to direct the affairs of the university.

As provided in ORS 352.146, the president and professors constitute the faculty and as such have the immediate government and discipline of a university with a governing board and the students therein, except as otherwise provided by law or action of the Board of Trustees. The faculty may, subject to the supervision of the Board and ORS 352.089 prescribe the course of study to be pursued in the university and the textbooks used.

Nothing in this Policy affects any collective bargaining agreement entered into prior to the adoption of this Policy.

**1.0 Authority of the Board of Trustees; Appointment of the President of the University**

1.1 Board Authority. The Board of Trustees is the final University authority and has full control of the University and its property of various kinds. The Board may take any and all Board actions as it determines necessary or appropriate- to the extent permitted by law. Board actions have precedence over other policies, standards, directives and other actions of the University and its constituent parts. Any policies, standards, directives and other actions of the University and its constituent parts shall be consistent with Board actions. To the extent permitted by law, The Board may review and intervene in any and all aspects of the University; modify any policy, standard, or directive; amend or rescind any existing policy, standard or directive; and enact and issue such policies, standards and directives as it deems proper for the University. The Board shall adopt a mission statement for the University in consultation with the faculty, students and staff members.

1.2 Appointment of the President of the University. ~~As~~ As provided in ORS 352.096, in consultation with the Governor, or the Governor's designee, the Board shall appoint and employ a President of the

1 University. Except in the case of an interim or acting president, the hiring committee for the president of  
2 the University shall include representatives of the university community and at least one other president  
3 of a public university based in Oregon. The President reports exclusively to the Board, and the Board  
4 supervises the President. The Board shall prescribe the President's compensation and terms and  
5 conditions of employment and is responsible for the reappointment or removal of the President. The  
6 President shall perform such duties as are assigned by the Board. Except as otherwise provided by law  
7 or Board action, the President is the executive and governing officer of the University- and President of  
8 the faculty. The President shall, from time to time, report to the Board all significant matters within the  
9 President's knowledge related to the affairs of the University.

10  
11 1.3 University Budget. The Board shall adopt the budget of the University.

12  
13 1.4 Tuition and Fees. ~~The Board shall determine tuition and mandatory enrollment fees (including~~  
14 ~~incidental fees) for students who are enrolled in a degree program. The President determines all other~~  
15 ~~fees, fines and charges, after providing notice to the Board.~~

16  
17 1.4.1 The Board shall determine tuition and mandatory enrollment fees in accordance with  
18 ORS 352.102, ORS 352.105, and other applicable law.

19 1.4.2 The incidental fee is a mandatory enrollment fee. The recognized student government  
20 will, in consultation with the President, establish a process for requesting the amount of  
21 the incidental fee, all uses of the proceeds of the incidental fee, and the modification of  
22 the existing incidental fee.

23 1.4.3 The amount of the incidental fee, uses of the proceeds of the incidental fee, and a  
24 decision to modify the existing incidental fee may be refused by the Board or the  
25 President if the Board or President determines that: (a) the recognized student  
26 government assessed or allocated the mandatory incidental fees in violation of  
27 applicable local, state or federal law; or (b) The allocation conflicts with a preexisting  
28 contractual financial commitment; or (c) the total mandatory incidental fees budget is  
29 an increase of more than five percent over the level of the previous year; or (d) the  
30 request is not advantageous to the cultural or physical development of students.

31 1.4.4 The mandatory incidental fee, use of the fee or decision to modify an existing fee may  
32 not be refused by the Board or the President based on considerations about the point of  
33 view that the funding seeks to advance.

34 1.4.5 The President determines all other fees, fines and charges, after providing notice to the  
35 Board. In arriving at a determination of fees, fines and charges, the President shall  
36 consult with employees and students as the President deems appropriate.

37  
38 1.5 Student Conduct. The Board has the authority to establish written standards of student conduct  
39 in consultation with the President, faculty and students.

40  
41 1.6 Employees and Volunteers.

42  
43 1.6.1 The Board has the ~~ultimate~~ authority, subject to any collective bargaining agreements,  
44 to appoint and employ any instructional, research, administrative, professional, trade,  
45 occupational and other personnel as are necessary or appropriate and establish their  
46 compensation and other terms and conditions of employment. The Board also has the  
47 ~~ultimate~~ authority to appoint volunteers as necessary or appropriate and establish the

1 terms and conditions of the activities of such appointed volunteers. The Board has  
2 delegated the authority described in this subsection as set forth in Board actions.

3  
4 | 1.6.2 ~~The~~Subject to any collective bargaining agreements, the Board has the authority to  
5 establish written codes of conduct for instructional, research, administrative,  
6 professional, trade, occupational and other personnel, including volunteers.

7  
8 1.7 Business and Administrative Affairs. The Board retains authority for the following:

9  
10 1.7.1 The approval of the naming of University buildings or outdoor areas in recognition of  
11 individuals or organizations.

12 1.7.2 The approval of the execution of instruments relating to real property where the  
13 anticipated cost or value to the University exceeds \$5,000,000.

14 1.7.3 The approval of the appointment of external auditors.

15 1.7.4 The approval of a capital project budget that is anticipated to exceed \$5,000,000,  
16 including for architects, construction managers, engineers and other professional  
17 consultants; and approval of any increase to a capital project budget that causes the  
18 total of all increases to the capital project budget to exceed \$5,000,000.

19 1.7.5 The approval of the execution of instruments relating to any borrowing or debt finance  
20 transactions which are or may be in excess of \$5,000,000, singularly or in the aggregate.

21 1.7.6 The approval of the execution of instruments relating to any shares, stock or other  
22 equity or interests in or obligations of any entity other than the University in excess of  
23 \$5,000,000, unless the shares, stock or other equity or interests in or obligations of the  
24 entity are publicly traded or provided through the State Treasurer, University of Oregon  
25 Foundation or a brokerage firm, investment bank, depository or other licensed firm.

26 1.7.7 Consent to the encumbrance of University real property by the State of Oregon.

27 1.7.8 The approval of the execution of any other instruments, including but not limited to  
28 instruments related to the acquisition, disposal or provision of goods and services,  
29 where the anticipated cost or value to the University exceeds \$5,000,000; and approval  
30 of any increase or decrease in cost or value that causes the total of all increases or  
31 decreases in cost or value to exceed \$5,000,000. When the ultimate aggregate cost to  
32 the University is not known in advance for instruments relating to the acquisition,  
33 disposal or provision of goods or services on a continuing or intermittent basis (e.g.  
34 rental, service, or supply contracts), the amounts set forth in this paragraph shall be  
35 calculated on an annual basis.

36 1.7.9 The approval of the execution of any instrument that the President, Treasurer, Chair of  
37 the Board of Trustees, or a majority of the Trustees deems appropriate for consideration  
38 by the Board or a Board committee, so long as the instrument has not been executed.

39  
40 1.8 Academic Programs; Degrees; Admissions.

41  
42 | 1.8.1 The Board has the ~~ultimate~~ authority to establish, eliminate, control or substantially  
43 reorganize academic programs and units of operation. Any significant change in the  
44 University's academic programs as defined by the Higher Education Coordinating  
45 Commission must be approved by the Board prior to submission to the Commission.  
46

1 1.8.2 The Board confers academic degrees, certificates and other forms of recognition upon  
2 the recommendation of the faculty. Such academic degrees, certificates and other forms  
3 of recognition are granted in the name of the Board of Trustees of the University of  
4 Oregon and are executed by the Board Chair and the University President. The Board  
5 reserves the right to review and approve the granting of any degree, certificate or  
6 recognition. The Board shall have the exclusive authority to approve honorary degrees.  
7

8 1.8.3 The Board has the ~~ultimate~~ authority to establish standards, qualifications, policies and  
9 practices relating to admission to study at the University and the curriculum, grading,  
10 credits, scholarships, and academic standards of the University. Except as set forth in  
11 law or Board action, the ~~Board has delegated to the~~ faculty (the "president and  
12 professors") has the immediate government and discipline of the university and the  
13 students therein and the authority to prescribe the course of study to be pursued in the  
14 University and the textbooks to be used. The faculty shall have primary authority over  
15 choice of method of instruction; subject matter to be taught; academic standards for  
16 admitting students; and standards of student competence in a discipline.  
17

18 1.9 Gifts. The Board retains authority for the acceptance of the following gifts:  
19

20 1.9.1 Gifts that create obligations on the part of the University for which there is no  
21 established funding source.

22 1.9.2 Gifts with a value exceeding \$5,000,000 which involve: (1) Construction of facilities not  
23 previously approved; or (2) Non-traditional investment assets (such as real estate, debt  
24 instruments, closely held stock, partnership interests, permanent insurance policies,  
25 royalties, copyrights, licenses, and other illiquid assets); provided that gifts described in  
26 this subsection with a value between \$1,000,000 and \$5,000,000 will be reported to the  
27 Board of Trustees quarterly.

28 1.9.3 A gift requiring naming of a University building or outdoor area.

29 1.9.4 Any other gift that the President, Treasurer, or a majority of the Board of Trustees  
30 deems appropriate for Board consideration.

31 1.9.5 Current gifts of non-traditional investment assets, charitable lead trusts where the  
32 University is to act as trustee, bargain sale gifts of property, and partial interest gifts.

33 1.9.6 Deferred gifts, if the University is to act as trustee or custodian of the deferred gift.

34 1.9.7 Gifts of real estate, interests in real estate, or gifts of debt instruments secured by real  
35 estate from other than the University of Oregon Foundation. The Treasurer shall  
36 determine in each such case, including when the gift is from the University of Oregon  
37 Foundation, whether a hazardous waste inquiry or other due diligence is required, and  
38 the scope and extent of such inquiry. The President and the Treasurer, in consultation  
39 with the Vice President for Advancement, shall establish further policies and procedures  
40 regarding evaluation of gifts of real estate, as may be necessary or desirable from time  
41 to time.  
42

43 1.10 Gifts to the University of Oregon Foundation. Gifts to the University of Oregon Foundation shall  
44 be accepted by the University of Oregon Foundation in accordance with then-current agreements  
45 between the University and the Foundation (as may be amended from time to time).  
46  
47

1 **2.0 Policies, Standards and Directives**

2  
3 2.1 Governing Documents. The University shall have the following governing documents:

- 4  
5 2.1.1 Bylaws of the University of Oregon, policies, standards, directives and other actions  
6 approved by the Board of Trustees or a committee of the Board as appropriate ("Board  
7 actions").  
8 2.1.2 Policies, standards and directives approved by the President of the University regarding  
9 matters within the authority of the President ("Presidential actions").  
10 2.1.3 A ~~constitution~~University Constitution as described in this policy by which the President,  
11 professors and University constituencies shall exercise their shared governance roles in  
12 accordance with ORS Chapter 352.

13  
14 2.2 Force of Law; Emergency and Temporary Actions. Board actions shall have the force of law to  
15 the extent set forth therein. Emergency and temporary Presidential actions may have the force of law to  
16 the extent set forth therein. Any Board action or Presidential action that is intended to have the force of  
17 law must include an opportunity for appeal.

18  
19 2.3 Enforcement. Any Board action or Presidential action may be enforced by the University through  
20 internal procedures and in any court of competent jurisdiction. All Board actions and Presidential actions  
21 are binding on University employees, students, volunteers, contractors and members of the public,  
22 except as set forth therein.

23  
24 2.4 Public Notice. Except for emergency and temporary Board actions and Presidential actions, ~~all~~  
25 ~~Board actions~~meeting materials and ~~Presidential actions shall be approved in a manner reasonably~~  
26 ~~calculated to provide~~ public notice ~~of shall be provided according to the proposed and final~~  
27 ~~approval~~Oregon Public Meetings Law.

28  
29 2.5 Posting. After approval, emergency and temporary Board actions and Presidential actions shall  
30 be posted on the University website in a manner reasonably calculated to provide public notice of the  
31 approval.

32  
33 **3.0 Authority of the President of the University**

34  
35 3.1 Executive and Governing Officer; Delegation. The President of the University is the executive  
36 and governing officer of the University, except as otherwise provided by statute or Board actions.  
37 Subject to the supervision of the Board and Board action, the President shall direct the affairs of the  
38 University. The authorities and responsibilities of the President of the University include, but are not  
39 limited to, the authorities and responsibilities set forth in and modified by section 1.0 and this section  
40 3.0, and the President may delegate any authorities and responsibilities, except as provided by Board  
41 actions. Any delegation must be consistent with Board actions. The President remains responsible for  
42 the proper functioning of the University, notwithstanding any delegation ~~by him or her.~~

43  
44 3.2 Policies, Standards and Directives; Consultation. The President of the University shall formulate,  
45 prescribe and issue Presidential actions regarding matters within the authority of the President when  
46 the Board or the President deems it necessary or appropriate. Any Presidential actions are subordinate  
47 to and must be consistent with Board actions. In carrying out these duties, the President ~~should~~shall

1 | consult with the faculty, other employees, and students as deemed appropriate by the President, ~~but it~~  
2 | is. Consultation shall not ~~intended that consultation shall~~ remove from the President the authority and  
3 | the responsibility vested in the President by law and Board actions.  
4 |

5 | 3.3 Emergency and Temporary Actions; Technical Corrections. The President of the University shall  
6 | establish emergency and temporary policies, standards and directives when the Board or the President  
7 | deems it necessary or appropriate. Such policies, standards and directives may have the scope and force  
8 | of Board actions and must be reported to the Board expeditiously. Pursuant to expedited procedures,  
9 | the President of the University may amend Board actions and Presidential actions in order to correct  
10 | typographical errors, make address or formatting changes, or clarify language without changing their  
11 | effect. Such amendments must be reported to the Board quarterly. The President may make expedited  
12 | repeals of Board actions (upon notice to the Board) and Presidential actions, provided that expedited  
13 | repeals of Board actions ~~are contemporaneously reported to the Board and~~ must be ratified at the next  
14 | Board or Executive Committee meeting.  
15 |

16 | 3.4 Committees, Councils and Advisory Groups. The President of the University shall establish and  
17 | define the charge of any and all University committees, councils, and advisory groups, except as  
18 | provided in Board action. The establishment and charge of any and all University committees, councils  
19 | and advisory groups shall be consistent with law and Board actions. The recommendations and reports  
20 | of all committees, councils and advisory groups shall be made to the President. The President shall  
21 | inform the Executive Committee of the Board regarding significant recommendations and reports  
22 | related to the affairs of the University.  
23 |

24 |  
25 | ~~3.5 — Students. Subject to Board action, the President of the University shall act for the Board of~~  
26 | ~~Trustees in relation to all matters pertaining to students, the student body and other matters incident~~  
27 | ~~thereto.~~  
28 |

29 | 3.5 Students. Subject to Board action, the President is responsible for development and  
30 | administration of University policies and rules governing the role of students and their conduct. In  
31 | carrying out this responsibility, the President shall take into account the views of students, faculty, and  
32 | others. The guidelines for student conduct which set forth prohibited conduct and provide for  
33 | appropriate disciplinary hearings and sanctions for violations of institutional rules must be consistent  
34 | with standards of procedural fairness. The Board recognizes and affirms the importance of active  
35 | student involvement in the deliberative and decision-making processes.  
36 |

37 | 3.6. University Personnel.  
38 |

39 | 3.6.1 The President of the University shall act for the Board of Trustees regarding all  
40 | personnel and employment matters, including labor relations and approval of collective  
41 | bargaining agreements. Subject to Board action, the President has the exclusive  
42 | authority to and shall establish necessary or appropriate written policies, standards and  
43 | directives covering all employees not represented by a collective bargaining  
44 | organization and necessary or appropriate written policies, standards and directives  
45 | covering employees represented by a collective bargaining organization, subject to any  
46 | legal obligation to negotiate the terms and conditions of such policies, standards and  
47 | directives with the exclusive representative of the relevant bargaining unit.

1  
2 | 3.6.2 ~~The~~In a manner consistent with applicable state law and applicable collective bargaining  
3 agreements, the President may appoint any instructional, research, administrative,  
4 professional, trade, occupational and other personnel as are necessary or appropriate  
5 and establish their compensation and other terms and conditions of employment.  
6

7 3.6.3 The President may appoint volunteers as necessary or appropriate and establish the  
8 terms and conditions of the activities of such appointed volunteers.  
9

10 3.7 Research Grants and Contracts. The President of the University shall act for the Board of  
11 Trustees regarding grants and contracts for research, development, service, and training. However, a  
12 quarterly report to the Board is required for each initial contract or grant award that exceeds  
13 \$5,000,000, and when any increase or decrease to a contract or grant award causes the total of all  
14 increases or decreases to the contract or grant award to exceed \$5,000,000.  
15

16 3.8 Execution and Administration of University Affairs. Except as provided by Board action, the  
17 President of the University shall act for the Board regarding the execution and administration of  
18 instruments and the affairs of the University. Notwithstanding the dollar limits specified in section 1.0  
19 above, the President shall act for the Board of Trustees regarding the execution and administration of all  
20 instruments, business affairs, and operations relating to:  
21

22 3.8.1 Acquisition of electricity, natural gas, sewer, water, and all other utility services;

23 3.8.2 Subcontracts for collaborative research entered into in furtherance of sponsored  
24 research programs.

25 3.8.3 The acquisition of goods and services made by participating in contracts entered into by  
26 group purchasing organizations or pursuant to collaborative purchasing initiatives with  
27 public or non-profit entities.

28 3.8.4 The acquisition of fixtures, equipment and furnishings that are included in capital  
29 project budgets that have been authorized by the Board of Trustees.

30 3.8.5 The acquisition of goods and services for sponsored research programs when the source  
31 of the goods or services is directed by the sponsor, or the sponsor retains title to the  
32 goods acquired.

33 3.8.6 The settlement of claims or lawsuits brought against the University.

34 3.8.7 The acquisition of insurance or self-insurance.

35 3.8.8 Leases and licenses of real property and modifications thereto of up to 20 years.

36 3.8.9 Deferred gift assets.

37 3.8.10 Real property acquired through gift or devise from the University of Oregon Foundation;

38 3.8.10 The protection of the University's interests, property and operations in an emergency.

39 3.8.12 Actions and execution of documents necessary to establish legal entities, controlled by  
40 the University, through which the University may conduct business;

41 | 3.8.13 ~~Selection~~The selection of depositories and investments.

42 3.8.14 The execution of instruments or the conduct of business affairs where approval by the  
43 Board or a Board committee is impractical due to time or other constraints. The  
44 President shall submit a report of any actions taken pursuant to this delegation to the  
45 Board of Trustees or its Executive Committee on or before the next regularly scheduled  
46 meeting.  
47

1 3.9 Legal Action. The President of the University shall act for the Board of Trustees regarding all  
2 legal action necessary or appropriate to protect the interests of the University. However, no litigation  
3 shall be instituted against a public entity or official or in exercise of the power of eminent domain  
4 without approval by the Board of Trustees. The Board Chair may authorize the institution of other  
5 litigation.  
6

7 3.10 Gifts. Subject to Board action, the President of the University shall act for the Board of Trustees  
8 regarding all current and deferred gifts to the University, including gifts to establish quasi-endowed or  
9 permanently endowed funds. Notwithstanding any delegation by the President, a gift with unusual  
10 terms or conditions affecting an academic program shall be accepted only with the concurrence of the  
11 President to the proposed terms or conditions. The proceeds of any gift, devise, bequest, or contribution  
12 received by the University shall be administered in accordance with the intention of the donor and any  
13 directions of the Board of Trustees in accepting the gift. Wherever possible, the University of Oregon  
14 Foundation shall manage gifts. The President of the University is authorized to act for the Board of  
15 Trustees regarding the disposition of gifts.  
16

17 3.11 Fees, Fines and Charges. Subject to Board action and applicable laws, the President of the  
18 University shall establish fees, fines, and charges after providing notice to the Board. In arriving at a  
19 determination of fees, fines and charges, the President shall consult with employees and students as the  
20 President deems appropriate. The President shall enforce the collection of tuition, mandatory  
21 enrollment fees, other fees, fines, charges, and all other amounts due to the University.  
22

#### 23 **4.0 The Authority of the Faculty**

24

25 4.1 Role of the Faculty. ~~Except as set forth~~ As provided in law or Board action ORS 352.146, the  
26 faculty, which consists of the President and the professors, has:  
27

28 4.1.1 The immediate government and discipline of the university and the students therein,  
29 except as otherwise provided by law or action of the Board.  
30

31 4.1.2 The authority, subject to the supervision of the Board, to prescribe the course of study  
32 to be pursued in the University and the textbooks to be used.  
33

34 4.2 The President and the Professors. The President and the professors constitute the faculty. The  
35 President of the University is the president of the faculty. Shared governance, as a principle in American  
36 higher education, is embedded in longstanding practices, and reflects the regard for all stakeholders in  
37 the academic endeavors of the University.  
38

39 4.3 Higher Education Coordinating Commission. Any significant change in the University's academic  
40 programs as defined by the Higher Education Coordinating Commission must be approved by the Board  
41 prior to submission to the Commission.  
42

43 4.4 Faculty University Constitution. The faculty has adopted a ~~constitution~~, University Constitution  
44 which is subject to ratification was ratified by the President ~~and approval by the Board of Trustees in~~  
45 2011. A ~~constitution~~ University Constitution, and any amendments to it, must be consistent with law and  
46 Board actions.  
47

1 | 4.5 Modification. ~~The faculty constitution~~A University Constitution is subject to modification as  
2 | set forth therein or by the Board of Trustees in consultation with the President and the professors  
3 | consistent with applicable law.  
4 |

5 | **5.0 Channel of Authority**  
6 |

7 | The faculty and officers and employees of the University shall, through appropriate channels, be  
8 | responsible to the President of the University and through the President to the Board of Trustees,  
9 | except that the Treasurer, General Counsel and Secretary are responsible to the Board in relation to the  
10 | business of the Board.

## **Section 5.0**

**Board of Trustees of the University of Oregon**  
**Discussion of Treasury Operations, Central Bank Procedures, Cash and Investment Operational**  
**Procedures, Liability Management Procedures and Adoption of Treasury Management Policy and**  
**Treasury Related Board Resolutions**  
**June 2014**

On July 1, 2014, the University of Oregon will assume management of the institution's treasury operations from the Oregon University System (OUS). As the University will no longer participate in the OUS central bank, it is necessary for the University to put a new comprehensive Treasury Management Policy in place. The proposed new Treasury Management Policy provides a strategic framework for three critical functions of the new treasury operations: (1) The Central Bank, (2) Cash and Investment Management, and (3) Liability Management.

Detailed operational guidelines are included in the Central Bank Procedures, Cash and Investment Operational Procedures, and Liability Management Procedures. These cover issues such as management of the central bank, roles and responsibilities, liquidity management, treasury risk management, central bank loans, selection of brokers and dealers, selection of investment managers, and depository banks, custody and trust and administration, permitted investments by tier, portfolio risk management, portfolio benchmarks, portfolio diversification, prohibited investments and investment practices, investment income distributions, and post-issuance compliance for tax-advantaged bonds.

In addition to the new Treasury Management Policy, there are three treasury related board resolutions that are being proposed. These are discussed in the "Summary of Treasury-related Resolutions" in this section of the docket.

There is also an information item about existing treasury management policies being rescinded by the President.

**It is recommended that the Board of Trustees adopt the Treasury Management Policy and adopt the resolutions discussed in the "Summary of Treasury-related Resolutions" in this section of the docket.**

**O** UNIVERSITY OF OREGON

# Treasury Operations

**June 12, 2014**

Karen Levear  
Director of Treasury Operations

**O** UNIVERSITY OF OREGON

## Agenda

- Overview of Treasury Operations functions
- Overview of the Central Bank concept
- Overview of treasury assets and liabilities
- Review draft of the proposed policy

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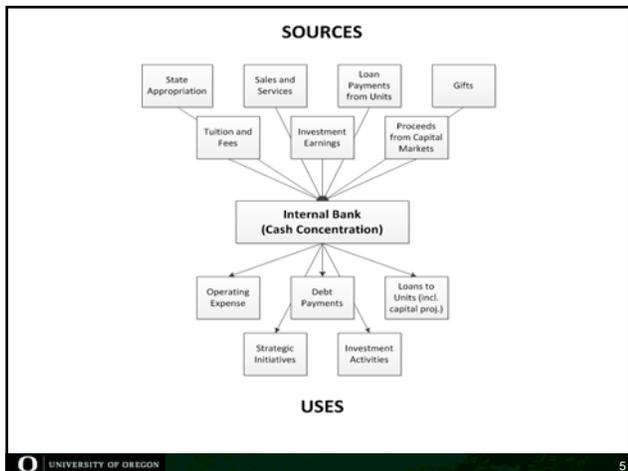
# TREASURY OPERATIONS

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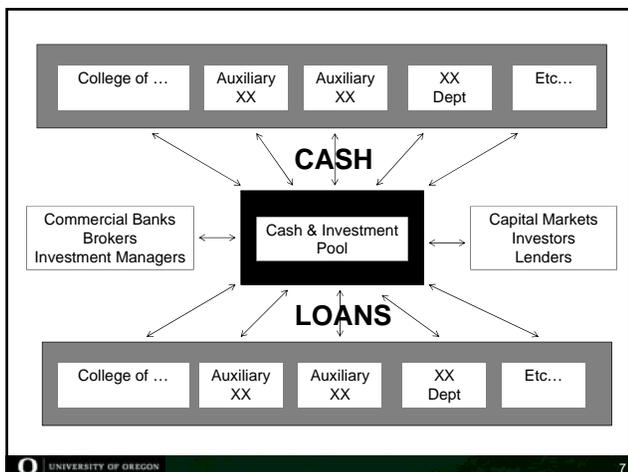
## Functional Responsibilities

1. Manage the short-term cash position so the University can meet its obligations
2. Manage long-term investments and long-term debt
3. Provide funding to capital projects that need to borrow funds and raise capital
4. Manage banking relationships
5. Guide payment system processes

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- ### Challenges for Treasury Management
- Efficient cash management
  - Timely access to capital to fund projects
  - Efficient and cost-effective access to the capital markets
  - Interest rate volatility may make critical capital projects unaffordable
- UNIVERSITY OF OREGON 6



- ### Central Bank Solutions
- Pooling cash creates efficiencies
  - Loans can be used to provide funding for capital projects on their timeline
  - The bank can use the university's cash to begin funding capital projects
  - The bank can wait until several loans have been advanced before accessing the bond market so the sale has sufficient size
  - The bank can make loans at the pooled cost of capital which creates a more stable borrowing rate
- UNIVERSITY OF OREGON 8

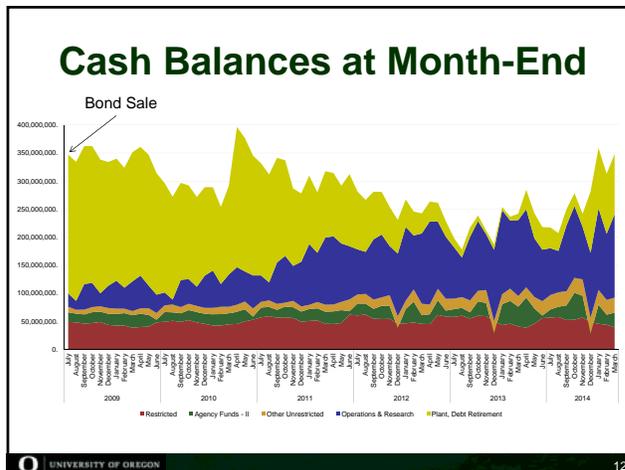
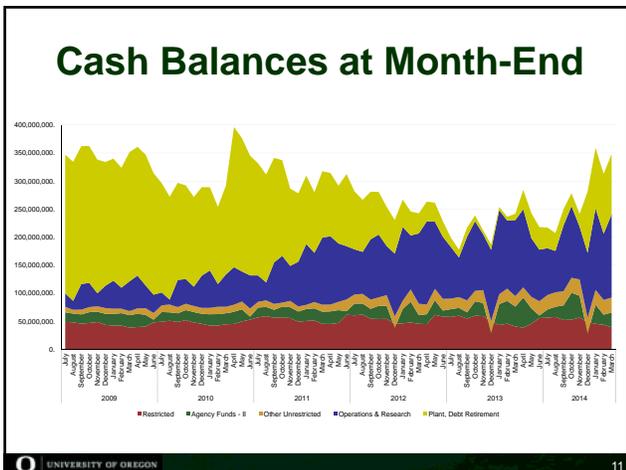
# CASH & INVESTMENTS

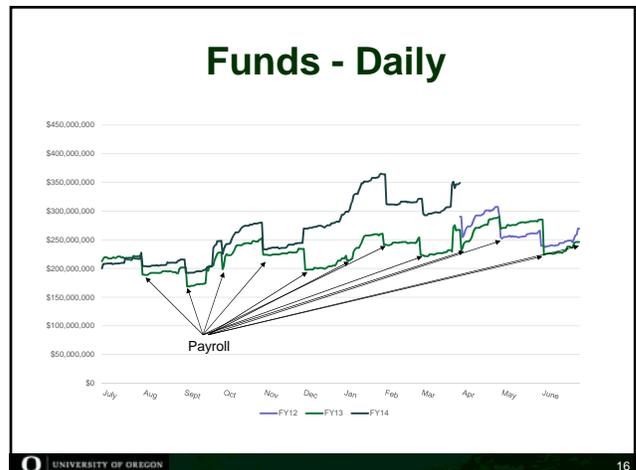
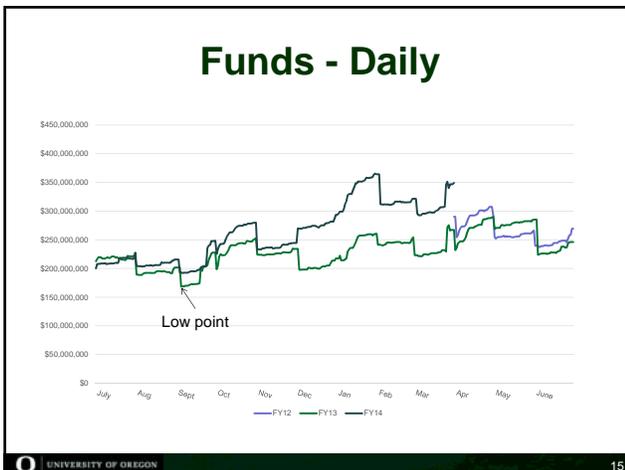
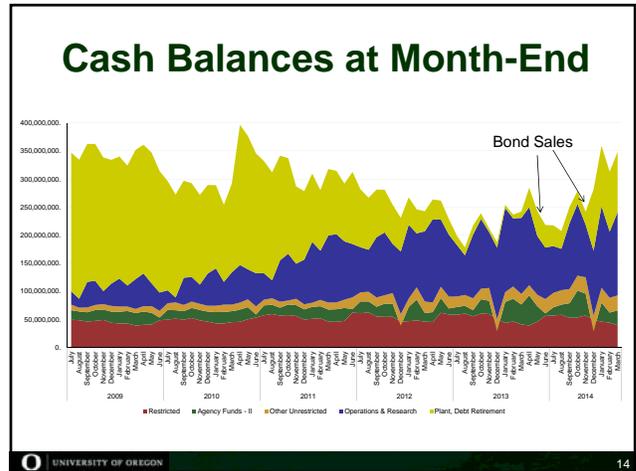
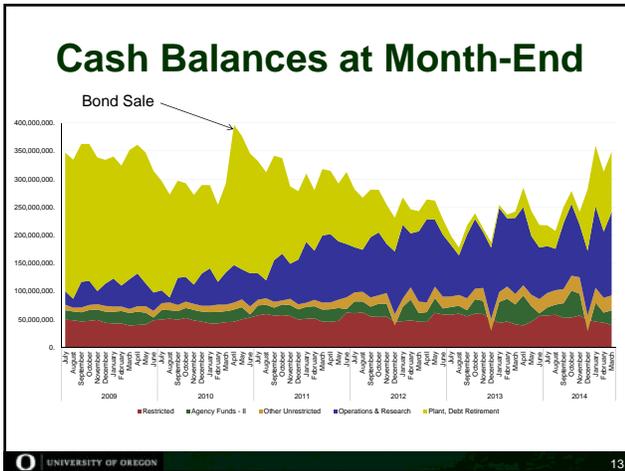
## How is the University's Cash Managed Now?

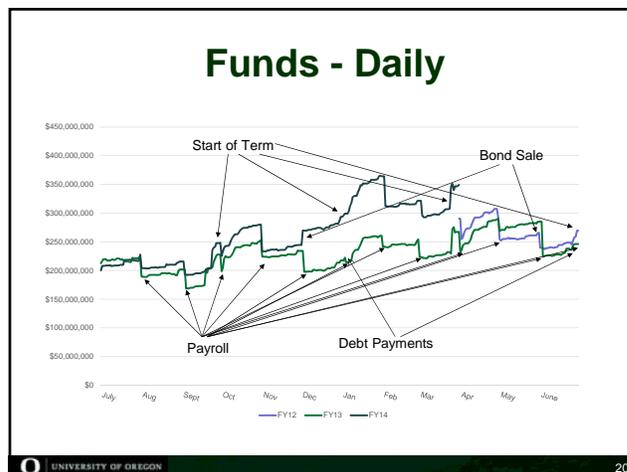
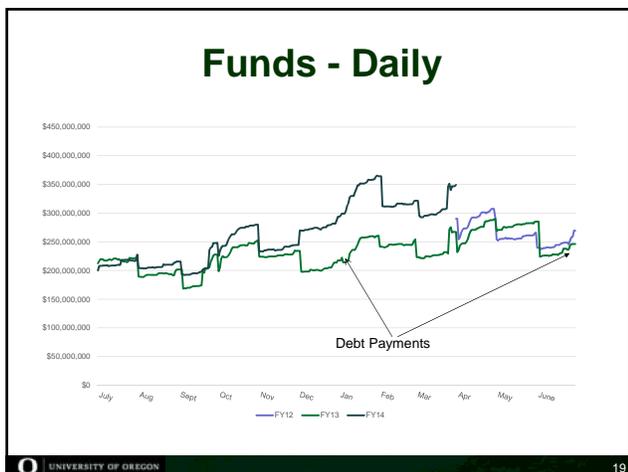
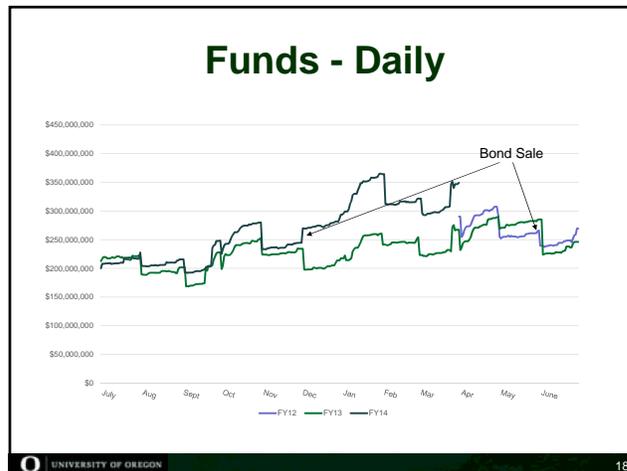
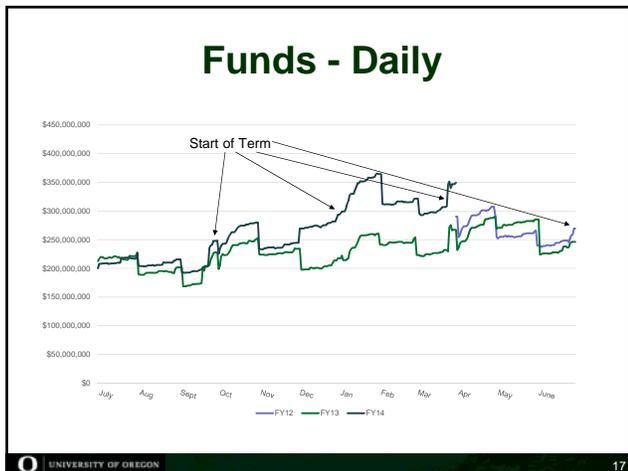
- All public university monies are pooled in the OUS Fund and held at state treasury
- Size varies but currently has about \$800 million

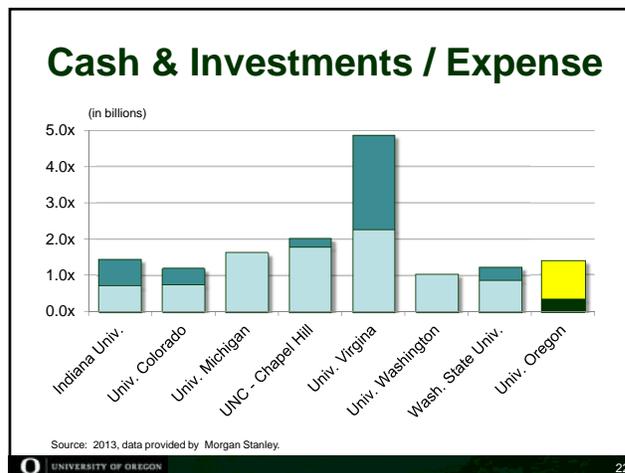
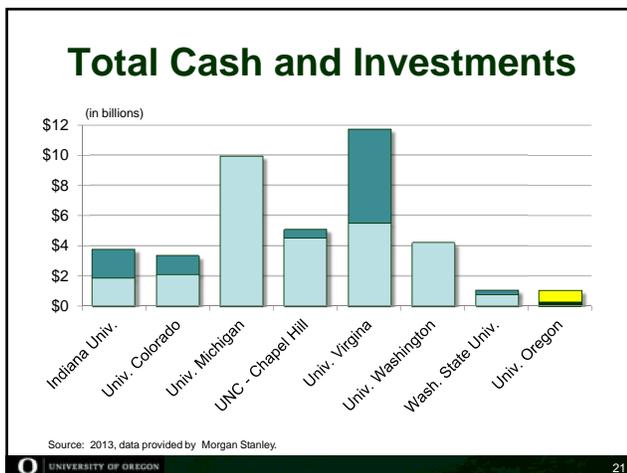
	1Q14 Yield	Alloc.
Short-term pool	0.54%	52%
Intermediate term pool	2.09%	15%
Fixed income portfolio	2.47%	27%
Short-term loans	3.16%	6%
<b>Weighted average</b>	<b>1.37%</b>	

Source: OUS Investment Distribution Summary, 1Q14









- ### Key Points
1. Cash and investments have been ranging between \$200 and \$250 million over the last 24 months and are often restricted
  2. Cash balances are:
    - Seasonal in nature
    - Funds for construction projects have a large impact on cash balances
    - The low point occurs right before fall term
    - Relatively predictable
  3. Cash balances come from fund balances held throughout the University

### DEBT/LIABILITIES

## Existing Types of State Debt

	Type	Agency	Purpose	Who Pays
Article XI	F(1)	OUS	Self-supporting, self-liquidating	University
	G	OUS	Ed & General; requires 100% match	State
	J	Energy	Small-scale energy loan program	Mixed
	M	DAS	Seismic	Not issued
	Q	DAS	Any capital purpose	Mixed
Revenue	Lottery	DAS	Any purpose	State
	Higher Ed	OUS	Any purpose	Not issued

- The legislature allocates bonds to projects it chooses
- All "Article" debt is backed by a general obligation pledge of the State
- Lottery bonds are backed by future lottery revenues
- Issuing agencies combine projects for each debt issuance



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## FY13-15 Authorized Bonds

### XI-F

Student Rec Center \$50.2 million (sold already)  
 Erb Memorial Union \$84.5 million (\$43.5 million remaining)  
 Housing Expansion \$84.7 million

### XI-Q (state paid)

Museum of Cultural History \$1.0 million  
 Tunnel repairs \$2.1 million  
 Capital renewal/DM \$8.1 million

### XI-G (state paid)

Straub & Earl Halls \$11 million (\$31 million total project)  
 Science Commons & Research Library \$8.4 million (\$16.8 total project)  
 SELP (XI-J bonds by Dept of Energy)  
 Straub Hall \$9 million (of the \$31 million total) which is 75% state-paid



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## Project Funding

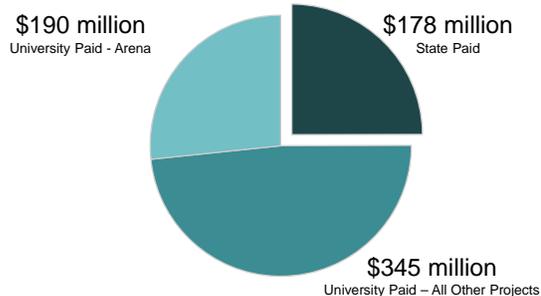
- In The Past
  - The legislature has chosen which capital projects to fund (even if completely university funded)
- In The Future
  - UO Board has authority to augment state bonds with university-backed revenue bonds, mortgages, other loans, etc... to fund capital projects
  - Issuing university-backed revenue bonds without the approval of the state treasurer means we can no longer request F-bonds
  - Can continue to request state-paid bonds (G, J, M, Q, lottery) of the legislature



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## Allocable Capital-Related Debt

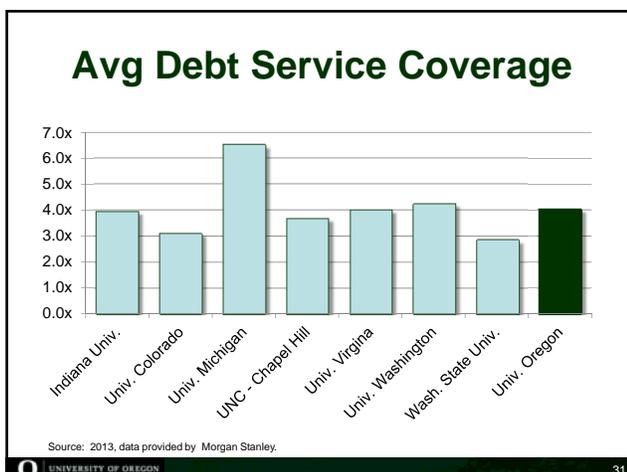
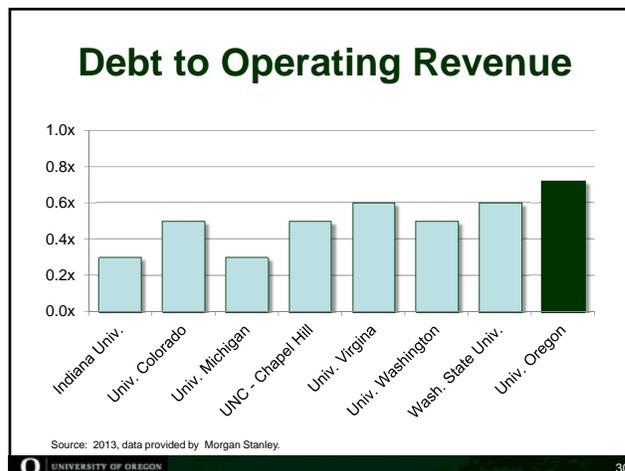
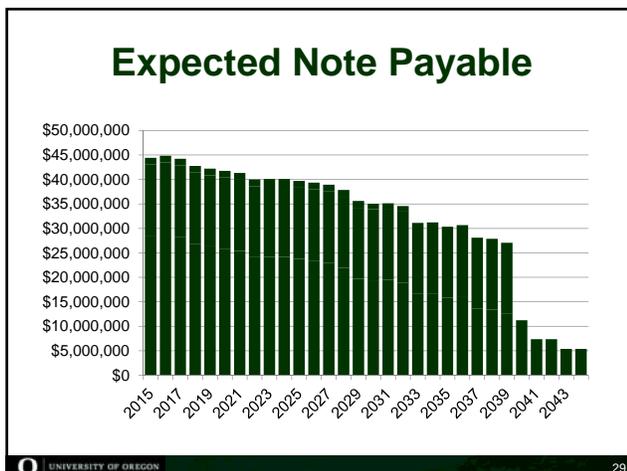


Source: OUS Debt Allocation, unaudited



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### Key Points

1. Debt service next year is expected to be almost \$45 million on approximately \$535 million of university-backed obligations
2. The state-paid portion of the debt is \$11.2 million per year on approximately \$178 million
3. We expect capital funding sources will shift to use more university-backed bonds

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## TREASURY MANAGEMENT POLICY



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## Policy Preamble

- Assets and liabilities will be managed in concert to further the mission of the University
- Risks are analyzed and managed within the context of the asset and liability portfolios using the central bank framework
- The Treasurer is expected to adhere to this policy and all applicable laws
- Requires a substantive annual report to be made to the Board (or designated subcommittee) plus a quarterly update
- Temporary exceptions to the policy are permitted if needed to protect University's assets from catastrophic loss or to limit risk
- Any changes to procedures will be provided to the Chair of the Finance & Facilities Committee as they occur



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## Central Bank: Guiding Principles

- The University will run its own “bank” to optimize these competing objectives within the University’s risk tolerances:
  - Meet the liquidity needs of the university
  - Maximize the return on investments
  - Minimize the cost of capital
- The central bank helps mitigate the impact of interest rate volatility for university projects



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## Key Points

- All capital projects requiring external funding will borrow from the university’s central bank
  - The Treasurer will establish the borrowing rate
  - The Treasurer may pay interest on fund balances
- The assets and liabilities of the central bank will be modeled and stress tested to ensure solvency and provide early warning of changes needed to the borrowing rate(s)
- Assets created by the central bank will be used to cover the costs of the internal bank and to further the strategic objectives of the university



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## Cash & Investments: Guiding Principles

- Use cash concentration to create a single Cash & Investment Pool
- Establish three investment tranches within the Pool
  - Each tranche has a separate objective and benchmark
  - Investment objectives balance safety and liquidity risk with expected yield/return

Cash & Investment Pool Objectives				
	Safety	Liquidity	Yield	Duration
Tier 1	Very Sure	Very High	Low/None	Short
Tier 2	Sure	Pretty High	Low/Modest	Modest
Tier 3	Moderate	Limited liquidity	High (over time)	Perpetual



## Key Points

- The Cash & Investment Pool will achieve market rates of return over an economic cycle
- Tranches may be restructured to take advantage of anticipated interest rate movements and other trends
- Engage outside expertise to advise on overall management of the Cash & Investment Pool
- Primary risks to evaluate include interest rate risk, credit risk, and liquidity risk



## Board Responsibilities

- The Board (or designated committee) must:
  - Approve any investment manager that is either not registered to conduct business in Oregon or not registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940
  - Approve the use of any depository that is unable to collateralize deposits
  - Approve the use of investment hedging instruments or other derivatives



## Liability Management: Guiding Principles

- Recognizes that debt may be used to carry out the mission and achieve the objectives of the University
- Overall objective is to minimize the cost of capital within the university's risk tolerances



## Key Points

- The Treasurer may take steps needed to reduce cost or bring debt into compliance without prior specific approval
- The base borrowing scenario is fixed-rate amortizing debt; all optionality will be measured against the base case
- A written program for post-issuance compliance for tax-exempt debt will be developed
- Though outside of our direct control, the Treasurer is expected to advocate in the University's best interest with respect to the existing state-backed bonds



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## Board Responsibilities

- The Board will authorize any financing transactions that exceed \$5 million
- Prior to authorizing the use of financing the Board will consider:
  - The impact of the new liability on achieving the University's mission
  - The cost of the new liability
  - The impact of the new liability on meeting the University's existing obligations



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## Policy Wrap-Up

- Assets and liabilities will be managed in concert and risks evaluated as a whole
- The Cash and Investment Pool will be managed by tier
- New liabilities need to be approved by the Board
- A report will be made to the Board annually that contains both quantitative and qualitative information
- The Board will receive quarterly updates



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## PROCEDURES



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**OTHER QUESTIONS?  
FURTHER DISCUSSION?**

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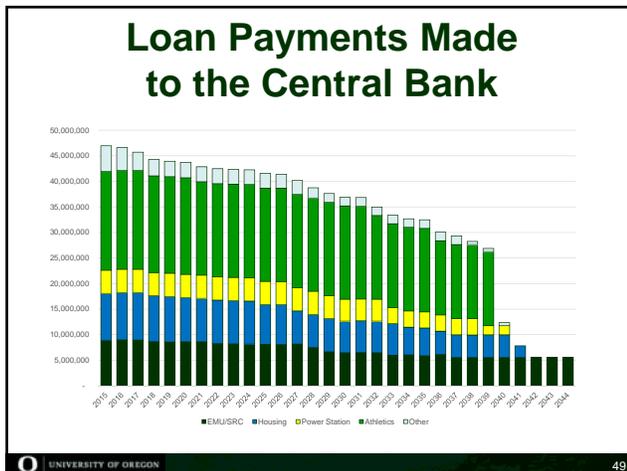
**INTERNAL LOANS**

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**Central Bank Loans**

- The UO central bank will assume all internal loans that the OUS central bank granted to UO operating units
- All loans terms remain the same
- All tax-exempt loans were made at 5.25%

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**Straub & Earl Halls Classroom Expansion**  
**\$11.0 million XI-G**  
**\$9.0 million SELP**  
**\$11.0 million match**

**Science Commons & Research Library**  
**\$8.4 million XI-G**  
**\$8.4 million match**

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**UNIVERSITY OF OREGON  
TREASURY MANAGEMENT POLICY**

The University's treasury assets and liabilities will be managed in concert to further the mission of the University. The Treasurer or designee (the "Treasurer") will:

- Manage cash, investments, short-term borrowings, and long-term liabilities within a central bank framework;
- Make a report to the Board or designated subcommittee (the "Board"), at least annually. The report will include:
  - Quantitative information including:
    - Investment performance of the tiers of the Cash & Investment Pool measured against appropriate benchmarks
    - The loan rate charged by the central bank
    - The long-term liability position of the University
  - An analysis of the risks in the central bank
  - Any financing transactions, in excess of \$5,000,000, that were authorized solely by the Treasurer as permitted in section 3.4 below
  - Any exceptions to this policy
  - A copy of the current treasury management procedures
  - Other relevant information as appropriate such as reports from the investment advisor or updates on emerging trends
- Make a quarterly interim report to the Board to provide an update on any debt or financing activity and to show recent trends in the balance of the Cash & Investment Pool;
- Adhere to this policy and all applicable laws;
- Delegate authority as needed to carry out the provisions of this policy effectively.

Due to the dynamic nature of financial markets, the Treasurer may make temporary exceptions to this policy in the event of significant market instability to preserve the University's assets or limit risk. Such actions will be reported to the Chair of the Finance & Facilities Committee (the "Committee") as soon as possible and to the full Board or designated subcommittee at the next regularly scheduled meeting. The Treasurer will notify the Chair of the Finance & Facilities Committee when substantive changes or additions are made to the treasury management procedures.

**1. THE CENTRAL BANK**

- 1.1. The central bank is a set of services run by the University. The central bank invests the University's cash balances, makes loans, and manages the University's debt and liabilities. The central bank, as directed by the Treasurer, may also pay interest for cash balances.
- 1.2. Over time, and within the University's risk tolerances, the central bank's purpose is to optimize the University's resources while balancing competing objectives to:
  - 1.2.1. Meet the liquidity needs of the University
  - 1.2.2. Maximize return on investments (within the University's risk tolerance)
  - 1.2.3. Minimize the cost of capital (within the University's risk tolerance)
- 1.3. The central bank provides a stable cost of capital to finance projects needed to meet the University's strategic objectives by lending money to various units within the University. The Treasurer shall establish the central bank loan rate.

- 1.4. The loan rate may be adjusted from time to time but should be set in such way that it can be expected to remain constant over time unless market conditions shift uncharacteristically over a persistent period of time.
- 1.5. The cash flows of the University will be analyzed and stress tested to ensure adequate liquidity is available to meet the University's obligations and to provide early warning of changes needed to the central bank's loan rate.
- 1.6. Uncommitted assets that are created by the operations of the central bank will be used to cover the costs of operating the central bank and other costs associated with managing treasury operations. Remaining uncommitted assets may be used for internal loans, short- or long-term investments, to hedge risks within the central bank, or for the President's other strategic initiatives.

## 2. CASH AND INVESTMENT MANAGEMENT

- 2.1. The University will consolidate its cash and reserve balances to increase efficiencies with regard to investment pricing, custody, and administration. Consolidation also helps manage investment risk and balances liquidity strategies with investment returns.
- 2.2. Investment income received, unless otherwise legally restricted, may be used, at the discretion of the Treasurer, to further the objectives of the University.
- 2.3. The University's consolidated cash and reserve balances will be divided into tiers based on expected liquidity needs and return objectives. Collectively, these tiers are known as the Cash and Investment Pool. Investment activities for all tiers will be guided by the objectives of safety, liquidity and return as described below:
  - 2.3.1. Safety – The investment portfolio seeks preservation of capital by minimizing credit risk and price volatility.
  - 2.3.2. Liquidity - The investment portfolio shall maintain sufficient liquidity to meet all disbursement requirements that may be reasonably anticipated. Short-term borrowings may be used to meet the liquidity needs of the University.
  - 2.3.3. Return - The investment portfolio shall be managed with the objective of attaining a market rate of return over the course of an economic cycle. Performance objectives will be established for each tier consistent with stated objectives.
- 2.4. The Treasurer will allocate funds among the tiers in a manner consistent with this policy's objectives, as outlined below, and will report at least annually how the Cash and Investment Pool is divided among these tiers. The priority of the policy objectives (safety, liquidity, and return) varies by tier:
  - 2.4.1. **Tier 1:** The Tier 1 portfolio will be used to meet the expected day-to-day obligations of the University including payroll, routine obligations, and debt service. The Tier 1 portfolio shall be invested in such a way to ensure that adequate liquidity exists to meet these obligations. Safety and liquidity are the primary objectives of this tier. The University's liquidity needs, cash forecast, and risk tolerance will be considered in determining the designated range of cash and investments held in this tier. When Tier 1 assets are exhausted, the Treasurer may use other assets of the University or borrow funds on a short-term basis to meet the obligations of the University.
  - 2.4.2. **Tier 2:** The Tier 2 portfolio will be used to hold funds that, while not needed to meet immediate obligations, are expected to be needed during the annual cash cycle. This portfolio may also contain funds for capital projects and to meet unanticipated liquidity needs. Safety is more important than liquidity for the Tier 2 portfolio. This portfolio can be invested over a somewhat longer time horizon than the Tier 1 portfolio and should, typically, provide better investment returns.

- 2.4.3.**Tier 3:** Remaining cash balances will be allocated to the Tier 3 portfolio. The Tier 3 portfolio represents cash balances that are not expected to be required to support operations, near term liquidity needs, or fund intermediate term projects, and therefore may be invested for an indefinite period of time much like a quasi-endowment. The primary objective of this tier is to maximize long-term real return commensurate with the risk tolerance of the University.
- 2.5. The Treasurer will evaluate the following primary risks as part of the investment management process:
- 2.5.1.**Interest Rate Risk** - The duration and maximum maturity will be limited by portfolio tier in order to manage the impact of interest rate volatility and other market factors on the Cash & Investment Pool.
- 2.5.2.**Credit Risk** – Published credit ratings and other public or private research and analysis may be used to evaluate credit risk and create different credit risk profiles for each tier.
- 2.5.3.**Liquidity Risk** - A target range for liquidity will be established and assets rebalanced on an ongoing basis to meet liquidity needs.
- 2.6. The Treasurer will engage an investment advisor to provide periodic advice to the Treasurer and the Finance & Facilities Committee regarding the University's investments.
- 2.7. The tiers of the Cash & Investment Pool are expected to achieve market rates of return over an economic cycle. Investment returns will be measured against appropriate benchmarks.
- 2.8. The Cash & Investment Pool will be actively managed and allow periodic restructuring of the investment portfolio to take advantage of current and anticipated interest rate movements and other trends.
- 2.9. The Board must approve any investment manager that is either not registered to conduct business in the State or Oregon or not registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940.
- 2.10. The Board must approve the use of any depository that is unable to collateralize deposits.
- 2.11. The Board must approve the University's use of investment hedging instruments and other derivatives.

### 3. LIABILITY MANAGEMENT

- 3.1. The University may use debt or other financing agreements to meet its strategic objectives.
- 3.2. The Board, or its designated Committee, must authorize debt transactions, financing agreements, hedging instruments, and other derivatives when the par or notional amount is greater than \$5,000,000.
- 3.3. Debt is a limited resource and when contemplating the use of debt, the Board will consider:
- 3.3.1. The impact of new liabilities on the University's ability to achieve its mission and strategic objectives;
- 3.3.2. The cost of the capital funding source; and
- 3.3.3. How the transaction affects the University's ability to meet its existing obligations
- 3.4. The Treasurer may conduct the following activities without specific Board approval:
- 3.4.1. Borrow for short-term liquidity needs (as outlined in section 2.4.1).
- 3.4.2. Enter into financing transactions for the purpose of mitigating the risk of existing obligations and/or reducing the overall cost of debt.
- 3.4.3. Enter into financing transactions for the purpose of maintaining compliance with the law or other requirements such as the federal tax code.
- 3.5. The structure of each financing transaction is critical and prior to finalizing the structure the Treasurer will:
- 3.5.1. Use tax-exempt fixed-rate amortizing debt as the base case financing assumption

- 3.5.2. Evaluate the benefit and risk of introducing alternative structures or optionality (e.g. variable-rate debt, bullet payments, puttable debt, tax-exempt vs. taxable debt) against the base case
- 3.5.3. Select the structure of debt that optimizes cost, risk, and institutional flexibility
- 3.6. Comply with all applicable laws and regulations and develop a written program for post-issuance compliance.
- 3.7. The Board acknowledges that a portion of the University's debt is made up of general obligation bonds, revenue bonds, and certificates of participation issued by the state of Oregon and therefore outside of the University's direct control. The Treasurer is expected to advocate in the University's best interest with respect to these obligations.

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**UNIVERSITY OF OREGON  
CENTRAL BANK PROCEDURES**

**Roles and Responsibilities**

The Treasurer will ensure that staff members responsible for managing the assets and liabilities of the central bank have appropriate expertise and ongoing training.

The Treasurer will periodically consult with an advisory group that includes staff, academic deans, and faculty with expertise in asset/liability management, public finance, investment management, and/or quantitative analysis. The advisory team may also include professional consultants or other subject matter experts. The advisory team will:

- review the business plan associated with capital projects over \$5 million that will rely upon university dollars for debt service and advise the Treasurer as to whether the underlying assumptions in the business plan are reasonable;
- discuss significant or new types of transactions being undertaken within the central bank and provide advice and counsel to the Treasurer regarding the contemplated transaction;
- be familiar with the guidelines of the Treasury Management Policy and may suggest changes to the Treasurer; and
- provide advice on other topics as requested by Treasurer.

**Liquidity Management**

The central bank will provide day-to-day liquidity for the university. The central bank may establish mechanisms, subject to Board approval as outlined in policy, to ensure that the university's obligations are met even in circumstances where there is insufficient cash to cover the obligation. Such overdrafts are considered routine and necessary to maximize the investment earnings of the university's Cash & Investment Pool. No short-term borrowing may be outstanding for more than 365 consecutive days.

**Treasury Risk Management**

Risk related to the optionality of assets and liabilities will be evaluated at least annually under various scenarios. The impact of such risks will be quantified and measured against the university's unrestricted net assets and net income. The analysis will include both a single year's analysis to assess the impact of an immediate event as well as a multi-year analysis to assess the impact of sustained economic stress on the university. At a minimum, the following risks will be evaluated:

- Market Rate Risk: The exposure to changing nominal interest rates and volatility and how such changes impact investment returns and the cost of capital
- Credit Risk: The exposure to changing credit ratings and credit spreads and how such changes impact investment returns and the cost of capital.
- Liquidity Risk: The exposure to uncommitted financings or liquidity market failures and how such changes impact the operations and reputation of the university and the impact on investment returns and cost of capital.
- Counterparty Risk: The exposure that arises when counterparties fail to perform and how such changes impact the operations and reputation of the university and the impact on investment returns and cost of capital.

- Tax Risk: Understanding how potential changes in tax law or the university's standing as a tax-exempt entity may impact investment returns and the cost of capital.

## **Central Bank Loans**

### **Loan Application**

Upon approval of a funding source for a capital project, the sponsoring department or functional area may obtain a loan from the central bank. The borrower will be asked to provide several documents including:

1. Evidence that the project's funding has been appropriately authorized
2. A description of the project
3. The project's budget
4. A schedule detailing funding requirements by month or quarter
5. An analysis showing the source, timing, and adequacy of the funds available to repay the loan

### **Permitted Loan Terms**

- The term of the borrowing will be commensurate with the life of the underlying capital asset but will not exceed 30 years
- Loans will generally have level annual payments that are paid in semi-annual installments during the fiscal year
- As of July 1, 2014, the central bank loan rate is 5.25% inclusive of any fees for 100%tax-exempt projects
- The rate increases depending on the level of taxable debt required

### **Expectations**

1. Borrowers will sign a loan agreement that states the terms of the loan.
2. Accounting for the expenditures of the project will be done in a manner to ensure compliance with IRS requirements for tax exempt institutions.
3. Borrowers are expected to spend moneys as indicated on the loan application but may work with the central bank to see if changes can be accommodated.
4. Borrowers will make payments as scheduled.
5. Borrowers will inform the central bank if any change in use of the financed building is contemplated. Changes in use include leasing all or a portion of the facility to a third party or permitting non-educational uses in the structure.
6. Prepayments may be negotiated with the central bank and, if possible, will generally be accommodated.

## **Management of the Central Bank**

- The Central Bank will model the loans and related debt over their respective lifetimes
- The Treasurer may change the borrowing rate for loans, if the analysis indicates that such an action is warranted

**UNIVERSITY OF OREGON**  
**CASH & INVESTMENT OPERATIONAL PROCEDURES**

**Selection of Broker/Dealers, Investment Managers and Depository Banks**

***Selection of Broker/Dealers***

All broker/dealers, Registered Investment Advisors (“RIAs”) and their affiliates who desire to provide investment services to the University shall be provided with current copies of this investment policy. Before an organization, or its affiliates, can provide investment services to the University, it must confirm in writing that it has received and reviewed this investment policy and is able to comply with it.

Broker/dealers, RIAs and their affiliates, shall supply the University with information sufficient to adequately evaluate their financial capacity and creditworthiness. The following information shall be provided:

- audited financial statements;
- regulatory reports on financial condition;
- proof of Financial Institution Regulatory Authority (“FINRA”);
- certification and of state registration;
- if a broker/dealer, a sworn statement by an authorized representative of the broker/dealer pledging to adhere to “Capital Adequacy Standards” established by the Federal Reserve Bank and acknowledging the broker/dealer understands that the University has relied upon this pledge; and
- additional information as requested by the University to evaluate the creditworthiness of the institution.

Only firms meeting the following requirements shall be eligible to serve as broker/dealers for the University:

- “Primary” dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- Capital of at least \$50,000,000;
- Registered as a dealer under the Securities Exchange Act of 1934;
- Member of FINRA;
- Registered to sell securities in the State of Oregon; and
- Engaged in the business of effecting transactions in U.S. government and agency obligations for at least five consecutive years.

***Engagement of Investment Managers***

The Treasurer may engage one or more qualified firms to provide investment management services for the University. All investment management firms who desire to provide investment management services to the University shall be provided with current copies of this investment policy. Before an organization can provide investment management services to the University, it must confirm in writing that it has received and reviewed this investment policy and is able to comply with it.

Only firms meeting the following requirements will be eligible to serve as investment manager for the University:

- a) Registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940;
- b) Must have provided to the University an annual updated copy of Form ADV, Part II, if applicable; and
- c) Must be registered to conduct business in the State of Oregon.

Any firm engaged by the University to provide investment services shall:

- a) Select security brokers/dealers who meet the requirements defined under this policy;
- b) Provide monthly reports of transactions and holdings to the University;
- c) Provide performance reports at least quarterly;
- d) Report on performance in comparison to the University's investment benchmarks; and,
- e) Not collect any soft dollar commissions or credits, from mutual funds or others, in exchange for services directly provided to a customer.

The Board may authorize other investment managers that do not meet the above requirements.

#### ***Selection of Depository Institutions***

The University may deposit funds with any depository insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. All depositories will provide sufficient collateral to secure any amount of funds on deposit that exceed the limits of the coverage of the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

The University may also deposit funds with other entities upon consideration of the risks posed by using the potential nonbank depository. The Board will approve all nonbank depositories.

#### **Custody/Trust and Administration**

The University will not take physical possession of investment securities. Securities will be held by an independent third-party custodian selected by the University as evidenced by custody/trust receipts in the University's name. The custody/trust institution shall annually provide a copy of their most recent report on internal controls.

#### **Permitted investments – Tier 1**

***All Tier 1 investments will be denominated in U.S. dollars.***

***U.S. Treasury Obligations*** - Bills, notes, and any other obligation or security issued by or backed by the full faith and credit of the United States Treasury.

***Federal Agency Obligations*** - Bonds, notes, and other obligations of the United States, and securities issued by any federal government agency or instrumentality or government sponsored enterprise that has a rating no less than the rating on U.S. Government debt.

**Negotiable Certificates of Deposit, Bank Deposit Notes and Non-Negotiable Certificates of Deposit / Time Deposits** - Negotiable and non-negotiable certificates of deposit, time deposits and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least A-1 by Standard & Poor's, Inc., or P-1 by Moody's Investor Service, Inc., for maturities of one year or less, and a rating of at least AA by Standard & Poor's, Inc., or Aa by Moody's Investor Service, Inc., for maturities over one year.

**Bankers' Acceptances** - Issued by domestic banks or domestic offices of foreign banks, which are eligible for purchase by the Federal Reserve System with a maturity of 180 days or less. The issuing corporation, or its guarantor, must have a short-term debt rating of no less than "A-1" (or its equivalent) by at least two of the Nationally Recognized Statistical Rating Organizations ("NRSRO's").

**Corporate Debt** - High quality corporate notes with a rating of at least Aa by Moody's Investors Service, Inc., or a rating of at least AA by Standard and Poor's, Inc.

**Asset-Backed Securities** - High quality asset-backed securities with a rating of at least Aa by Moody's Investors Service, Inc., or a rating of at least AA by Standard and Poor's, Inc. If the security's rating is based on insurance, the counter-party must be evaluated before the security may be purchased. This category includes all asset-backed securities including non-agency mortgage-backed securities (MBS) and commercial mortgage-backed securities (CMBS).

**Commercial Paper** - "Prime quality" commercial paper, with a maturity of 270 days or less, issued by domestic corporations (corporations organized and operating under the laws of the United States or any state thereof) provided that the issuing corporation, or its guarantor, has a short-term debt rating of no less than "A-1" (or its equivalent) by at least two of the NRSRO's.

**Municipal Obligations** - Bonds, notes, and other general obligations of a municipal authority organized within the United States upon which there is no default and having a rating of at least AA by Standard & Poor's, Inc., or Aa by Moody's Investor Service, Inc..

**Repurchase Agreements** - Overnight, term, and open repurchase agreements provided that the following conditions are met:

1. the contract is fully secured by deliverable U.S. Treasury and federal agency obligations as described above, having a market value at all times of at least 102 percent of the amount of the contract;
2. a master repurchase agreement or specific written repurchase agreement governs the transaction and which in each case contains terms qualifying each transaction as a securities loan for purposes of Section 512 under the Internal Revenue Code, and provides for master netting of obligations;
3. the securities are free and clear of any lien and held by an independent third-party custodian acting solely as agent for the University, provided such third party is not the seller under the repurchase agreement;
4. a perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the University; such that the agent holding the underlying securities (the collateral) must hold the securities in a way that ensures they remain the property of the University.

5. for repurchase agreements with terms to maturity of greater than one day, the University will have the collateral securities valued daily and require that if additional collateral is warranted, then that collateral must be delivered within one business day (if a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated);
6. the counterparty is a:
  - a. primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or
  - b. a bank, savings and loan association, or diversified securities broker-dealer having at least \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; and
  - c. counterparty that meets the following criteria:
    - d. a long-term credit rating of at least 'AA' or the equivalent from an NRSRO; or
    - e. a short-term credit rating of at least "A-1" or the equivalent from an NRSRO; and
    - f. counterparty that has been in operation for at least five years.
7. Collateral under repurchase agreements with a maturity of 1 business day may be held by the agreement counterparty. Collateral under repurchase agreements with a maturity of greater than 1 business day must be held by an independent custodian.

**Money Market Mutual Funds (Open-Ended Investment Funds)** - Shares in open-ended, no-load, money market mutual funds (" MMMF's"), provided such funds are registered under the Federal Investment Company Act of 1940 and rated at least "AAAm" or the equivalent by an NRSRO. The mutual fund must comply with the diversification, quality, and maturity requirements of Rule 2a-7, or any successor rule, under the Investment Company Act of 1940. No more than 50 percent of the portfolio may be allocated to MMMF's with no more than 25 percent of the portfolio being invested with any Money Market Mutual Fund issuer. The University's assets must not represent more than 10 percent of a fund's total assets.

#### **Permitted Investments – Tier 2**

- Any investment eligible to be held in Tier 1
- Publicly traded corporate debt and municipal securities, if rated, must be investment grade or higher (down to BBB-).
- Securities with a rating in the triple B category may not comprise more than 20% of the Tier 2 portfolio.

#### **Permitted Investments – Tier 3**

- Any investment eligible to be held in Tier 1 or Tier 2
- Other investments including: foreign currency, domestic and global equity, global and emerging market securities, real estate, private loans, private equity, and hedge funds.
- No restriction to credit ratings and unrated securities are permitted

#### **Portfolio Risk Management**

##### ***Interest Rate Risk***

Tier 1: Maximum duration of 9 months, maximum maturity of 3 years

Tier 2: Maximum duration of 3 years, maximum maturity of 5 years

Tier 3: Portfolio is expected to be invested as Funds Functioning as Endowment or Quasi-Endowment and, consequently has no duration or maturity limits

**Credit Risk**

Tier 1: As provided above under Permitted Investments. In the event of a split rating, the lowest rating should be considered when determining the appropriate rating category.

Tier 2: As provided above under Permitted Investments. In the event of a split rating, the lowest rating should be considered when determining the appropriate rating category. Unrated securities are permitted in this portfolio.

Tier 3 – No credit limitations

**Portfolio Benchmarks**

The returns earned by the University’s Cash & Investment Pool will be compared on a quarterly basis to a benchmark with similar risk/return characteristics.

The applicable benchmarks for each of the University’s three Portfolio Tiers are listed below:

Tier 1 - A benchmark will be established that reflects the risk tolerances of the portfolio as it develops.

Tier 2 - A benchmark will be established that reflects the risk tolerances of the portfolio as it develops.

Tier 3 - A custom benchmark will be developed reflecting the return objectives and risk tolerances as the portfolio develops. In addition, the portfolio’s performance will be compared to other higher ed endowment portfolios of comparable size using the annual NACUBO-Commonfund Study of Endowments. The Tier 3 portfolio will be expected to rank at the 33<sup>rd</sup> percentile or higher over a five-year period.

**Portfolio Diversification**

The Fund’s investments shall be diversified by security type and institution. Concentrations in individual securities, industries and economic sectors should not be so high as to subject the Fund to undue risk.

The maximum percentage of the asset allocation and issuer limit permitted in each eligible security shall be as follows:

	<b>Tier 1 Portfolio</b>	<b>Tier 2 Portfolio</b>	<b>Tier 3 Portfolio</b>
U.S. Treasury Obligations	100%/100%	100%/100%	100%/100%
Federal Agency Obligations	100%/40%	100%/40%	100%/40%
Collateralized Bank Deposits	50%/25%	10%/10%	10%/10%
Negotiable Certificates of Deposit and Bank Deposit Notes	20%/5%	20%/5%	20%/5%
Non-Negotiable Certificates of Deposit / Time Deposits	10%/3%	20%/3%	20%/3%
Bankers’ Acceptances	35%/5%	35%/5%	35%/5%
Corporate Debt Obligations	20%/5%	50%/5%	50%/5%
Asset-Backed Securities	10%/3%	20%/3%	20%/3%
Commercial Paper	35%/5%	20%/5%	20%/5%

	<b>Tier 1 Portfolio</b>	<b>Tier 2 Portfolio</b>	<b>Tier 3 Portfolio</b>
Municipal Obligations	10%/5%	20%/5%	20%/5%
Repurchase Agreements	50%/25%	50%/25%	50%/25%
Money Market Mutual Funds	50%/25%	50%/25%	50%/25%
Other Investments*	0%	0%	100%/5%

*\*These assets may be managed by third party investment management firms and subject to specific guidelines developed at the time the manager is engaged. If the Foundation is the manager of any Tier 3 assets then the applicable Foundation Investment Policy Statement governs and supersedes any limits set forth in these investment guidelines. If the Oregon State University or the State of Oregon is the manager for any of the portfolios, their respective policies govern and supersede any limits set forth in these investment procedures.*

The sector and issuer limits shall be applied to each Portfolio at the date of acquisition. For all pooled investments, with the exception of pools managed by the Foundation, the University's holdings must represent no more than 10 percent of the net assets of the pool.

**Subsequent Events** - The limitations established by this Investment Policy will apply at the time a security is purchased and will be based on the then-current book value. Should a subsequent event cause a security or the investment portfolio to no longer meet the specifications of the Investment Policy, the Treasurer will determine the appropriate course of action and report this activity to the Finance & Facilities Committee. There is no requirement that a security be sold prior to maturity if it no longer meets the criteria set forth in this Investment Policy. Further, any security held by the University at the time this Investment Policy was adopted may be held to its maturity.

#### **Prohibited Investments and Investment Practices**

The University is expressly prohibited from the following investments and investment practices in the Tier 1 and Tier 2 Portfolios:

- a) Borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing unless specifically authorized by the Board or its designated Committee;
- b) Speculative trading (repetitive buying and selling of the same or similar securities for the purpose of capital gains);
- c) Investment in complex derivatives such as range notes, dual index notes, inverse floating rate notes and leveraged notes, or notes linked to lagging indices or to long-term indices
- d) Investment in collateralized mortgage or debt obligations (CMOs and CDOs); and
- e) Investing in any security not specifically permitted by this Policy.

#### **Investment Income Distributions**

##### **Legally Restricted Interest Income**

Funds that have legally restricted interest will only be placed in either Tier 1 or Tier 2. Funds that are legally required to have their interest restricted to a specific purpose will receive

interest based on a blended rate of the Tier 1 and Tier 2 portfolios that will be applied to the average daily balance of that fund.

**Other Distributions of Interest Income**

The Treasurer may authorize other funds to also receive interest income and set the rate of interest that will be paid by the internal bank. That rate is currently set at 1.35% per annum.

**Special Considerations for the Investment of Gifts**

Gifts are generally directed to the Foundation but donors periodically make gifts directly to the university.

When the donor indicates their desire to create an endowment, such gifts will become part of the Tier 3 portfolio. Unless otherwise directed by the Treasurer, gifts of more than \$50,000 will be used to create a quasi-endowment and such gifts will also become part of the Tier 3 portfolio. Using an average of the last 20-quarter end valuations, endowments and quasi-endowments will receive 4% of the gift's corpus per annum to spend as directed by the terms of the gift. The spendable portion will be placed in a specific gift fund that will be restricted per the donor's directives.

Refer to the University's Gift Policy for more complete information regarding the handling of gifts.

**Nonconsolidated Cash Balances**

Nonconsolidated cash balances are not eligible to receive investment income unless otherwise legally required. Holders of nonconsolidated cash balances must pay any incremental costs related to the nonconsolidated cash balances.

**UNIVERSITY OF OREGON  
LIABILITY MANAGEMENT PROCEDURES**

**General Considerations**

Debt, or other capital financing, may be used for any purpose that furthers the mission of the university

The University is not restricted to traditional municipal debt instruments. Other instruments like mortgages, long-term leases, and other funding mechanisms that may emerge over time may be considered.

When capital financing is being contemplated, the Treasurer will evaluate:

- How the funds raised will achieve the University's strategic objectives
- Alternative sources of funding and the cost of the funds
- How the financing affects the university's ability to meet its existing obligations
- The feasibility and appropriateness of the source of repayment
- How the financed project will affect the future fiscal health of the university

The base case assumption for all debt issuances is for tax-exempt fully amortizing fixed-rate level debt service that matches the life of the underlying capital projects with a 10-year call. Any structural deviations considered will be compared to this base case.

If variable rate debt is being considered, interest costs will be estimated using a range of two standard deviations based on historical volatility.

The university will use a professional financial advisor to provide advice on all contemplated debt and debt-related transactions.

Refundings of any outstanding debt may be pursued in order to achieve cost savings. Refunding savings in excess of 5% or \$1 million/year should be captured as quickly as possible unless advised otherwise. Should it be desirable and beneficial to the University, bonds may be refunded as taxable bonds.

**Post-Issuance Compliance for Tax-Advantaged Bonds**

The University is committed to ensuring that bondholders continue to enjoy the tax benefits of holding university-issued tax-advantaged bonds and follows a rigorous compliance program. Whether such bonds were issued by the State of Oregon for the benefit of the University or issued directly by the University, the same post-issuance compliance procedures are followed. For the convenience of the State of Oregon, their preferred procedures, as shown in Exhibit C of the Debt Payment Service Agreement signed by this university in 2014 are included in this document. [what follows is the entire contents of the current draft of Exhibit C]

**EXHIBIT C  
FORM OF POST-ISSUANCE COMPLIANCE POLICIES**

**Purpose**

[Independent University] (the "University") has adopted these procedures (the "Procedures") effective [date] in connection with the issuance of one or more series of tax-exempt bonds (the

“Bonds”). The University has adopted these Procedures to create internal procedures that will ensure that it complies with promises made in the Bond documents and to ensure that it complies with all applicable requirements of:

- (i) federal tax law necessary to preserve the continued tax-exempt status of interest on any Bonds issued on a federally tax-exempt basis (the “Applicable Federal Tax Law”);
- (ii) federal securities laws applicable to any Bonds sold pursuant to a public offering, including the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) and the Securities Act of 1933 and the Securities and Exchange Act of 1934 (the “Applicable Securities Law”), and;
- (iii) any other applicable regulations (collectively, the “Applicable Regulations”) associated with the Bonds.

These Procedures describe in general terms the requirements of applicable law, but are not comprehensive in nature. The University will consult, as needed, or as directed by the State, with counsel experienced in municipal finance (“Bond Counsel”) to ensure the University’s ongoing understanding of its compliance obligations and continued compliance with applicable requirements.

## **I. GENERAL POST-ISSUANCE COMPLIANCE REQUIREMENTS**

### **A. Officials Responsible for Compliance**

1. *Tax Compliance Officer.* The University designates its \_\_\_\_\_ as its “Tax Compliance Officer” with the primary responsibility to ensure compliance with Applicable Federal Tax Law relating to all Bonds. The Tax Compliance Officer will review these Procedures and the Tax Certificate annually.

2. *Delegation of Duties.* Consistently with the procedures of the University, the Tax Compliance Officers may delegate certain duties to others. All references to the duties of the Tax Compliance Officer in these Procedures include actions by such person's designee.

B. Resources for Designated Tax Compliance Officer. The University will make the necessary resources available to the Tax Compliance Officer to support their understanding of, and ability to comply with, the requirements of applicable law. These resources may include (without limitation) engagement of and consultation with Bond Counsel, hiring an arbitrage rebate consultant, and continuing education relating to tax and disclosure requirements.

The Tax Compliance Officer should have access to documents from all Bond closing transcripts and related documents, including the following:

- Tax Certificate (the “Tax Certificate”); and
- Copies of each Annual Compliance Certificate.

### **C. Record Keeping Requirements**

The Tax Compliance Officer will maintain at least the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a. Transcript of bond transaction
  - b. Form 8038, Form 8038-G or Form 8038-GC filed with the IRS
  - c. Documentation evidencing use of bond financed property by general public and nongovernmental users, including copies of management contracts, leases and sponsored research agreements.
  - d. Documents evidencing all sources of payments or security of the bonds
  - e. Documents pertaining to any investments of bond proceeds, including the purchase and sale of securities, SLG subscriptions, yield calculations for each class of investments investment income received from the investment of proceeds, guaranteed investment contracts and rebate calculation reports
  - f. Documents regarding the allocation of bond proceeds to expenditures (e.g. allocation of bond proceeds to expenditures for construction, renovation, or purchase of facilities)
  - g. Documents regarding allocation of bond proceeds to bond issuance costs
  - h. Copies of requisitions, draw schedules, draw requests, invoices, bills and cancelled checks related to bond proceeds spent during the construction period
  - i. Copies of all contracts entered into for the construction, renovation or purchase of bond-financed facilities
  - j. Records of expenditure reimbursements incurred prior to issuing bonds for facilities financed with bond proceeds
  - k. Asset list or schedule of all bond-financed facilities or equipment
  - l. Records regarding the purchase and sale of bond-financed assets
- D. Certifications.

The University will comply with all requests by the State to confirm its compliance with all continuing obligations of the University related to the Bonds.

## **II. POST-ISSUANCE TAX COMPLIANCE REQUIREMENTS**

### A. General Matters

The University will consult with the Bond Counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the interest on Bond will continually qualify for tax-exempt treatment. These requirements and procedures will be documented in the Tax Certificate, Loan Agreement and other documents finalized at or before issuance of the Bonds.

### B. Expenditures of Bond Proceeds

1. *In General.* Upon the issuance of any issue of new money Bonds, the University must reasonably expect to spend at least 85% of all of the proceeds of the Bonds (“Bond Proceeds”) that are expected to be used to finance capital projects (excluding proceeds in a reserve fund or for any non-project purpose) within three years of issuance. The University must also have incurred or reasonably expect to incur, within six months after issuance of the Bonds, binding obligations to unrelated parties involving an expenditure of not less than 5% of such amount of Bond Proceeds, and must reasonably expect that completion of the capital projects and allocations of Bond Proceeds to costs will proceed with due diligence. If they exist, these three expectations will be documented in the Tax Certificate and will allow the Bond Proceeds to be invested at an unrestricted investment yield for three years from the date of issue, regardless of whether 85% of the Bond Proceeds are actually expended within three years. Other limitations or adjustments may be set out in the Tax Certificate. See Section II.E. of these Procedures for rebate and rebate exceptions.

The Tax Compliance Officer must summarize the expenditures made with the Bond proceeds (the “Final Allocation”), showing the assets or portion thereof financed with Bond Proceeds and the assets or portion thereof financed with other funds. The Final Allocation must be made not later than the later of 18 months after the date of the expenditure, i.e., that date a check is written in anticipation of receipt by the payee within 5 banking days of the date the check is drawn, or 18 months after the date the facility to which the expenditure relates is completed and is operating at substantially the level for which it was designed, but in all events not later than 60 days after the end of the fifth year after issuance of the Bonds (or 60 days after none of the Bonds are outstanding, if earlier).

2. *Establishment of Calendar.* On the date of issuance of any Bond, the Tax Compliance Officer will identify for that Bond issue:

- The funds and/or accounts into which Bond Proceeds are deposited.
- The types of expenditures expected to be made with the Bond Proceeds deposited into those funds and/or accounts and any expenditures prohibited from being made from such funds and/or accounts.
- The dates by which Bond Proceeds described in Section II.B. of these Procedures must be spent or become subject to arbitrage yield limitations (“Expenditure Deadlines”) and all interim dates by which funds and/or accounts must be checked to ensure compliance with the applicable Expenditure Deadlines.

3. *Expenditure Failures.* If the Tax Compliance Officer discovers that an Expenditure Deadline has not been met, he or she will consult with Bond Counsel to determine the appropriate course of action with respect to such unspent Bond Proceeds. The University will take the appropriate action needed with respect to unspent Bond Proceeds, including yield restriction, redemption of Bonds, or other action.

4. *Final Allocation.* The Tax Compliance Officer will timely make the Final Allocation in a manner consistent with allocations made to determine compliance with arbitrage yield restriction and rebate requirements (See Section II.E. of these Procedures).

5. *Records of Expenditures.* The Tax Compliance Officer will maintain records related to the expenditure of Bond Proceeds, including records:

- Identifying all of the assets or portion of assets financed with Bond Proceeds.
- Relating to requests for Bond Proceeds, construction contracts, purchase orders, invoices, and payment records.
- Relating to costs reimbursed with Bond Proceeds.
- Relating to any action taken as a result of a failure to meet the Expenditure Deadlines.
- The Final Allocation and all supporting documentation.

The Tax Compliance Officer will ensure that these records will be retained for the life of the Bonds, plus any refunding bonds, plus three years and may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions. If the University maintains electronic records, it will have a document migration policy in place.

C. Project Use Requirements

1. *In General.* No more than the lesser of 10% or \$15 million of the net proceeds of the Bonds may be used for a Private Business Use (as hereinafter defined) as further provided in the Tax Certificate. A more strict limit of 5% applies to net proceeds used for a Private Business Use that is disproportionate or unrelated to the governmental uses of the Project.

For this purpose, “net proceeds” means the sale proceeds of the Bonds less amounts deposited in a reasonably required reserve fund, plus investment earnings on sale proceeds (including investment earnings on a reasonably required reserve fund following completion of the project).

For this purpose “Private Business Use” generally means use of the assets financed with Bond Proceeds (“Bond-financed Assets”) in a trade or business by a business entity (e.g., a corporation or partnership whether or not it is a 501(c)(3) entity) or the Federal government (a “Private User”). Private Business Use will arise from the lease or sale of the Bond-financed Assets to a Private User. Private Business Use will generally arise through a contract whereby a Private User manages, operates or provides services with respect to Bond-financed Assets (a “Management Contract”). Private use may also arise as a result of the University entering an agreement (a “Research Agreement”) to engage in research in bond-financed space, if such research is sponsored by a Private User or as a result of an agreement for the sale of naming rights to a bond-financed facility. However, certain exceptions exist to these rules, which exceptions are best interpreted and applied by Bond Counsel.

2. *Monitoring of Private Business Use.* For each Bond-financed Asset, the Tax Compliance Officer will determine the expected use of such asset and whether such Bond-financed Asset is or will be subject to any contracts that may give rise to Private Business Use.

The Tax Compliance Officer will inform the persons responsible for the management and operation of the Bond-financed Asset (“Asset Managers”) of the Private Business Use restrictions relating to the Bond-financed Asset. The Tax Compliance Officer will work with Asset Managers to identify and discuss any existing or planned use of Bond-Financed Assets that may give rise to Private Business Use.

The Tax Compliance Officer will require Asset Managers to submit any Management Contract, Research Agreement or naming rights agreement with respect to any portion of Bond-financed Assets for his or her review prior to entering such agreement. The Tax Compliance Officer will consult with

Bond Counsel or other capable advisors to determine whether such Management Contract, Research Agreement, or naming rights agreement constitutes Private Use.

3. *Sale, Transfer or Lease.* The Tax Compliance Officer will ensure that no Bond-financed Asset (or naming rights with respect to a Bond-Financed Asset) will be sold, leased or transferred without prior approval by Bond Counsel.

4. *Identification and Correction of Violations.* If the Tax Compliance Officer determines that the use of Bond Proceeds or Bond-financed Assets is different from the covenants and representations set forth in the Tax Certificate, he or she will contact Bond Counsel in a timely manner. The University will cooperate fully with its advisors regarding various remedies available to prevent an adverse effect on the Bonds.

5. *Record Keeping Requirements.* The Tax Compliance Officer will keep or delegate to each institution the responsibility to keep copies of all Management Contracts, Research Agreements, and other arrangements involving the lease, management, sale, operation, service or other use of all Bond-financed Assets. Such records will be retained for the life of the Bonds, plus any refunding bonds, plus three years and may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

*D. Investment of Proceeds*

On the date of issue of any Bond, the Tax Compliance Officer will identify for that obligation:

- All of the funds and/or accounts into which Bond Proceeds are deposited and the applicable yields at or below which such funds and/or accounts must be invested.
- Any funds and/or accounts that are not directly funded with Bond Proceeds which must be invested at or below the yield on the obligations.

The Tax Compliance Officer will ensure that the investment of Proceeds is in compliance with the applicable yield restrictions contained in the Applicable Regulations.

The Tax Compliance Officer will obtain regular, periodic (monthly) statements regarding the investments and transactions involving Bond Proceeds.

The Tax Compliance Officer will keep all records with respect to investments, including:

- United States Treasury Securities-State and Local Government Series subscription information.
- The solicitation and all responses received from the bidding of any government obligations.
- Records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

*E. Arbitrage Yield and Rebate*

The Tax Compliance Officer will be responsible for the prompt calculation of rebate. The University may engage the services of an arbitrage rebate services provider, and in that event, the Tax

Compliance Officer will timely provide to the provider statements regarding investments and transactions involving Bond Proceeds and all other requested documents and information.

The Tax Compliance Officer will assure prompt compliance with required rebate payments, if any, or, if a rebate service provided is engaged, monitor the arbitrage rebate service provider to assure compliance with required rebate payments, if any.

During the construction period of a capital project, the Tax Compliance Officer will monitor the investment and expenditure of Bond Proceeds, and, if applicable, consult with the arbitrage rebate service provider or Bond Counsel to determine whether the University is meeting any spending exception.

In the event that a rebate payment is due, the Tax Compliance Officer will ensure that such rebate payment is accompanied by a Form 8038-T.

The Tax Compliance Officer will retain copies of all arbitrage reports, related return filings with the Internal Revenue Service, and copies of cancelled checks with respect to any rebate payments and information statements. Such records will be retained for the life of the Bonds, plus any refunding bonds, plus three years and may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

## Treasury Related Policies to be Rescinded

Information Item: Pursuant to the Motion adopted by the Board of Trustees on March 28, 2014, directing the President to act for the Board of Trustees and take all actions necessary in the President's judgment for the Board of Trustees to exercise, on and after the operative date, all of the duties, functions and powers conferred on the university by law, the President has proposed to repeal, as to the University of Oregon, the following State Board of Higher Education/Oregon University System and University policies<sup>1</sup>:

- Board Investment Policy, OUS Pooled Endowment Fund.
- Board Rededication of Physical Facilities
- Board Debt
- Board Interest Rate Risk Management
- Board Internal Bank
- FPM 05.271 Interfund Loans
- FPM 35.001 Roles & Responsibilities - Debt Financing
- FPM 45.001 Endowment Management
- FPM 105.001 Treasury Roles & Responsibilities
- FPM 105.100 Treasury Management Operations
- IMD 6.004 Cash Funds
- IMD 6.105 Assignment of Responsibility
- IMD 6.110 Voting Stock Ownership
- IMD 6.115 Custody of Board Securities
- IMD 6.125 Delegation of Investment Authority
- IMD 6.130 Reports on Investments
- IMD 6.140 Endowment Fund Investments
- IMD 6.141 Accounting
- 06.00.01 Debt Policy

The repeal will be effective July 1, 2014.

Reason for Proposed Action: The University has determined that repeal, as to the University, is necessary in order for the University to exercise, on and after the operative date of Senate Bill 270, Oregon Laws 2013, chapter 768, as amended by Senate Bill 1525, Oregon Laws 2014, chapter 113, and House Bill 4018, Oregon Laws 2014, chapter 83, all of the duties, functions and powers conferred on the University by law. The policies are intended to be replaced by the Treasury Management Policy and a variety of Resolutions of the Board of Trustees.

Submission of Public Comment: The University has requested public comment on the proposed repeal of the policies, and a public hearing will be held on June 17th.

Various University constituencies have been informed of the proposed action.

<sup>1</sup> "Board" refers to the State Board of Higher Education Policies. "FPM" refers to the OUS Fiscal Policy Manual. "IMD" refers to the State Board of Higher Education Internal Management Directives. Along with the University policy statement, these are collectively referred to herein as "policies."

**Board of Trustees of the University of Oregon**  
**Summary of Treasury-related Resolutions**  
**June 12-13, 2014**

**Treasury Activities and Transactions**

- **Substance:** Authorizes the University's Treasurer or designee to carry out activities needed to invest the University resources. In addition, it authorizes the University to select one or more financial institutions, which may include the Oregon State Treasury, for depository and investment management services. It also authorizes the University to enter into forward foreign currency contracts not to exceed an aggregate amount outstanding of \$7.5 million USD.
- **Why Needed:** To support the authorities as set forth in the Treasury Management Policy and to permit the use of State Treasury as a banking and investment partner. The forward foreign currency limit is a carryover of the amount currently authorized by the state treasury which expires on June 30, 2014. The currency contracts are used to lock in the cost of student study abroad programs (often 12-18 months in the future).
- **Considerations:** The Oregon State Treasury is unable to comply with all the requirements in the treasury management policy with respect to being either a depository or an investment manager. Accepting this relationship means that not all the fiduciary responsibilities normally associated with these roles are explicitly available from the Oregon State Treasury. However, many of the desirable controls are achieved through indirect means within state treasury. The University will only have limited legal recourse in the event of financial losses arising out of the acts or omissions of the State Treasury.

**Borrowing Authority (less than \$5 million)**

- **Substance:** Authorizes the University's Treasurer (or her designee) to approve and execute borrowing transactions provided they do not exceed \$5 million.
- **Why Needed:** To support the authorities as laid out in the Treasury Management Policy.
- **Considerations:** The resolution does not provide an aggregate limit for such transactions. The policy requires that such transactions are reported to the Board or its designee at least quarterly.

**Reimbursement of Expenditures**

- **Substance:** Authorizes the University's Treasurer (or her designee) to declare that it is the University's official intent to reimburse itself for certain project costs with tax-exempt bond proceeds at a future date.
- **Why Needed:** The Internal Revenue Code permits the expenditure of tax-exempt bond proceeds for project costs incurred no earlier than sixty days before the close of a bond sale unless the issuer has executed a declaration stating its official intent to reimburse itself for project costs incurred prior to that date. Declaring the official intent to reimburse permits the University to

incur costs relating to capital projects, allowing the projects to move ahead on the most efficacious schedule rather than having the schedule determined by the timing of a bond sale or waiting for a Board meeting. Being able to spend funds in advance of a bond sale generally minimizes costs as short-term financing can be used to fund the capital project on an interim basis.

- **Considerations:** It is important that the authorized representative declare the University's official intent to reimburse only after the bonds have been authorized by the Board or the Board's designee so care needs to be exercised when declaring official intent to reimburse. Failure to maintain the declaration with the official records of the capital project will require the university to find an alternate funding source and if unable to do so may jeopardize the tax-exempt status of the bonds.

## RESOLUTION

### BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON (Treasury Activities and Transactions)

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON AUTHORIZING THE TREASURER OF THE UNIVERSITY AND HIS OR HER DESIGNEE TO MAKE DECISIONS, TAKE ACTIONS AND ENTER INTO AGREEMENTS RELATED TO INVESTMENT OF UNIVERSITY FUNDS, INCLUDING WITHOUT LIMITATION TO APPOINT THE STATE TREASURER AS A DEPOSITORY AND AN INVESTMENT MANAGER AND TO ENTER INTO FORWARD FOREIGN CURRENT CONTRACTS AND RELATED AGREEMENTS WITHIN SPECIFIED PARAMETERS; RATIFYING AND APPROVING PAST DECISIONS AND ACTIONS RELATED TO THE UNIVERSITY'S INVESTMENT ARRANGEMENTS; AND RELATED MATTERS

WHEREAS, Section 172 of Senate Bill 270 (Chapter 768, Oregon Laws 2013), as amended by Senate Bill 1525 (Chapter 113, Oregon Laws 2014) and House Bill 4018 (Chapter 83, Oregon Laws 2014) (collectively, the "Act") provides that the University of Oregon (the "University"), may take any action before July 1, 2014 (the "Operative Date") that is necessary for the University to exercise, on and after the Operative Date, all of the duties, functions and powers conferred on the University by the Act; and

WHEREAS, Oregon Revised Statutes ("ORS") 352.107 and ORS 352.135 provide that the University may acquire, receive, hold, keep, pledge, control, convey, manage, use, lend, expend and invest all moneys, appropriations, gifts, bequests, stock and revenue from any source, and that all moneys collected or received by the University, placed to the credit of the University and remaining unexpended and unobligated on the Operative Date, and all moneys collected or received by the University after the Operative Date may be deposited, held, kept, pledged, controlled, conveyed, managed, used, loaned, expended and invested as provided in ORS 352.135 and other statutes; and

WHEREAS, the Act further authorizes the delegation of any and all powers and duties of the University, subject to the limitations expressly set forth in law; and

WHEREAS, pursuant to the Bylaws of the University approved by the Board of Trustees (the "Board") on January 23, 2014, the President has appointed a chief financial officer, who shall be the Treasurer of the University (the "Treasurer"); and

WHEREAS, the University [has adopted][has proposed] its Treasury Management Policy setting forth University policies with respect to the management of University assets and liabilities, and authorizing the Treasurer or designee to manage cash, investments, short-term borrowings, and liabilities; and

WHEREAS, Section 2.9 of the Treasury Management Policy and Cash and Investment Operational Procedures require that the Board approve any investment manager that is either not registered to conduct business in the State of Oregon or not registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940; and

WHEREAS, Section 2.10 of the Treasury Management Policy and Cash and Investment Operational Procedures require that the Board approve the use of any depository that is unable to collateralize deposits, and all nonbank depositories; and

WHEREAS, Section 2.11 of the Treasury Management Policy requires that the Board approve the use of investment hedging instruments and other derivatives; and

WHEREAS, the University intends to make such decisions, take such actions and enter into such agreements related to the use and investment of its moneys as are permitted by ORS 352.107 and ORS 352.135 and other statutes, including without limitation appointing the State Treasurer as a depository and an investment manager and entering into forward foreign currency contracts and related agreements within the aggregate dollar amount specified herein; and

WHEREAS, the Board finds and determines that it is in the best interests of the University to confirm the delegation to the Treasurer of the University and his or her designee of certain powers of the Board related to use and investment of its moneys as are permitted by ORS 352.135 and other statutes, as set forth in the Treasury Management Policy, and to approve specific exceptions to the Treasury Management Policy as set forth herein;

NOW, THEREFORE, the Board resolves as follows:

- 1. Appointment of Authorized Representative.** The Board hereby authorizes and confirms the Treasurer and his or her designee, acting individually and on behalf of the University and not in his or her personal capacity (the "Authorized Representative"), to enter into and act as the authorized representative for and on behalf of the University in connection with the management of cash and investments as provided in the Treasury Management Policy, and to carry out the purposes and intent of this Resolution, before, on and after the Operative Date.
- 2. Approval of State Treasurer as Depository and Investment Manager.** The Board hereby authorizes the Authorized Representative to appoint the State Treasurer as a depository and an investment manager, and to enter into one or more agreements with the State Treasurer for depository and investment management services for the University, on terms approved by the Authorized Representative.
- 3. Approval of Forward Foreign Current Contracts.** The Board hereby authorizes the Authorized Representative to approve and enter into forward foreign currency contracts, in an aggregate amount not to exceed \$7.5 million (USD) at any time, and related agreements, including without limitation caps, collars and floors in connection with such forward foreign currency contracts, in each case on terms approved by the Authorized Representative.
- 4. Signature Binding.** The signature of the Authorized Representative shall be sufficient to bind the University with respect to agreements pursuant to this Resolution, and shall be sufficient to evidence the Authorized Representative's approval of the terms thereof.
- 5. Ratification and Approval of Actions.** The Board hereby ratifies and approves all prior actions taken on behalf of the President, the Board, the Authorized Representative, and the University related to the management of cash and investments as provided in the Treasury Management Policy. The Board hereby authorizes, empowers, and directs the Authorized Representative to take further actions as may be necessary or desirable related to the management of cash and investments as provided in or as Board approved exceptions to the Treasury Management Policy, including without limitation, appointing the State Treasurer as an investment manager and entering into forward foreign currency contracts and related agreements within the aggregate dollar amount specified herein, and the execution and

delivery of instruments and agreements necessary or desirable to carry out such actions, and to take such other actions as are necessary or desirable for the purposes and intent of this Resolution.

**6. Effective Date.** This Resolution shall take effect immediately upon adoption by the Board.

Moved by \_\_\_\_\_

Seconded by \_\_\_\_\_

<b>Trustee</b>	<b>Yes</b>	<b>No</b>
Connie Ballmer		
Peter Bragdon		
Rudy Chapa		
Andrew Colas		
Ann Curry		
Sam Dotters-Katz		
Allyn Ford		
Susan Gary		
Joseph Gonyea III		
Ross Kari		
Chuck Lillis		
Ginevra Ralph		
Mary Wilcox		
Kurt Willcox		

Dated this \_\_\_\_ day of \_\_\_\_\_, 2014.

## RESOLUTION

### BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON (Borrowing Authority)

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON AUTHORIZING THE ISSUANCE OF BONDS, NOTES AND OTHER OBLIGATIONS OF THE UNIVERSITY IN AMOUNTS NOT TO EXCEED FIVE MILLION DOLLARS; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF THE SALE OF SUCH BONDS, NOTES AND OTHER OBLIGATIONS FOR UNIVERSITY PURPOSES; CONFIRMING THE DELEGATION OF AUTHORITY TO APPROVE THE BONDS, NOTES AND OTHER OBLIGATIONS, THE METHOD OF SALE AND THE TERMS OF THE BONDS, NOTES AND OTHER OBLIGATIONS TO THE TREASURER AND HIS OR HER DESIGNEE; RATIFYING AND APPROVING PAST DECISIONS AND ACTIONS; AND RELATED MATTERS

WHEREAS, Senate Bill 270 (Chapter 768, Oregon Laws 2013), as amended by Senate Bill 1525 (Chapter 113, Oregon Laws 2014) and House Bill 4018 (Chapter 83, Oregon Laws 2014) (collectively, the "Act"), provides that the University of Oregon (the "University") may take any action before July 1, 2014 (the "Operative Date") that is necessary for the University to exercise, on and after the Operative Date, all of the duties, functions and powers conferred on the University by the Act; and

WHEREAS, the Act authorizes the University to borrow money for the needs of the University in such amounts and for such time and upon such terms as may be determined by the University acting through the Board of Trustees (the "Board"); and

WHEREAS, the Act further authorizes the delegation of any and all powers and duties of the University, subject to the limitations expressly set forth in law; and

WHEREAS, pursuant to the Bylaws of the University approved by the Board on January 23, 2014, the President has appointed a chief financial officer, who shall be the Treasurer of the University (the "Treasurer"); and

WHEREAS, the University [has adopted][has proposed] its Treasury Management Policy setting forth University policies with respect to the management of University assets and liabilities, and authorizing the Treasurer or designee to manage cash, investments, short-term borrowings, and liabilities; and

WHEREAS, pursuant to Section 3.1 of the Treasury Management Policy, the University may use debt or other financing agreements to meet its strategic objectives and, pursuant to Section 3.2 of the Treasury Management Policy, the Board or its designated Committee must authorize debt transactions, hedging instruments, and other derivatives when the par or notional amount is greater than \$5 million; and

WHEREAS, the University intends to issue from time to time bonds, notes (evidencing a line of credit or other loan) and other obligations, in each case in a par amount not to exceed \$5 million pursuant to the Treasury Management Policy, and to sell such bonds, notes and other obligations at the times and under such terms as authorized therein and herein; and

WHEREAS, the Board finds and determines that it is in the best interests of the University to confirm the delegation of the powers of the Board related to such bonds, notes (evidencing a line of

credit or other loan) and other obligations to the Treasurer and his or her designee and to approve certain terms thereof;

NOW, THEREFORE, the Board resolves as follows:

**1. Appointment of Authorized Representative.** The Board hereby authorizes the Treasurer and his or her designee, each acting individually and on behalf of the University and not in his or her personal capacity (the “Authorized Representative”), to act as the authorized representative for and on behalf of the University in connection with the issuance and sale of bonds, notes (evidencing a line of credit or other loan) and other obligations (each a “Bond”) pursuant to Section 3 of the Treasury Management Policy, and to carry out the purposes and intent of this Resolution, before, on and after the Operative Date. The signature of the Authorized Representative or his or her designee shall be sufficient to bind the University with respect to any Bond or agreement or instrument related thereto, and shall be sufficient to evidence the Authorized Representative’s approval of the terms thereof.

**2. Authority to Approve Terms.** The University is hereby authorized to issue and sell Bonds payable from and/or secured by all or a portion of the legally available revenues of the University in one or more issues. The Authorized Representative is authorized to approve and execute each such Bond from time to time in an individual par or principal amount of not to exceed \$5 million. The Authorized Representative is further authorized to approve the sale of such Bonds to banks, investment banks and other purchasers through a competitive or negotiated method of sale in the best interests of the University, as determined by the Authorized Representative. The proceeds of the sale of such Bonds shall be applied to finance, refinance or reimburse expenditures for University purposes as set forth in the applicable bond purchase contract, declaration, or loan or other agreement, and to pay costs of issuance. The Bonds of each issue shall be designated, dated, registered, be taxable or tax-exempt, and be in such denominations, shall bear interest, mature on the dates and in the principal amounts, be subject to redemption and defeasance, and have such other terms as approved by the Authorized Representative and set forth in the applicable bond purchase contract, declaration, or loan or other agreement. The Authorized Representative is authorized to approve preliminary and final official statements, to undertake to provide continuing disclosure, to make covenants with respect to the tax-exemption of any Bond, and to make other covenants, pledges and agreements as determined by the Authorized Representative to be in the best interest of the University, and is further authorized to execute any bond purchase contract, declaration, or loan or other agreement, closing certificates and related documents with respect to the foregoing.

**3. Ratification and Approval of Actions.** The Board hereby ratifies and approves all prior actions taken on behalf of the President, the Board, the Authorized Representative, and the University related to such Bonds. The Board hereby authorizes, empowers, and directs the Authorized Representative to take further actions as may be necessary or desirable related to such Bonds, including, without limitation, the execution and delivery of agreements necessary or desirable to carry out such actions or arrangements, and to take such other actions as are necessary or desirable for the purposes and intent of this Resolution.

**4. Effective Date.** This Resolution shall take effect immediately upon adoption by the Board.

###Recorded Vote Follows###

Moved by \_\_\_\_\_

Seconded by \_\_\_\_\_

<b>Trustee</b>	<b>Yes</b>	<b>No</b>
Connie Ballmer		
Peter Bragdon		
Rudy Chapa		
Andrew Colas		
Ann Curry		
Sam Dotters-Katz		
Allyn Ford		
Susan Gary		
Joseph Gonyea III		
Ross Kari		
Chuck Lillis		
Ginevra Ralph		
Mary Wilcox		
Kurt Willcox		

Dated this \_\_\_\_ day of \_\_\_\_\_, 2014.

## RESOLUTION

### BOARD OF TRUSTEES OF UNIVERSITY OF OREGON (Reimbursement of Expenditures)

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON AUTHORIZING THE TREASURER OF THE UNIVERSITY AND HIS OR HER DESIGNEE TO DECLARE THE OFFICIAL INTENT OF THE UNIVERSITY TO REIMBURSE EXPENDITURES

WHEREAS, the University of Oregon (the "University") anticipates applying proceeds of tax-exempt obligations to reimburse the University for costs paid from other sources; and

WHEREAS, the United States Department of the Treasury has promulgated its Treasury Regulation 1.150-2 (the "Reimbursement Regulations") that provide, in general, that governmental units such as the University may not use the proceeds of tax-exempt obligations to reimburse expenditures paid more than 60 days prior to the date of delivery of such tax-exempt obligations, subject to certain exceptions, unless the governmental unit, no more than 60 days after the date of the expenditures, declares its official intent to reimburse the expenditures with proceeds of tax-exempt obligations; and

WHEREAS, the Reimbursement Regulations provide that official intent may be declared by the governing body of the governmental unit or by a person authorized or designated by the governing board of the governmental unit to declare such official intent; and

WHEREAS, the Board of Trustees (the "Board") determines that it is in the best interests of the University to designate the Treasurer and his or her designee to declare the official intent of the University to reimburse prior expenditures with proceeds of tax-exempt obligations;

NOW, THEREFORE, the Board resolves as follows:

- 1. Appointment of Authorized Representatives.** The Treasurer and his or her designee (each, an "Authorized Representative") are hereby appointed to act as the authorized or designated representative of the University in declaring the official intent of the University to reimburse original expenditures with proceeds of tax-exempt obligations. Each declaration of official intent shall generally describe the project for which original expenditures will be paid and state the maximum principal amount of obligations expected to be issued for the project.
- 2. Effect of Declarations of Intent.** Official intent declarations made by an Authorized Representative shall constitute declarations of official intent by the University within the meaning of the Reimbursement Regulations.
- 3. Effective Date.** This Resolution shall take effect immediately upon adoption by the Board.

###Recorded Vote Follows###

Moved by \_\_\_\_\_

Seconded by \_\_\_\_\_

<b>Trustee</b>	<b>Yes</b>	<b>No</b>
Connie Ballmer		
Peter Bragdon		
Rudy Chapa		
Andrew Colas		
Ann Curry		
Sam Dotters-Katz		
Allyn Ford		
Susan Gary		
Joseph Gonyea III		
Ross Kari		
Chuck Lillis		
Ginevra Ralph		
Mary Wilcox		
Kurt Willcox		

Dated this \_\_\_\_ day of \_\_\_\_\_, 2014.

## **Section 6.0**

**Board of Trustees of the University of Oregon**  
**Discussion of Operating and Capital Budgets of the University of Oregon**  
**and Authorization of Expenditures for Fiscal Year 2015**  
**June 12-13, 2014**

The Board of Trustees is responsible for reviewing and approving the University's annual operating and capital budgets. As projected in the following analysis, the University expects the FY 2015 operating budget to be \$901,288,040 and the FY 2015 capital budget to be \$110,000,000.

The FY2015 total operating budget is comprised of \$457,706,386 in E&G Funds and \$443,581,654 in Other Funds. The Other Funds group includes all activities related to auxiliary operations, service centers, designated operations, sponsored research grants, and gift funds. E&G Fund expenditures are expected to increase from FY 14 to FY 15 by \$19.8 million (4.5%), mainly due to salary increases, increases in new faculty lines and other strategic investments, increases in the cost of health insurance, and general services and supplies inflation, including increased utilities costs. Other Fund expenditures are expected to increase from FY 14 to FY 15 by \$15.3 million (3.6%) mainly due to salary increases, increases in the cost of health insurance, increased debt payments for the Erb Memorial Union and Student Recreation Center projects, and increased transfers related to capital projects. Projected Revenue for FY 2015 totals \$905,035,222 and is adequate to cover the projected operating budget.

The FY2015 capital budget is \$110,000,000 and includes six major capital projects as well as funds for small capital projects and deferred maintenance. Included on the list are: (1) the Erb Memorial Union, (2) the Student Rec Center, (3) Straub Hall – Deferred Maintenance, (4) Straub Hall – Earl Classroom, (5) Science Library, (6) Central Kitchen Woodshop, and (7) Small Capital Projects. Funding has been secured for all projects and sources are listed in the report. All major projects have previously been approved by the State Board of Higher Education.

**It is recommended that the Board of Trustees adopt the FY2015 total operating budget of \$901,288,040 and authorize the Treasurer of the University to expend or authorize the expenditure of this sum plus three percent, subject to applicable law. It is also recommended that the Board of Trustees adopt the FY 2015 capital budget of \$110,000,000 and authorize the Treasurer of the University to expend or authorize the expenditure of this sum plus three percent, subject to applicable law.**

## **Board of Trustees of the University of Oregon**

### **Motion Adopting the Operating and Capital Budgets of the University of Oregon and Authorizing Expenditures for Fiscal Year 2015**

Whereas, Sections 2, 2a, 2b, 3, 5, 8 to 18, 164, 165, 169 and 170 of Senate Bill 270 and the amendments to statutes and session laws by sections 24, 25, 28 to 37, 40 to 162 and 176 to 178 of Senate Bill 270 and the repeal of statutes by section 163 of Senate Bill 270 become operative on July 1, 2014.

Whereas, Section 172 of Senate Bill 270 provides that the State Board of Higher Education (State Board) and the Board of Trustees of the University of Oregon (Board of Trustees) may take any action before the operative date that is necessary for the State Board and the Board of Trustees to exercise on and after the operative date all of the duties, functions and powers conferred on the State Board and the Board of Trustees by Senate Bill 270.

Whereas, Section 10(1) of Senate Bill 270 provides that, except as set forth in Section 10, the Board of Trustees may authorize, establish, collect, manage, use in any manner and expend all revenue derived from tuition and mandatory enrollment fees.

Whereas, Section 11(1)(a) of Senate Bill 270 provides that the Board of Trustees may acquire, receive, hold, keep, pledge, control, convey, manage, use, lend, expend and invest all moneys, appropriations, gifts, bequests, stock and revenue from any source.

Whereas, Section 11(1)(t) of Senate Bill 270 provides that the Board of Trustees may delegate and provide for the further delegation of any and all powers and duties, subject to the limitations expressly set forth in law.

Whereas, Section 11(2) of Senate Bill 270 requires, and the Board of Trustees finds, that the budget of the University of Oregon be prepared in accordance with generally accepted accounting principles.

Whereas, Section 11(3) of Senate Bill 270 provides that the Board of Trustees may perform any other acts that in the judgment of the Board of Trustees are required, necessary or appropriate to accomplish the rights and responsibilities granted to the Board and the University by law.

Now, therefore, the Board of Trustees acts as follows:

1. An operating budget in the sum of \$901,288,040.00 is adopted for fiscal year 2015. During fiscal year 2015, the Treasurer of the University may expend or authorize the expenditure of this sum plus three percent, subject to applicable law. In the event that such expenditure authority is insufficient, the Treasurer may seek additional expenditure authority from the Executive and Audit Committee of the Board of Trustees.
2. A capital budget in the sum of \$110,000,000.00 is adopted for fiscal year 2015. During fiscal year 2015, the Treasurer of the University may expend or authorize the expenditure of this sum plus three percent, subject to applicable law. In the event that such expenditure authority is

insufficient, the Treasurer may seek additional expenditure authority from the Executive and Audit Committee of the Board of Trustees.

3. The Treasurer may provide for the further delegation of the authority set forth in paragraphs 1 and 2.

Moved \_\_\_\_\_

Seconded \_\_\_\_\_

Trustee	Yes	No
Connie Ballmer		
Peter Bragdon		
Rudy Chapa		
Andrew Colas		
Ann Curry		
Sam Dotters-Katz		
Allyn Ford		
Susan Gary		
Joseph Gonyea III		
Ross Kari		
Chuck Lillis		
Ginevra Ralph		
Mary Wilcox		
Kurt Willcox		

Dated this \_\_\_\_ day of \_\_\_\_\_, 2014.



**FY14 & FY15 Projected Operating Budget Expenditures**

<b>FY15 Projected Expenditures</b>	<b>E&amp;G Funds</b>	<b>Annual Growth</b>	<b>Other Funds</b>	<b>Annual Growth</b>	<b>Total</b>	<b>Annual Growth</b>
Salaries and Wages	\$230,516,093	6.0%	\$123,855,891	4.5%	\$354,371,984	5.4%
OPE (Benefits)	\$133,179,072	6.9%	\$59,993,487	4.0%	\$193,172,559	6.0%
Supplies and Services	\$77,786,221	3.4%	\$191,864,610	3.0%	\$269,650,831	3.1%
Capitalized Equipment	\$4,000,000	0.0%	\$1,051,000	0.0%	\$5,051,000	0.0%
Student Aid	\$2,225,000	0.0%	\$62,100,174	0.0%	\$64,325,174	0.0%
Net Transfers	\$10,000,000	-29.8%	\$4,716,492	73.6%	\$14,716,492	-13.2%
<b>Total</b>	<b>\$457,706,386</b>	<b>4.5%</b>	<b>\$443,581,654</b>	<b>3.6%</b>	<b>\$901,288,040</b>	<b>4.1%</b>

<b>FY14 Projected Expenditures</b>	<b>E&amp;G Funds</b>	<b>Annual Growth</b>	<b>Other Funds</b>	<b>Annual Growth</b>	<b>Total</b>	<b>Annual Growth</b>
Salaries and Wages	\$217,555,000	5.4%	\$118,531,000	1.0%	\$336,086,000	3.8%
OPE (Benefits)	\$124,640,000	9.9%	\$57,676,700	4.4%	\$182,316,700	8.1%
Supplies and Services	\$75,203,000	4.6%	\$186,248,866	-4.8%	\$261,451,866	-2.3%
Capitalized Equipment	\$4,000,000	-50.9%	\$1,051,000	-79.7%	\$5,051,000	-62.1%
Student Aid	\$2,224,000	13.7%	\$62,100,174	1.3%	\$64,324,174	1.7%
Net Transfers	\$14,238,000	-45.9%	\$2,716,492	-77.1%	\$16,954,492	-55.6%
<b>Total</b>	<b>\$437,860,000</b>	<b>2.3%</b>	<b>\$428,324,232</b>	<b>-4.1%</b>	<b>\$866,184,232</b>	<b>-1.0%</b>

<b>FY15 - Key Expenditure Drivers</b>			
<b>Salaries and Wages</b>			
Across the Board/COLA - OAs and Faculty	1.50%		1.5%
Merit Pool - OAs and Faculty	3.50%		3.5%
Equity Pool - Tenure-Track Faculty per Faculty CBA	1.50%		1.5%
Classified COLA/Step Increases per SEIU Contract	5.30%		5.3%
Strategic Investment - New Initiatives	\$700K		-
New Tenure-Track Faculty Positions	\$1.4M		-
<b>OPE (Benefits)</b>			
OPE Health Increase	5%		5.0%
Strategic Investment - New Initiatives	\$300K		
New Tenure-Track Faculty positions	\$600K		
<b>Supplies and Services</b>			
General S&S except Utilities	1.00%		1.5% increase; grant specific expenditures down 2%
Other Assumptions	\$1M Utility		\$5.2 million increased debt payments for EMU and SRC
Strategic Investment - New Initiatives	\$1M		-
<b>Net Transfers</b>			
Other Assumptions			\$2M increase due to capital projects



**FY15 Expenditure Definitions**

<b>FY15 Projected Expenditures</b>	<b>E&amp;G Funds</b>	<b>Notes</b>
Salaries and Wages	\$230,516,093	Unclassified Salary and Pay, Classified Salary and Pay, Graduate Student Salary and Student Hourly Pay
OPE (Benefits)	\$133,179,072	Medical Insurance, Retirement, and Taxes
Supplies and Services	\$77,786,221	General Expense, Office Supplies, Travel, Utilities, Telephones, Postage, Assessments, Rent, Debt Payments and Non-Capital Equipment
Capitalized Equipment	\$4,000,000	Library Books, Vehicles, and Other Equipment
Student Aid	\$2,225,000	Student Support (Stipends and Tuition)
Net Transfers	\$10,000,000	To Plant Fund Projects and To Support Other Funds
<b>Total</b>	<b>\$457,706,386</b>	

<b>FY15 Projected Expenditures</b>	<b>Other Funds</b>	<b>Notes</b>
Salaries and Wages	\$123,855,891	Unclassified Salary and Pay, Classified Salary and Pay, Graduate Student Salary and Student Hourly Pay
OPE (Benefits)	\$59,993,487	Medical Insurance, Retirement, and Taxes
Supplies and Services	\$191,864,610	General Expense, Office Supplies, Travel, Utilities, Telephones, Assessments, Food, Non-Capital Equipment, Debt Payments, Rent and Other
Capitalized Equipment	\$1,051,000	Library Books, Vehicles, and Other Equipment
Student Aid	\$62,100,174	Endowed and Other Scholarships, Grant-in-Aid (Pell) and Student Support (Stipends and Tuition), OSAC Funds
Net Transfers	\$4,716,492	To Plant Fund Projects and To Support Other Funds
<b>Total</b>	<b>\$443,581,654</b>	



**FY15 Capital Project Budgets**

<b>Project</b>	<b>FY15 Projected</b>	<b>Source of Funds</b>
ERB Memorial Union	\$40,800,000	F-Bonds and Student Building Fee
Student Rec Center	\$30,000,000	F-Bonds
Straub Hall	\$2,000,000	Central Funding
Straub Hall/Earl Classroom	\$10,000,000	G-Bond and Matching Funds (Central Funding and Gift)
Science Library	\$8,000,000	Matching Funds (Gifts)
Central Kitchen Woodshop	\$8,000,000	Auxiliary Funds
Small Capital Projects	\$11,200,000	Deferred Maintenance and Prior Year plant funds
	<hr/>	
	\$110,000,000	



## FY14 &amp; FY15 Projected Operating Revenue

FY15 Projected Revenue	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
State Appropriation	\$55,610,034	13.8%	\$1,637,640	2.7%	\$57,247,674	13.5%
Tuition and Fees	\$380,264,008	2.2%	\$51,672,480	14.3%	\$431,936,488	3.5%
Gifts Grants & Contracts	\$500,000	0.0%	\$164,871,000	-3.3%	\$165,371,000	-3.3%
ICC Revenue	\$15,603,750	-5.0%	\$0	0.0%	\$15,603,750	-5.0%
Federal Student Aid	\$0	0.0%	\$24,350,000	0.0%	\$24,350,000	0.0%
Interest and Investment	\$4,000,000	0.0%	\$16,214,000	0.0%	\$20,214,000	0.0%
Internal Sales	\$50,000	0.0%	\$42,451,000	0.0%	\$42,501,000	0.0%
Sales & Services	\$2,323,000	0.0%	\$134,358,310	3.0%	\$136,681,310	2.8%
Other Revenues	\$700,000	0.0%	\$3,430,000	0.0%	\$4,130,000	0.0%
Transfers From Ore State Agencies	\$0		\$7,000,000	0.0%	\$7,000,000	0.0%
<b>Total</b>	<b>\$459,050,792</b>	<b>3.2%</b>	<b>\$445,984,430</b>	<b>1.1%</b>	<b>\$905,035,222</b>	<b>2.1%</b>

FY14 Projected Revenue	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
State Appropriation	\$48,845,861	5.1%	\$1,595,194	-26.0%	\$50,441,055	3.7%
Tuition and Fees	\$372,134,000	4.3%	\$45,216,000	6.9%	\$417,350,000	4.6%
Gifts Grants & Contracts	\$500,000	43.8%	\$170,471,000	-4.1%	\$170,971,000	-4.0%
ICC Revenue	\$16,175,000	-4.9%	\$0	0.0%	\$16,175,000	-4.9%
Federal Student Aid	\$0	0.0%	\$24,350,000	-1.7%	\$24,350,000	-1.7%
Interest and Investment	\$4,000,000	-2.0%	\$16,214,000	4.1%	\$20,214,000	2.8%
Internal Sales	\$50,000	-25.8%	\$42,451,000	-3.6%	\$42,501,000	-3.6%
Sales & Services	\$2,323,000	-5.5%	\$130,609,000	-0.3%	\$132,932,000	-0.4%
Other Revenues	\$700,000	-38.4%	\$3,430,000	-51.6%	\$4,130,000	-49.7%
Transfers From Ore State Agencies	\$0	0.0%	\$7,000,000	-1.5%	\$7,000,000	-1.5%
<b>Total</b>	<b>\$444,727,861</b>	<b>3.9%</b>	<b>\$441,336,194</b>	<b>-2.3%</b>	<b>\$886,064,055</b>	<b>0.7%</b>



## FY15 Revenue Definitions

FY15 Projected Revenue	E&G Funds	Notes
State Appropriation	\$55,610,034	Enrollment Based Funding (Including Tuition Buy-down Funds) and Targeted Funds
Tuition and Fees	\$380,264,008	Tuition (Net of Remissions fee) and Matriculation Fee, Continue Education (E&G), Course Fees and International Student Fee
Gifts Grants & Contracts	\$500,000	Small State and Local Grants
ICC Revenue	\$15,603,750	F&A Recovery from Grants and Contracts
Federal Student Aid	-	
Interest and Investment	\$4,000,000	Internal Bank Earnings, Interest on loans and Royalty Income/Other
Internal Sales	\$50,000	Unit Internal Sales
Sales & Services	\$2,323,000	Fees, Fines, Sales and Services
Other Revenues	\$700,000	Insurance Recoveries and Outside Reimbursements
Transfers From Ore State Agencies	-	
<b>Total</b>	<b>\$459,050,792</b>	

FY15 Projected Revenue	Other Funds	Notes
State Appropriation	\$1,637,640	Lottery Funds and SELP Loan State Payment
Tuition and Fees	\$51,672,480	Continue Ed for Credit, Building Fee, SRC Fee, New EMU Fee, Incidental Fee, Health Fee, International Fee, and Misc Fees
Gifts Grants & Contracts	\$164,871,000	Federal, State, Local, and Private Grants, Foundation, Commercial and Private Gifts
ICC Revenue	-	
Federal Student Aid	\$24,350,000	USDE Federal Financial Aid Programs
Interest and Investment	\$16,214,000	Internal Bank Earnings, Endowment Income, and Royalty/IP/Other
Internal Sales	\$42,451,000	Utility Power Station, Research Service Centers, Telephone Services, Housing, and Others
Sales & Services	\$134,358,310	Housing Room & Board, Athletic Tickets, Health Center and Sponsorship Income, Rec Center Passes, Parking Fees, Membership Dues
Other Revenues	\$3,430,000	Conference Income, Reimbursement From Outside and Miscellaneous Revenue
Transfers From Ore State Agencies	\$7,000,000	Student Assist Commission
	<b>\$445,984,430</b>	

## **Section 7.0**

## **Board of Trustees of the University of Oregon RETIREMENT PLANS TRANSITION**

### ***General Overview***

Under Senate Bill 270, , Oregon Laws 2013, chapter 768, as amended by Senate Bill 1525, Oregon Laws 2014, chapter 113, and House Bill 4018, Oregon Laws 2014, chapter 83, the Oregon University System (“OUS”) will consist of Eastern Oregon University (“EOU”), Western Oregon University (“WOU”), Southern Oregon University (“SOU”) and Oregon Institute of Technology (“OIT”) until July 1, 2015; and the following universities are established as independent public bodies: the University, Oregon State University (“OSU”), Portland State University (“PSU”).

Prior to July 1, 2014, OUS has sponsored and administered certain retirement plans for the benefit of OUS employees, including the OUS Optional Retirement Plan (the “ORP”), the OUS Tax-Deferred Investment 403(b) Plan (the “TDI”) and the OUS Supplemental Retirement Plan (also known as the Presidents’ Cash Balance Plan) (the “SRP” and, together with the ORP and the TDI, the “Plans”). As of July 1, 2014, sponsorship and administrative and fiduciary responsibility for the Plans will be transitioned to UO (the “Transition”).

### ***Adopt Plans***

To accomplish the Transition, UO’s Board of Trustees (the “Board”) will formally approve UO’s adoption of the Plans. Prior to adoption by UO, each Plan will be amended and restated as of July 1, 2014 to reflect the Transition, including designating UO as the plan sponsor and the Chancellor’s Office, PSU, OSU, EOU, WOU, SOU and OIT as “Participating Employers.” Further, the ORP will be renamed the “Oregon Public Universities Optional Retirement Plan,” the TDI will be renamed the “Oregon Public Universities Tax-Deferred Investment 403(b) Plan” and the SRP will be renamed the “Oregon Public Universities Supplemental Retirement Plan.”

### ***Execute Participation Agreements***

UO will execute Participation Agreements between UO and each Participating Employer, applicable to all three Plans. The Participation Agreements will set forth the terms by which UO will administer the Plans and the terms by which the Participating Employers (and their employees) will participate in the Plans. The Board will delegate to the President of UO, or his delegate, the authority to execute each Participation Agreement with respect to each Participating Employer. Each Participating Employer will, in turn, execute a Participation Agreement and adopt each Plan as a Participating Employer.

### ***Assume Other Related Agreements***

To administer the Plans, UO will assume additional contracts with various vendors and service providers associated with the provision of investments and benefits under the Plans.

### ***Create Retirement Plans Committee and Appoint Members***

The Board will create a Retirement Plans Committee to assume fiduciary responsibilities for the ORP and TDI. The Retirement Plans Committee will be comprised of a Retirement Plans Administration Committee and an Investment Committee, to which the Board will delegate administrative and investment-related fiduciary responsibilities, respectively. The Board will appoint the members of these committees. Additional subcommittees may also be formed, including the ORP Administration

Committee and the TDI Administration Committee, which will be subcommittees under the Retirement Plans Administration Committee.

### ***Document Trusts and Appoint Trustees***

UO will enter into an amended Optional Retirement Plan Trust Agreement, documenting the trust established under the ORP. The Board will appoint Kelly B. Wolf (UO), Alan T. Finn (PSU) and Michael J. Green (OSU) as trustees for the ORP.

The plan document for the amended SRP also creates a trust. The Board will appoint Michael J. Green (OSU) and Karen L. Leaver (UO) as trustees of the SRP trust. The Board will also appoint Tara Bailey as the plan administrator of the SRP.

### ***Delegate Signing and Appointment Authority***

The Board will delegate signing authority with respect to the Plans and related documentation to the President of UO (or his delegate). Similarly, the Board will delegate the authority to appoint fiduciaries, including but not limited to trustees, plan administrators, and Retirement Plans Committee members, to the President of UO (or his delegate).

## **Summary of Oregon Public Universities Optional Retirement Plan**

### ***General Description***

The Oregon State Board of Higher Education (the "OSBHE") established the ORP, plan number 001, in 1996 under § 243.800 of the Oregon Revised Statutes. The ORP provides employees an alternative to the Oregon Public Employees Retirement System ("PERS"). The ORP provides tax-deferred retirement benefits to administrative and academic employees of OUS. The ORP is a governmental plan and a qualified defined contribution plan under § 401(a) of the Internal Revenue Code of 1986, as amended (the "Code").

Eligible employees may irrevocably elect to participate in the ORP in lieu of participating in PERS within the first six months of employment. The ORP also accepts and segregates pre-tax rollovers and post-tax transfers of cash from eligible employees' PERS accounts and other qualified plans.

Benefits under the ORP are funded through participant investments in one or more deferred annuities or alternative investment options provided by selected fund sponsors. The ORP's assets are held and accounted for through a separate trust fund established pursuant to a trust agreement.

The ORP will be administered by the Retirement Plans Administration Committee (or a subcommittee thereof) appointed by the Board, which will be tasked with various fiduciary duties.

As of July 1, 2014, the ORP will be renamed the Oregon Public Universities Optional Retirement Plan and UO will assume sponsorship of the ORP. The ORP will continue to provide benefits to administrative and academic employees of UO and the Participating Employers.

### ***Employer Contributions***

PERS contribution rates vary based on an employee's date of hire. UO (or a Participating Employer, as applicable) contributes an amount equal to the percentage of an employee's compensation that would have been contributed on the employee's behalf under PERS for Tier One, Tier Two and Tier Three participants (each as described in the ORP) who were hired between 1996 and July 1, 2014. Employees

hired on or after July 1, 2014 receive a fixed contribution rate equal to 8% of their compensation. In addition, Tier Four participants (described in the ORP) receive an employer matching contribution for up to 4% of pay for each month they elect to make salary reduction contributions to the TDI.

### ***Employee Contributions***

Tier One, Tier Two and Tier Three participants contribute the same compensation percentage to the ORP that they would have contributed as a PERS participant. However, employee contributions are “picked up” by UO (or a Participating Employer, as applicable) as non-elective salary reductions or additional employer contributions, depending on the contribution method that would have applied had the employee participated in PERS. An employee may not opt out of this arrangement or receive contributed amounts directly.

### ***Asset Allocation and Investment Options***

The ORP offers participants the opportunity to invest their accounts with one or more fund sponsors in the form of deferred annuities or participation units in other investment options. Participants may change fund sponsors for future contributions once per year. Participants may elect to transfer all or part of an account balance to another funding vehicle offered by the same fund sponsor subject to the fund sponsor’s rules and procedures. Similarly, participants may transfer all or part of an account balance to a new fund sponsor subject to the rules and procedures of the fund sponsors involved in the transfer.

### ***Vesting and Forfeitures***

Employee contributions, post-tax transfers and rollovers are at all times 100% vested and non-forfeitable. Participants earn a vested, non-forfeitable right to employer contributions after five years of service. A participant also becomes 100% vested on death, disability or attaining age 50 if he is an employee of UO or a Participating Employer on such date. Non-vested participants forfeit the assets in accounts maintained for employer contributions on termination of employment.

### ***Payment of Benefits***

Participants are eligible to receive distributions from vested accounts after becoming disabled, retiring at age 55 or after 30 years of service, terminating employment or on termination of the ORP. Participants who terminate after December 31, 2014 may receive distributions at age 58, regardless of years of service. A participant may elect any form of payment offered by the fund sponsor with respect to the portion of his account held by that fund sponsor.

## **Summary of Oregon Public Universities Tax-Deferred Investment 403(b) Plan**

### ***General Description***

OSBHE established the TDI, plan number 005, on November 14, 2008 under § 243.820 of the Oregon Revised Statutes to provide tax-deferred investment options to employees of OUS.

Beginning in 1966, OSBHE offered a tax-deferred investment arrangement to eligible employees through which participants could use pre-tax dollars to purchase tax-deferred annuities and, later, regulated investment company (mutual fund) shares through a custodial account arrangement by executing individual agreements with various participating vendors. Following the 2007 release of final regulations under § 403(b) of the Code, OUS established the TDI and consolidated the investment options available

to participants through Fidelity Investments and two legacy vendors, TIAA-CREF and AIG VALIC. Accounts held with other vendors were merged into the TDI but were no longer authorized to receive contributions and the TDI became the exclusive means through which eligible employees could make tax-advantaged salary deferrals under Code § 403(b). Effective January 1, 2009, the OSBHE adopted a written plan document setting forth the TDI's terms, as required by the final regulations. The TDI is a tax-advantaged plan under Code § 403(b).

As of July 1, 2014, the TDI will be renamed the Oregon Public Universities Tax-Deferred Investment 403(b) Plan and UO will assume sponsorship of the TDI. The TDI will continue to provide benefits to employees of UO and other Participating Employers.

The TDI will be administered by the Retirement Plans Administration Committee (or a subcommittee thereof) appointed by the Board, which will be tasked with various fiduciary duties.

### ***Employee Contributions***

UO (or a Participating Employer, as applicable) contributes an amount in lieu of cash compensation to a participant's designated TDI account as elected in the participant's salary reduction agreement. Such elective deferrals include pre-tax salary reduction contributions and after-tax Roth elective deferrals. Under certain circumstances, the TDI will accept rollover contributions from other eligible retirement plans. Subject to annual contribution limitations, participants may change the amount of their pre-tax and Roth elective deferrals once each month by executing a new salary reduction agreement.

### ***Asset Allocation and Investment Options***

Participants direct the investment of their contributions through the vendor selected by the participant on his salary reduction agreement. Elective deferrals are transferred to the selected vendor and used to purchase self-directed fixed and variable annuities or mutual fund shares through a custodial account arrangement. Participants may change the designated vendor for future elective deferrals one time per year by executing a new salary reduction agreement.

### ***Vesting and Forfeitures***

A participant's account balance is immediately fully vested and non-forfeitable.

### ***Payment of Benefits***

The timing and form of distributions are generally governed by the terms of a participant's investment agreement; however, a participant may not receive a distribution (without incurring a penalty) prior to attaining age 59½, terminating employment or death. Exceptions exist for hardship withdrawals, certain direct rollovers and distributions to reservists called to active duty. If the investment agreement controlling the account assets defers to the TDI concerning the form of payment, participants may elect to receive a full, partial or systematic (periodic) withdrawal.

## **Summary of Oregon Public Universities Supplemental Retirement Plan**

### ***General Description***

OSBHE established the SRP, plan number 002, effective January 1, 2009, to provide supplemental benefits to the then-current president of OSU and other university presidents specifically identified under the SRP. The SRP has been amended to extend benefits to the then-current president of UO on

July 1, 2009, the then-current president of PSU on July 1, 2010, the then-current interim president of UO on January 1, 2012, the then-current president of SOU on January 1, 2012 and the then-current president of UO on August 1, 2012. The SRP is a governmental plan and a defined benefit cash balance plan under Code §§ 401(a) and 414(a)(13).

Under the SRP, the UO and Participating Employers allocate annual service credits (without interest credits), reflecting a predetermined cash amount, to participants. The SRP's assets are held in the Supplemental Retirement Plan Trust created under the plan document. Karen L. Levear and Michael J. Green currently serve as the trustees of the trust, and will be appointed by the Board to serve as such prospectively.

The SRP is amended annually to reflect the rules and rights applicable to each participant in any given year. Annual amendments are tailored to each individual participant and address eligibility to participate, the beginning and end of participation periods, cash credit amounts, vesting requirements and when benefits commence.

As of July 1, 2014, the SRP will be renamed the Oregon Public Universities Supplemental Retirement Plan and UO will assume sponsorship and administrative responsibility for the SRP. The Board will appoint Tara Bailey as the plan administrator for the SRP. The SRP will continue to provide benefits to eligible presidents of UO and the Participating Employers.

#### ***Credit Allocations***

Each year, participants receive a service credit allocation reflecting a designated cash amount. Each Participating Employer will be responsible for contributing to the SRP trust amounts sufficient to fund the benefits provided to its respective president under the SRP. The SRP does not provide for interest credits.

#### ***Vesting and Forfeitures***

A separate vesting schedule is provided for each service credit. Generally, each additional service credit amount vests annually provided that the participant was employed as the president (or interim president, as applicable) of UO or Participating Employer at all times during the preceding year, although different vesting schedules may also apply. Benefits also become 100% vested and non-forfeitable if the participant dies or becomes disabled while employed as the president of UO or a Participating Employer.

Forfeited amounts may not be used to increase the benefit available to any participant under the SRP and instead are used to pay the expenses of the SRP or reduce employer contributions.

#### ***Payment of Benefits***

A participant's vested accrued benefit consists of the vested service credits allocated to his account. Terms applicable to the payment of benefits vary between participants, but generally, participants are eligible to begin receiving their vested accrued benefit when they are no longer employed as the president of UO or a Participating Employer and have attained age 62. Certain participants may be eligible to begin to receive payments on the 15<sup>th</sup> anniversary of the first day of the year in which the participant began to participate in the SRP. Subject to conditions, participants may receive benefit

payments in the form of an annuity, a lump sum, a direct rollover to an eligible retirement plan or a direct rollover and lump sum.

**BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON**  
**RESOLUTIONS**  
**(Retirement Plans)**

A Resolution of the Board of Trustees of the University of Oregon adopting the following resolutions at a meeting duly held for the purpose of taking such actions:

Adoption of Plans

WHEREAS, in connection with the effectiveness of Senate Bill 270, Oregon Laws 2013, chapter 768, as amended by Senate Bill 1525, Oregon Laws 2014, chapter 113, and House Bill 4018, Oregon Laws 2014, chapter 83, the Oregon University System ("OUS") will consist of Eastern Oregon University ("EOU"), Western Oregon University ("WOU"), Southern Oregon University ("SOU") and Oregon Institute of Technology ("OIT") until July 1, 2015; and the following universities are established as independent public bodies: the University of Oregon ("University"), Oregon State University ("OSU"), Portland State University ("PSU").

WHEREAS, effective July 1, 2015, each of the seven universities will become a separate legal entity and OUS will cease to exist; and

WHEREAS, prior to July 1, 2014, OUS has sponsored and administered certain retirement plans (collectively, the "Plans") for the benefit of OUS employees, including the Optional Retirement Plan (the "ORP"), the Tax Deferred Investment 403(b) Plan (the "TDI") and the Supplemental Retirement Plan (also known as the Presidential Cash Balance Plan) (the "SRP"); and

WHEREAS, the ORP is a qualified plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), under which is established a trust (the "ORP Trust"), and in connection with which exists certain service provider and related agreements (the ORP plan document, Trust Agreement and related documentation the "ORP Documents"); and

WHEREAS, the TDI is a tax-advantaged plan under Section 403(b) of the Code, in connection with which exists certain service provider and related agreements (the TDI plan document and related documentation, the "TDI Documents"); and

WHEREAS, the SRP is a qualified plan under Section 401(a) of the Code, under which is established a trust (the "SRP Trust"), and in connection with which exists certain related agreements (the SRP plan document and related documentation the "SRP Documents"); and

WHEREAS, pursuant to that certain Shared Services Agreement (the "SSA"), to be effective as of July 1, 2014, the University and the other parties to the SSA will create a shared services model known as the University Shared Services Enterprise ("USSE"), whereby the parties will deliver and share in certain administrative services, including, to a certain extent as further described in the SSA, the administration of employee benefit plans such as the Plans; and

WHEREAS, pursuant to Section 5.4.1 of the SSA, the parties will agree that, as of July 1, 2014, the University will adopt and administer the Plans on behalf of OSU, PSU, EOU, WOU, SOU, OIT and the Chancellor's Office (collectively, the "Participating Employers") as well as the University (all of which

together are considered to be a single employer for purposes of Section 414 of the Code) pursuant to agreements between the University and each such Participating Employer (each, a "Participation Agreement").

NOW, THEREFORE, BE IT RESOLVED, that the ORP, the TDI and the SRP be, and they hereby are, adopted and approved, in substantially the forms presented to the Board and attached hereto as Exhibits, A, B and C, respectively, and the President of the University, or his delegate, hereby is authorized and directed to execute and deliver the ORP Documents, TDI Documents and SRP Documents, as applicable, and any ancillary documents and agreements (including but not limited to the Participation Agreements), with such additional terms and conditions as the President or his delegate may approve, such approval to be conclusively evidenced by the execution and delivery of such documents by the President or his delegate.

#### Appointment of Additional Fiduciaries and Trustees

WHEREAS, sponsoring and maintaining the Plans will require the exercise of discretion and the fulfillment of fiduciary responsibilities for the benefit of Plan participants and their beneficiaries; and

WHEREAS, to discharge its duties under the ORP and TDI, the Board wishes to create and appoint a Retirement Plans Committee, which is comprised of the Investment Committee and the Retirement Plans Administration Committee; and

WHEREAS, pursuant to Section 8.9 of the ORP and the ORP Trust Agreement, the Board is required to appoint a trustee to serve as a fiduciary of the ORP and to hold and maintain the assets of the ORP for the exclusive benefit of ORP participants and their beneficiaries; and

WHEREAS, pursuant to Section 9.1 of the SRP, the Board is required to appoint a trustee to serve as a fiduciary of the SRP and to hold and maintain the assets of the SRP for the exclusive benefit of SRP participants and their beneficiaries; and

WHEREAS, pursuant to Section 8.1 of the SRP, the Board is required to appoint a plan administrator to serve as a fiduciary of the SRP, to provide administrative oversight of the SRP for the exclusive benefit of SRP participants and their beneficiaries.

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Plans Committee be and hereby is, formed, to be comprised of the Retirement Plans Administration Committee, as the plan administrator for the ORP and the TDI, and the Investment Committee as the investment committee for the ORP and the TDI, as applicable, each to handle such administrative and investment matters arising with respect to the ORP and the TDI pursuant to the Retirement Plans Committee Charter in substantially the form attached hereto as Exhibit D.

FURTHER RESOLVED, that the following individuals be, and hereby are, initially appointed as members of the Retirement Plans Committee, with Donna Chastain (OSU), John Craven (USSE), Kerry Gilbreth (PSU), Ernie Pressman (UO), Vicky Seger (OIT) and Denise Yunker (UO) serving as members of the Retirement Plans Administration Committee and Richard Bailey (OIT), Larry Dann (UO), Roger Graham (OSU), Michael J. Green (OSU), Karen L. Levear (UO), Gary Malone (UO) and Milan Sigetich serving as members of the Investment Committee.

FURTHER RESOLVED, that Kelly B. Wolf (UO), Alan Finn (PSU) and Michael J. Green (OSU) be, and hereby are, appointed as trustees of the ORP.

FURTHER RESOLVED, that Michael J. Green (OSU) and Karen L. Levear (UO) be, and hereby are, appointed as trustees of the SRP.

FURTHER RESOLVED, that Tara Bailey be, and hereby is, appointed as plan administrator of the SRP.

FURTHER RESOLVED, that the President of the University, or his delegate, be and are hereby authorized and empowered to prepare such documents, to execute such amendments, to make such filings and to take any additional actions he or she, in his or her discretion, deems necessary or advisable to effect the purposes and intents of the foregoing resolutions.

FURTHER RESOLVED, that the President of the University, or his delegate, be and are hereby authorized and empowered to appoint such additional and/or successor fiduciaries, including but not limited to trustees, Committee members, and plan administrators, and to take any additional actions he or she, in his or her discretion, deems necessary or advisable to effect the purposes and intents of the foregoing resolutions.

FINALLY RESOLVED, that any actions previously taken by the officers or employees of the University that would have been authorized by the foregoing resolutions, if taken after their adoption, are hereby ratified and confirmed.

###Recorded Vote Follows###

Moved by \_\_\_\_\_

Seconded by \_\_\_\_\_

<b>Trustee</b>	<b>Yes</b>	<b>No</b>
Connie Ballmer		
Peter Bragdon		
Rudy Chapa		
Andrew Colas		
Ann Curry		
Sam Dotters-Katz		
Allyn Ford		
Susan Gary		
Joseph Gonyea III		
Ross Kari		
Chuck Lillis		
Ginevra Ralph		
Mary Wilcox		
Kurt Willcox		

Dated this \_\_\_\_ day of \_\_\_\_\_, 2014.

**University of Oregon**  
**Retirement Plans Committee Charter**  
**Adopted and Effective as of July 1, 2014**

**1. Purpose**

The University of Oregon (“UO”) sponsors the Tax-Deferred Investment 403(b) Plan (the “TDI”) and the Optional Retirement Plan (the “ORP”), and, together with the TDI, the “Plans”). To assist UO in the efficient management of the Plans, in accordance with the TDI and ORP plan documents, the Board of Trustees of UO (the “Board”) has established and delegated certain responsibilities to the Retirement Plans Committee (the “Committee”). The Board, as a fiduciary of the Plans, retains responsibility for oversight of the Committee’s administration of the Plans and investment of Plan assets.

**2. Committee Composition**

The Committee shall be comprised of two standing subcommittees, the Investment Committee and the Retirement Plans Administration Committee. The Retirement Plans Administration Committee, in turn, is comprised of the ORP Administration Committee and the TDI Administration Committee. The subcommittees are charged with specific functions related to selection and monitoring of investments and administration and operations of the Plans. Together, the members of these committees constitute the Committee.

The Committee shall consist of an odd number of persons on each of the Investment Committee and Retirement Plans Administration Committee, with no fewer than ten persons appointed by the Board (or its delegate) who shall serve at the pleasure of the Board. The Investment Committee shall consist of seven members, and the Retirement Plans Administration Committee shall consist of no fewer than three members.

- The Investment Committee shall consist of members broadly representative of faculty, administrative staff, and classified employees, including one UO employee, four faculty, one classified employee, and one administrative employee.
- The Retirement Plans Administration Committee shall consist of three or more members, including two UO employees and one or more campus retirement plan administrator. Members of the Retirement Plans Administration Committee will, by such appointment, also serve as members of the ORP Administration Committee, with responsibility for ORP administration and the TDI Administration Committee, with responsibility for TDI administration.

New Committee members shall be appointed by the Board, or its duly appointed delegate, from time to time, as other members are removed or resign. Investment Committee appointments shall generally be three years’ duration.

Committee nominees shall be required to agree to and pass a criminal background check, pursuant to OAR 580, Division 23 Criminal Background Checks or similar UO policy, to finalize their appointments to the Committee.

In connection with becoming a Committee member, each individual shall be responsible for having read and understood each Plan document, the Investment Policy Statement, and all other material instruments governing the Plans. In addition, each Committee member shall be responsible for understanding the Committee's role, rights, obligations, and authority under the Plans and federal and state laws.

- a. **Officers.** The Chair of the Investment Committee or the Chair of the Retirement Plans Administration Committee may serve as Chair of the full Committee. The Investment Committee and the Retirement Plans Administration Committee shall include a Chair and a Secretary. The Chairs are voting members of the committees to which they are appointed. The Secretary may be a staff member who is not a member of the Committee. Such individuals shall be appointed by the Board or its duly appointed delegate. The Chair-Elect or Co-Chair shall serve as Chair when the Chair is unavailable or unable to act. The Secretary(ies) shall be responsible for the taking, maintenance, and distribution of Committee minutes.
- b. **Execution.** An instrument of the Committee must be signed by at least one member of the Investment Committee and one member of the Retirement Plans Administration Committee in order to be effective. No member under the supervision or control of a signer may be the second signer under this section.
- c. **Service of Process.** Service of process on the Committee or any of the Plans may be made as provided in the Oregon Rules of Civil Procedure.
- d. **Payment.** No Committee member shall receive any compensation or fee for Committee service. UO shall, however, reimburse Committee members for any necessary expenditures incurred in the discharge of their duties as Committee members.
- e. **Indemnification.** UO shall be responsible for obtaining appropriate fiduciary liability insurance for the Committee and its members and the Committee members shall cooperate with UO in providing any information necessary for obtaining such insurance coverage. In addition, UO agrees to indemnify and hold the Committee and any subcommittee formed by the Committee harmless against liability incurred in the administration of the Plans, to the full extent permitted by law. This section shall not provide indemnification for gross negligence, willful misconduct, embezzlement or diversion of Plan funds for the benefit of the Committee (or any member thereof), or for acts outside the scope and duties of the Committee.
- f. **Subcommittees.** The Committee may form ad hoc subcommittees and/or advisory committees to review and research particular matters and make recommendations to the Committee for decision.
- g. **Termination.** A member's service to the Committee may end upon request of the Board or with 60 days' notice of intent to resign from the Committee.

### 3. Meetings & Documentation

- a. **Frequency.** The Committee will meet at least two times each year with the authority to convene additional meetings as circumstances require. The Investment Committee and Retirement Plans

Administration Committee may meet on an as-needed basis when full Committee participation is not required, as determined by the Investment Committee and Retirement Plans Administration Committee Chairs. Recommendations and reports shall be made to the University Treasurer.

- b. **Process.** The Committee may invite various service providers, staff members, consultants, or other guests as desired. Meeting agendas will be prepared and provided in advance of the meeting to Committee members. The order of business at each Committee meeting shall be as follows, unless circumstances dictate otherwise:
  - Approval of the minutes of the previous meeting.
  - Unfinished business.
  - New business.
  - Adjournment.
- c. **Documentation.** The Investment Committee and Retirement Plans Administration Committee shall prepare minutes reflecting each of their meetings, and shall prepare documents and records of Committee activities. The minutes shall set forth all decisions made, including the reasoning behind the decisions and the steps taken to implement such decisions. In addition, the minutes shall include information concerning any outside consultants who were consulted and whether such consultants or advisors were present at the meeting and any reports or recommendations the Committee received from outside advisors or consultants. Such minutes shall be reviewed, approved, and maintained by the Committee.

#### 4. Reporting Responsibility

As a fiduciary of the Plans, the Committee is responsible for preparing a report, not less frequently than annually, summarizing its activities. Each such report shall be delivered to the Board as soon as practicable after it is prepared.

#### 5. Committee Actions

- a. **Quorum.** A quorum will be a simple majority of Committee members for all meetings. A majority vote of the members participating at the meeting is required for Committee action. The Chair may make appropriate arrangements to resolve voting deadlocks. Members may participate in meetings in person, by voice or video phone or other electronic means.
- b. **Action without a Meeting.** Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if the written consent to such action by a majority of the Committee members is provided. Such written consent may be provided in one document or in multiple copies of the same document.
- c. **No Self-Dealing.** No member shall act upon any question pertaining solely to himself; the other member or members shall alone make any determination required by the Plan(s) in respect thereof.

## 6. Responsibilities

The Committee is a fiduciary of the Plans, with specific fiduciary functions set forth in this Charter and by the governing plan documents. Specific responsibilities of the Committee, through discrete and combined action of the Investment Committee and Retirement Plans Administration Committees, include:

### a. Retirement Plans Administration and Investment Committees Combined

- To review at least annually budgeted and actual expenses incurred by or on behalf of any Plan trust and paid by UO or by the trust to any plan service provider, investment manager, trustee, etc.
- Act in conjunction with the trustees of the ORP to appoint and terminate custodians, investment managers, investment consultants, actuaries, accountants, legal counsel, plan record-keepers, administrators, insurance companies, and any and all service providers to the Plans.
- To arrange for and review Plan audits, as the Committee deems necessary.
- Assess from time to time the effectiveness of each of the Plans in delivering benefits to participants and beneficiaries at a reasonable cost to UO. The Committee is expected to periodically report to the Board on its recommendations for Plan changes, including changes which would accomplish the following:
  - improve a Plan's suitability for its intended purposes and the needs of participants,
  - more effectively deliver benefits to participants and beneficiaries, or
  - improve the cost-effectiveness of benefits provided.

### b. Retirement Plans Administration Committee

- To administer and oversee all plan operations and management. The Retirement Plans Administration Committee will be the Plan Administrator for each of the Plans, responsible to direct the contracted record keeper(s), custodian(s), and directed trustee(s), as applicable.
- To create (and as appropriate, merge, terminate, or otherwise modify) trusts, custodial arrangements, separate accounts, and other vehicles for investment of Plan assets.
- To provide periodic stewardship reports to the Board's delegate and UO management regarding the operation and administration of the ORP and TDI.
- To cause the ORP and TDI plan documents to be maintained and updated in conformance with applicable laws and regulations and to ensure that the Plans are operated in compliance with all applicable laws and regulations.

### c. Investment Committee

- Drafting and maintaining an Investment Policy Statement for the Plans, as appropriate, including establishing asset allocation, diversification, selection and monitoring of the performance of investment managers or investment vehicles.
- To fulfill the responsibilities assigned by the Investment Policy Statement and the Plan documents of the ORP and TDI.
- To select default investment options, as needed, under the ORP and the TDI.

**Oregon Public Universities  
Optional Retirement Plan**

**Amended and Restated  
Effective July 1, 2014**

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## PREAMBLE

THIS RETIREMENT PLAN (hereinafter referred to as the “Plan” known as the Oregon Public Universities Optional Retirement Plan) is amended and restated effective as of July 1, 2014, by the University of Oregon (hereinafter “Employer”) for administrative and academic employees of the Employer and the Participating Employers who adopt the Plan.

WHEREAS, the Plan is a money purchase pension plan and the Oregon State Board of Higher Education (hereafter “OSBHE”) established this Plan effective May 17, 1996, to attract and retain Eligible Employees by providing them with an opportunity to save for their retirement; and

WHEREAS, the Plan was formerly called the Oregon State System of Higher Education Optional Retirement Plan and later the Oregon University System Optional Retirement Plan; and

WHEREAS, OSBHE last restated the Plan effective January 1, 2008 (the “2008 Restatement”), and last amended the 2008 Restatement in Amendment No. 9 executed on October 4, 2013; and

WHEREAS, the Employer assumes sponsorship and fiduciary authority for the Plan, effective as of July 1, 2014; and

WHEREAS, other members and former members of the Oregon University System adopt the Plan as Participating Employers, effective July 1, 2014; and

WHEREAS, the Employer desires to amend and restate the Plan to reflect these and other changes; and

WHEREAS, the Plan shall be maintained for the exclusive benefit of covered Employees, and is intended to comply with the Internal Revenue Code of 1986, as amended, ORS 243.800, and other applicable law; and

WHEREAS, the Plan is exempt from the Employee Retirement Income Security Act of 1974, as amended, and certain provisions of the Internal Revenue Code of 1986, because it is a “governmental plan” as defined therein;

NOW, THEREFORE, except as otherwise specified herein, the Employer does hereby amend and restate the Plan as set forth in the following pages effective July 1, 2014, except that any change required by federal law, including without limitation amendments to the Internal Revenue Code, the Age Discrimination in Employment Act, and regulations or rulings issued pursuant thereto shall be effective on the latest date on which such change may become effective and comply with such laws except as otherwise specified herein. Generally, the rights and benefits of a Participant who terminates employment with the Employer and the Participating Employers will be determined by the Plan provisions that are in effect on the date of termination of employment, particularly with respect to vesting and contributions, to the extent permitted by applicable law.

## **SECTION 1**

### **DEFINITIONS**

The following terms when used herein shall have the following meaning, unless a different meaning is plainly required by the context. Capitalized terms are used throughout the Plan text for terms defined by this and other sections.

**1.1. Administrator**

“Administrator” means the University of Oregon, or its delegate, including but not limited to the Retirement Committee, the Retirement Plans Administration Committee, or the OPR Administration Committee.

**1.2. Annuity Starting Date**

“Annuity Starting Date” means the first day of the first period for which a Plan benefit is payable as an annuity, or any other form.

**1.3. Beneficiary**

“Beneficiary” means the individual or entity designated by the Participant in writing to receive benefits in the event of the Participant’s death, pursuant to Section 5.7.

**1.4. Board**

“Board” means the Board of Trustees of the University of Oregon.

**1.5. Code**

“Code” means the Internal Revenue Code of 1986, as amended and including all regulations promulgated pursuant thereto.

**1.6. Commissioned Police Officer**

“Commissioned Police Officer” means an Employee who is a police officer commissioned by a university under ORS 352.383 and who is employed by the university on or after June 23, 2011. However, an Active Participant will not be treated as a Commissioned Police Officer for any part of a calendar month if on any day of the month the Active Participant is both an Active Participant and not a Commissioned Police Officer.

**1.7. Compensation**

“Compensation” mean a Participant’s earned income from the Employer or a Participating Employer, earned while a Participant, including bonuses, overtime and incentive pay, prior to (1) deductions such as voluntary deferred payment arrangements, adjustments for tax sheltered annuities, flexible benefits reimbursement accounts and other salary reduction agreement amounts, and (2) adjustments for housing, vehicle, moving and representational allowances, and taxable life insurance or other benefits, and excluding sick leave, taxable cash elections under a Code Section 125 plan, death benefit payoffs, early retirement bonuses and awards, contract termination settlements and awards, severance pay and other similar post-termination compensation.

Notwithstanding the foregoing, annual Compensation in excess of \$260,000, or any higher dollar limitation permitted by the Secretary of the Treasury in accordance with Code Section 401(a)(17)(B), shall be disregarded.

**1.8. Deemed Cash-Out**

Forfeiture of non-vested funds in a Participant's Employer Contribution Account is a "deemed cash-out."

**1.9. Disabled**

"Disabled" and similar terms such as "Disability" means a physical or mental condition of an Employee which occurred while the Employee was employed by the Employer or a Participating Employer and which results from a bodily injury or disease or mental disorder which renders the Employee incapable for a minimum of ninety (90) consecutive days of performing any work for which the Employee is qualified; and which, in the opinion of a qualified physician appointed by the Employer or Participating Employer, will be permanent and continuous during the remainder of the Employee's lifetime.

**1.10. Effective Date**

"Effective Date" means May 17, 1996, the date of adoption of the Plan by the Oregon State Board of Higher Education. The Effective Date of this amended and restated Plan is July 1, 2014.

**1.11. Eligible Employee**

(a) Elections Effective before November 1, 2013

"Eligible Employee" means, in the case of an Employee whose election under Section 2.1 became effective before November 1, 2013, an administrative or academic Employee who is eligible for membership in the Oregon Public Employees Retirement System ("OPERS") and who works, while an administrative or academic Employee, in a Qualifying Position.

(b) Elections Effective on or after November 1, 2013

"Eligible Employee" means, in the case of an Employee whose election under Section 2.1 became effective on or after November 1, 2013, an administrative or academic Employee who works, while an administrative or academic Employee, in a Qualifying Position.

(c) Commissioned Police Officer

A Commissioned Police Officer is an Eligible Employee only if the Officer is exempt from the provisions of the Public Employee Collective Bargaining Act, ORS 243.650-243.782, and was last hired by the Employer or a Participating Employer before May 16, 2013.

(d) Exclusions

Despite the above provisions of this Section 1.10, "Eligible Employee" excludes without limitation:

- (i) Employees classified by the Employer or a Participating Employer as in the Employer's or a Participating Employer's classified service on the date the

Employee would have become eligible to participate in the Plan as provided in Section 2.1 if the individual had made the election provided in Section 2.1;

- (ii) Commissioned Police Officers last hired by the Employer or a Participating Employer on or after May 16, 2013;
- (iii) Foreign nationals permanently stationed outside of the United States;
- (iv) Employees classified by the Employer or a Participating Employer as temporary workers or student workers; and
- (v) Employees participating in or eligible to participate in the Federal Thrift Savings Plan with respect to any of their employment with the Employer or a Participating Employer.

#### **1.12. Employee**

“Employee” means any person employed by the Employer or a Participating Employer as a common law employee and any Leased Employee as defined herein. However, if Leased Employees constitute twenty percent (20%) or less of the Employer’s or a Participating Employer’s respective non-highly compensated work force, the term “Employee” shall not include a Leased Employee who is covered by a plan maintained by the leasing organization which meets the requirements of Code Section 414(n)(5).

The term “Leased Employee” means any person (other than a common law employee of the Employer or a Participating Employer) who, pursuant to an agreement between the Employer or a Participating Employer and any other person (“leasing organization”), has performed services for the Employer, a Participating Employer, and/or related persons determined in accordance with Code Section 414(n)(6) on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction or control of the Employer or a Participating Employer.

#### **1.13. Employer**

“Employer” means the University of Oregon. Prior to July 1, 2014, Employer was Oregon University System.

#### **1.14. Employer Contribution Account**

“Employer Contribution Account” means an account established and maintained by the Administrator or Trustee to receive a Participant’s share of Employer Contributions to the Plan other than matching Employer Contributions provided in Section 3.2(b)(iii)(B) (matching Employer Contributions provided in Section 3.2(b)(iii)(B) are credited to the Participant’s ORP Employer Match Account).

#### **1.15. Employer Contributions**

“Employer Contributions” means:

- (a) The Employer’s or a Participating Employer’s contributions on behalf of Tier One, Tier Two, and Tier Three Active Participants in an amount equal to the percentage of the Employee’s Compensation that the Employer or a Participating Employer would have contributed as an employer contribution on behalf of the Employee to the OPERS, before any offset under ORS 238.229(2), in the absence of the Employer’s

election to participate in this Plan (without regard to the OPERS requirement that an employee perform 600 or more hours of service in a calendar year); and

- (b) The Employer's contributions on behalf of Tier Four Active Participants as provided in Section 3.2.

Employer Contributions are made under Section 3.2. As provided in Sections 1.24(a)(ii) and 3.2, Employer Contributions for Compensation for November 2013 and subsequent calendar months will be made without regard to the Participant's hours of service in each calendar year.

#### **1.16. Employer Contribution Tier**

"Employer Contribution Tier" means:

- (a) For Tier One, Tier Two, and Tier Three Active Participants, the employer contribution rate applicable to OPERS pension programs that provide discrete groups of employees with different benefits. For example, Tier One employees are generally those hired before January 1, 1996; Tier Two employees are described in ORS 238.430 and are generally those hired on or between January 1, 1996 and August 28, 2003; and Tier Three employees are described in ORS 238A.025 and are generally those hired on or after August 29, 2003. However, a Tier Four Participant will not be treated as a Tier One, Tier Two, or Tier Three Active Participant.
- (b) For Tier Four Active Participants, the employer contribution rates provided in Section 3.2(b)(iii). A Tier Four Participant is a Participant who was last hired after June 30, 2014, by the Employer or a Participating Employer and who when last hired by the Employer or a Participating Employer was:
  - (i) Not a Participant;
  - (ii) A Retired Participant; or
  - (iii) A Tier Four Participant.

#### **1.17. Employment Date or Reemployment Date**

"Employment Date" or "Reemployment Date" means the effective date of the appointment for a faculty member. For all other Employees, the Employment Date or Reemployment Date is the first day on which an Employee first completes an hour of service for the Employer or a Participating Employer during the current period of employment.

#### **1.18. Forfeiture Account**

"Forfeiture Account" means the ORP Forfeiture Account held in trust by the Plan Trustees, including account balances returned to the Plan through "Deemed Cash-Out" or other forfeiture events.

#### **1.19. Fund Sponsor**

"Fund Sponsor" means one or more companies or other entities which provide authorized Funding Vehicles for investment and recordkeeping of Participants' Accounts.

### **1.20. Funding Vehicles**

“Funding Vehicles” mean deferred annuities or participation units in an investment option provided by a Fund Sponsor for the purpose of funding benefits under the Plan. As of the Effective Date, authorized Funding Vehicles include all Funding Vehicles which the Fund Sponsor makes available for investment by qualified retirement plans. The ORP Administration Committee reserves the right to add or delete authorized Funding Vehicles from time to time subject to the approval of the Trustee.

### **1.21. Limitation Year**

“Limitation Year” means a calendar year.

### **1.22. Normal Retirement Age**

“Normal Retirement Age” means (except as provided below in this Section 1.22) the first day of the month coinciding with or immediately preceding the Participant’s (a) fifty-fifth (55th) birthday, or (b) completion of thirty (30) Years of Service, whichever occurs first.

Effective for benefit payments that commence after December 31, 2014, and (only for purposes of determining under Section 1.25(c)(i) whether a Participant terminated employment on or after reaching Normal Retirement Age) effective for terminations of employment after December 31, 2014, “Normal Retirement Age” means the first day of the month coinciding with or immediately preceding the Participant’s fifty-eighth (58th) birthday.

### **1.23. ORP Administration Committee**

“ORP Administration Committee” means the committee as from time to time constituted and appointed by the Board (or by any other person designated in writing from time to time by the Board) to serve as the fiduciary body responsible for administrative oversight of the Plan, as set forth in Section 8.1 hereof.

### **1.24. ORP Employer Match Account**

“ORP Employer Match Account” means an account established and maintained by the Administrator or Trustee to receive a Participant’s share of matching Employer Contributions provided in Section 3.2(b)(iii)(B).

### **1.25. Participant**

“Participant” means any Employee or former Employee whose election under Section 2.1 to participate in the Plan has become effective and who has not ceased to be a Participant. A Participant’s status may be:

(a) Active.

- (i) For periods before November 1, 2013, a Participant’s status is Active if the Participant is currently employed by the Employer or a Participating Employer in a Qualifying Position but not in a position described in any of Sections 1.10(d)(iii) through (v).
- (ii) For periods on or after November 1, 2013, a Participant’s status is Active if the Participant is currently employed by the Employer or a Participating Employer but not in a position described in any of Sections 1.10(d)(iii) through (v).

- (b) Inactive.
  - (i) For periods before November 1, 2013, a Participant's status is Inactive if the Participant is not currently employed by the Employer or a Participating Employer in a Qualifying Position, or is Disabled, terminated, or employed in a position described in any of Sections 1.10(d)(iii) through (v), and the Participant has not received a full disbursement of vested benefits.
  - (ii) For periods on or after November 1, 2013, a Participant's status is Inactive if the Participant is not currently employed by the Employer or a Participating Employer, or is Disabled, terminated, or employed in a position described in any of Sections 1.10(d)(iii) through (v), and the Participant has not received a full disbursement of vested benefits. For this purpose, "terminated" means terminated from employment with the Employer and all Participating Employers.
- (c) Retired if:
  - (i) The Participant terminated employment with the Employer and all Participating Employers on or after reaching the Normal Retirement Age and the Participant has requested a disbursement of vested benefits; or
  - (ii) The records of the Employer and all Participating Employers record that the Participant terminated employment and the Participant participates in a retirement incentive program of the Employer or a Participating Employer such as, but not limited to, the early retirement incentive or tenure relinquishment/reduction programs.

OPERS retirement does not confer retiree status on a Plan Participant.

A Participant shall cease to be a Participant when his or her benefit payments are completed.

**1.26. Participant Contribution Account**

"Participant Contribution Account" means an account established and maintained by the Administrator or Trustee to receive Participant Contributions to the Plan.

**1.27. Participant Contributions**

"Participant Contributions" means contributions picked up by the Employer or a Participating Employer as described in Code Section 414(h)(2), on a nonelective salary reduction basis or as an additional Employer-funded contribution, or a Participating Employer-funded contribution, on behalf of each Tier One, Tier Two, and Tier Three Active Participant in an amount equal to the percentage of the Employee's Compensation that the Employee would have contributed as an employee contribution to the OPERS in the absence of an election to participate in this Plan (without regard to the OPERS requirement that an employee perform 600 or more hours of service in a calendar year). Participant Contributions are made under Section 3.1. As provided in Sections 1.25(a)(ii) and 3.1, Participant Contributions for Compensation for November 2013 and subsequent calendar months will be made without regard to the Participant's hours of service in each calendar year.

Participant Contributions will not be made for Tier Four Active Participants.

**1.28. Participating Employer**

“Participating Employer” means any public university in the State of Oregon that formally adopts the Plan as provided in Section 11. As of July 1, 2014, the Participating Employers are:

- Oregon State University
- Portland State University
- Eastern Oregon University
- Western Oregon University
- Southern Oregon University
- Oregon Institute of Technology
- Chancellor’s Office of the Oregon University System

**1.29. Plan**

“Plan” means the Oregon Public Universities Optional Retirement Plan, either in its present form or as amended from time to time. Prior to July 1, 2014, the Plan was known as the Oregon University System Optional Retirement Plan. Prior to February 15, 2002, the Plan was known as the Oregon State System of Higher Education Optional Retirement Plan.

**1.30. Plan Year**

“Plan Year” means the calendar year except that the first Plan Year shall be a short Plan Year commencing on the Effective Date of the Plan and ending December 31, 1996.

**1.31. Qualifying Position**

“Qualifying Position” means one or more jobs with the Employer or a Participating Employer in which the Employee performs six hundred (600) or more hours of service in a calendar year. However, for purposes of determining:

- (i) The initial eligibility for participation under Section 2.1 of an Employee whose election under Section 2.1 became effective on or after November 1, 2013; and
- (ii) The period under Section 2.3(c)(i) during which an Employee reemployed by the Employer or a Participating Employer on or after May 16, 2013, will be ineligible for contributions under Sections 3.1 and 3.2,

“Qualifying Position” means one or more jobs with the Employer or a Participating Employer in which the Employee is expected to perform six hundred (600) or more hours of service in a calendar year. An Employee is expected to perform six hundred (600) or more hours of service in a calendar year if at all times during each of the six (6) full calendar months described in Section 2.1 or 2.3(c)(i) the Employee is employed in one or more of the following positions:

- (a) In a twelve (12) month fixed-term appointment of at least 0.3 full-time equivalent (FTE);
- (b) In a nine (9) month fixed-term appointment of at least 0.4 FTE; or

- (c) In a more than nine (9) month and less than twelve (12) month fixed-term appointment, or in a non-fixed-term appointment, in which the Employee performs 50 or more hours of service during each of such six (6) full calendar months.

**1.32. Rollover Account and Post-Tax Transfer Account**

“Rollover Account” means an account established by the Administrator and maintained by the Fund Sponsor at the direction of the Administrator to receive Participant pre-tax rollovers to the Plan and pre-tax funds transferred from OPERS to the Plan, pursuant to Section 3.3.

“Post-Tax Transfer Account” means an account established and maintained by the Fund Sponsor at the direction of the Administrator to receive after-tax funds transferred from OPERS to the Plan pursuant to Section 3.3.

**1.33. Trustee**

“Trustee” means the trustee or trustees designated by the Board (or by any other person designated in writing from time to time by the Board) to hold and maintain the assets of the Plan.

**1.34. Valuation Date**

“Valuation Date” means the last business day in December and any other day which the ORP Administration Committee may designate from time to time.

**1.35. Year of Service**

“Year of Service” for a Participant means each Plan Year for which Participant Contributions are made to the Plan for such Participant. Years of Service include service with the Employer or a Participating Employer for years in which the Employee was a member of OPERS and contributions were made to such Participant’s OPERS account.

## SECTION 2 PARTICIPATION

### 2.1 Initial Eligibility for Participation

Each Eligible Employee hired after the Plan Effective Date may irrevocably elect, on an election form timely provided by the Administrator, to participate in the Plan, in lieu of active membership in the OPERS, within the first six (6) months of employment with the Employer or a Participating Employer.

(a) Elections Effective Before November 1, 2013

An election that will become effective as provided in this Section 2.1 before November 1, 2013, shall be effective on the first day of the month following the completion of six (6) full calendar months of employment with Oregon University System as an administrative or academic Employee while in a Qualifying Position, during which employment is not interrupted by more than thirty (30) consecutive working days.

(b) Elections Effective on or after November 1, 2013

An election that will become effective as provided in this Section 2.1 on or after November 1, 2013, shall be effective on the first day of the month following the completion of:

- (i) Six (6) full calendar months of employment with the Employer, a Participating Employer, or Oregon University System, as applicable, as an administrative or academic Employee while in a Qualifying Position (the six (6) full calendar months must end after the Employee's most recent date of hire), during which employment is not interrupted by more than thirty (30) consecutive working days; and
- (ii) Six hundred (600) hours of employment with the Employer, a Participating Employer, or Oregon University System as an administrative or academic Employee, or the equivalent as determined under Section 2.1(b)(ii)(B).
  - (A) For this purpose, "hours of employment with the Employer, a Participating Employer, or Oregon University System" means hours of service with the Employer, a Participating Employer, or Oregon University System.
  - (B) Upon completion of the six (6) full calendar months during which an Eligible Employee satisfies the requirements in Section 2.1(b)(i), the Employee will be deemed to have completed six hundred (600) hours of employment with the Employer, a Participating Employer, or Oregon University System if at all times during each of those months the Employee is employed in one or more of the positions described in Section 1.31(a) through (c).

An Eligible Employee's election to participate in this Plan is irrevocable upon receipt by the Employer or any Participating Employer. An Eligible Employee's irrevocable election to participate in the Plan applies to all subsequent employment as long as the Participant is employed by the Employer or any Participating Employer. An Eligible Employee's failure to elect participation in this Plan shall be deemed an irrevocable election to become or remain a member of OPERS.

Upon establishing participation in the Plan, a Participant's benefits and participation are by the terms and conditions of the Plan, regardless of participation or status in or the terms and conditions of any other qualified retirement plan, including OPERS.

## **2.2 Sabbatical and Special Leave**

Temporary appointment to sabbatical or special leave does not terminate participation in the Plan or eligibility for contributions based on Compensation for the period of leave.

## **2.3 Reemployment after Termination**

In the event an Employee terminates employment with the Employer and all Participating Employers, or becomes Retired, and is subsequently reemployed by the Employer or any Participating Employer:

- (a) Such Employee's original election, whether to participate in this Plan or to be a member of OPERS, shall remain in effect.
- (b) Such Employee, if otherwise eligible, will be eligible for contributions under Sections 3.1 and 3.2 for and after the first calendar month beginning after the date of reemployment, but only if no vested benefit was distributed for the Employee (other than to or for an alternate payee under a Qualified Domestic Relations Order as defined in Section 7.1) before the reemployment and the Employee:
  - (i) Is an Inactive Participant immediately before the reemployment; and
  - (ii) Is not and has not been a Retired Participant who participated in a retirement incentive program of the Employer or a Participating Employer as described in Section 1.25(c).
- (c) If such Employee does not satisfy the requirements in subparagraph (b) above:
  - (i) Such Employee will be ineligible for contributions under Sections 3.1 and 3.2 for the period beginning with the reemployment and ending with the completion of the first period of six (6) full calendar months of reemployment in a Qualifying Position during which reemployment is not interrupted by more than thirty (30) consecutive working days.
  - (ii) If such Employee is or has been a Retired Participant who participated in a retirement incentive program of the Employer or a Participating Employers as described in Section 1.25(c):
    - (A) The Employee will also be ineligible for contributions under Sections 3.1 and 3.2 for the period beginning with the date recorded in the records of the Employer or a Participating Employer as the date the Employee terminated employment under the retirement incentive program and

continuing during the Employee's participation in the retirement incentive program, which period includes without limitation:

- (1) Any period of employment provided to the Employee under the retirement incentive program after such termination of employment; and
  - (2) Any period for which the Employee receives, or is eligible to receive in the future, any payment or benefit under the retirement incentive program (not including a distribution under Section 5 or under an annuity contract described in Code Section 403(b) or an eligible deferred compensation plan described in Code Section 457(b)); and
- (B) The Employee's "reemployment" for purposes of Sections 2.3(c)(i) and 2.3(e) will not begin before the Employee's first hour, if any, as an Employee after the end of the period of the Employee's participation in the retirement incentive program and, for purposes of Section 1.16(b), the Employee will be treated as last hired by the Employer no earlier than when the Employee's reemployment begins for purposes of Sections 2.3(c)(i) and 2.3(e).
- (d) Any contributions under Sections 3.1 and 3.2 on behalf of an Employee who is an Inactive but not a Retired Participant immediately before reemployment will, during the reemployment, be at the Employee's Employer Contribution Tier when the Employee was last an Active Participant before the reemployment.
  - (e) Any contributions under Sections 3.1 and 3.2 on behalf of a Retired Participant, or on behalf of an Employee who was not a Participant immediately before the reemployment because the Employee's participation had ceased under Section 2.4, will, during the reemployment, be at the Employer Contribution Tier for an Active Participant who is first employed with the Employer or a Participating Employer at the time of the Employee's reemployment.
  - (f) If the Employee has not previously made an election regarding participation in this Plan, the Employee shall be eligible to elect participation upon meeting the requirements of Section 2.1.

## **2.4 Cessation of Participation**

Participation in the Plan will cease upon:

- (a) full disbursement of vested benefits under the Plan through the direct payment of benefits or acquisition and distribution of an annuity contract;
- (b) transfer of a Participant's vested Accounts in the Plan to another qualified plan or individual retirement account; or
- (c) termination of the Plan.

Except as specifically provided in the restatement on February 22, 2002, the 2007 Restatement, the 2008 Restatement, or herein, any person who dies, retires, or otherwise terminates employment with the Employer or a Participating Employer on or after July 1,

2014, will generally have his or her rights determined by the Plan provisions that are in effect on the date of termination of employment, particularly with respect to vesting and contributions, to the extent permitted by applicable law.

## **2.5 Qualified Military Service**

Notwithstanding any provision of the Plan to the contrary:

(a) General Rule

Contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

(b) No Benefit Accrual By Reason of Death or Disability

However, effective for deaths and disabilities occurring on or after January 1, 2007, the Plan will not apply Code Section 414(u)(9) (about treatment in the case of death or disability resulting from active military service) as added by section 104(b) of Public Law No. 110-245, the Heroes Earnings Assistance and Relief Tax Act of 2008; and therefore, for benefit accrual purposes, the Plan will not treat an individual who dies or becomes disabled while performing qualified military service with respect to the Employer or a Participating Employer as if the individual has resumed employment in accordance with the individual's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

(c) Benefits By Reason of Death, Other Than Benefit Accrual

In the case of a Participant who dies after December 31, 2006, while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death.

(d) Differential Wage Payments

Only to the extent required by Code Section 414(u)(12)(A) an individual receiving a differential wage payment in a year beginning after December 31, 2008, will be treated as an Employee of the Employer (or the Participating Employer) making the payment, and the differential wage payment will be treated as compensation. A differential wage payment is any payment that:

- (i) Is made by the Employer (or the Participating Employer) to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days; and
- (ii) Represents all or a portion of the wages the individual would have received from the Employer or Participating Employer if the individual were performing service for the Employer or Participating Employer.

This Section 2.5(d) does not entitle any individual to a differential wage payment.

## **SECTION 3**

### **PLAN CONTRIBUTIONS**

#### **3.1 Participant Contributions**

The Employer or Participating Employer shall make a monthly Participant contribution on behalf of each Tier One, Tier Two, and Tier Three Active Participant in an amount equal to the percentage of the Employee's Compensation that the Employee would have contributed as an employee contribution to the OPERS in the absence of an election to participate in this Plan (without regard to the OPERS requirement that an employee perform 600 or more hours of service in a calendar year). Such Participant contribution shall be made either on a nonelective salary reduction basis or as an additional Employer-funded or Participating Employer-funded contribution, whichever method would have been used for employee contributions to OPERS in the absence of an election to participate in this Plan. Participant Contributions shall be credited to the Participant's Participant Contribution Account.

The Employer shall not make a Participant contribution on behalf of any Tier Four Active Participant, and no Tier Four Active Participant may contribute to this Plan.

- (a) Consistent with Internal Revenue Service revenue rulings under Code Section 414(h)(2), the Employer states here that all Participant Contributions are picked up by the Employer or a Participating Employer as described in Code Section 414(h)(2), on a nonelective salary reduction basis or as an additional Employer-funded or Participating Employer-funded contribution, and thus, although designated by ORS 243.800(8) as employee contributions, are being paid by the Employer or a Participating Employer in lieu of such employee contributions. No Participant may opt out of this pick-up arrangement or elect to receive the contributed amounts directly instead of having them paid by the Employer or a Participating Employer to the Plan.
- (b) The statement in subparagraph (a) above that Participant Contributions are being paid by the Employer or a Participating Employer in lieu of such employee contributions does not prevent the Participant Contributions from being made on a nonelective salary reduction basis when that is the method that would have been used, as provided in ORS 238A.335(2)(a), for employee contributions to OPERS in the absence of an election to participate in this Plan.

The Employer or a Participating Employer shall pay the Participant Contributions for each month in cash to the Trustee by the end of the month following the month in which the Employer or a Participating Employer pays the Compensation for which the Participant Contributions are made.

#### **3.2 Employer Contributions**

The Employer or a Participating Employer shall make a monthly Employer contribution on behalf of each Tier One, Tier Two, and Tier Three Active Participant in an amount equal to the percentage of the Employee's Compensation that the Employer or a

Participating Employer would have contributed as an employer contribution on behalf of the Employee to the OPERS, before any offset under ORS 238.229(2), in the absence of the Employee's election to participate in this Plan (without regard to the OPERS requirement that an employee perform 600 or more hours of service in a calendar year). Employer Contributions on behalf of Tier One, Tier Two, and Tier Three Active Participants shall be credited to the Participant's Employer Contribution Account.

The Employer or a Participating Employer shall make a monthly Employer contribution on behalf of each Tier Four Active Participant at the rates provided in Section 3.2(b)(iii). Employer Contributions for Tier Four Active Participants at the rate provided in Section 3.2(b)(iii)(A) (the eight percent (8%) Employer Contributions) shall be credited to the Participant's Employer Contribution Account. Employer Contributions for Tier Four Active Participants at the rate provided in Section 3.2(b)(iii)(B) (the matching Employer Contributions) shall be credited to the Participant's ORP Employer Match Account.

The Employer or a Participating Employer shall pay the Employer Contributions for each month in cash to the Trustee within a reasonable time after such month.

- (a) OPERS Employer Contribution Rates and Benefit Formula for Tier One, Tier Two, and Tier Three Employees:
  - (i) OPERS Employer Contribution Rates. The Employer's or a Participating Employer's OPERS employer contribution for Tier One, Tier Two, and Tier Three employees described in Section 1.15 is the percentage of salary determined by the OPERS Board to be actuarially necessary to adequately fund the benefits to be provided by the contributions of the Employer or a Participating Employer under OPERS pension programs.
  - (ii) OPERS Tier One and Tier Two Benefit Formula. The OPERS benefit formula for Tier One and Tier Two employees (generally those hired before August 29, 2003) is an annuity of one and sixty-seven one-hundredths percent (1.67%) of the employee's final average salary multiplied by the employee's years of OPERS membership.
  - (iii) OPERS Tier Three Benefit Formula. The OPERS benefit formula for Tier Three employees (generally those hired on or after August 29, 2003) is an annuity of:
    - (A) For service the OPERS Board classifies as General Service, one and fifty one-hundredths percent (1.50%) of the employee's final average salary multiplied by the employee's years of OPERS retirement credit.
    - (B) For service the OPERS Board classifies as Police and Fire, one and eighty one-hundredths percent (1.80%) of the employee's final average salary multiplied by the employee's years of OPERS retirement credit.
- (b) This Plan's Employer Contribution Rates:
  - (i) This Plan's Employer Contribution rates for Tier One and Tier Two Active Participants in this Plan are the following percentages of the Participant's Compensation:

- (A) For July 1, 2009, through June 30, 2011: Eleven and eighty-nine one-hundredths percent (11.89%).
- (B) For July 1, 2011, through June 30, 2013: Sixteen and fourteen one-hundredths percent (16.14%).
- (C) For July 1, 2013, through June 30, 2015: Sixteen and fifty one-hundredths percent (16.50%).
- (D) For any period after June 30, 2015: The sum of the percentages of salary for the following components of the Employer's or a Participating Employer's OPERS employer contribution rate set for the period by the OPERS Board for Tier One and Tier Two employees for service the OPERS Board classifies as General Service:
  - (1) Pension normal cost rate.
  - (2) Pension Tier One/Tier Two unfunded actuarial liability rate.
  - (3) Pension pre-State and Local Government Rate Pool pooled liability rate.
  - (4) Pension transition liability/(surplus) rate.
  - (5) Retiree healthcare normal cost rate.
  - (6) Retiree healthcare unfunded actuarial liability rate.

Before each OPERS employer contribution rate change the Employer shall amend this Plan to specify the percentage of the Participant's Compensation to be contributed by the Employer or a Participating Employer on behalf of the Participant as an Employer Contribution for the applicable period.

- (ii) This Plan's Employer Contribution rates for Tier Three Active Participants in this Plan are the following percentages of the Participant's Compensation:
  - (A) For July 1, 2009, through June 30, 2011: Five and eighty-nine one-hundredths percent (5.89%).
  - (B) For July 1, 2011, through December 31, 2011: Six and twenty-one one-hundredths percent (6.21%).
  - (C) For January 1, 2012, through June 30, 2013:
    - (1) Six and twenty-one one-hundredths percent (6.21%).
    - (2) However, for service as a Commissioned Police Officer, eight and ninety-two one-hundredths percent (8.92%).
  - (D) For July 1, 2013, through June 30, 2015:
    - (1) Six and forty-two one-hundredths percent (6.42%).
    - (2) However, for service as a Commissioned Police Officer last hired by the Oregon University System before May 16, 2013, nine and fifteen one-hundredths percent (9.15%).

- (E) For any period after June 30, 2015:
  - (1) The sum of the percentages of salary for the following components of the Employer's or a Participating Employer's OPERS employer contribution rate set for the period by the OPERS Board for Tier Three employees for service the OPERS Board classifies as General Service:
    - (I) Pension normal cost rate.
    - (II) Pension OPSRP unfunded actuarial liability rate.
  - (2) However, for service as a Commissioned Police Officer, the sum of the percentages of salary for the following components of the Employer's or a Participating Employer's OPERS employer contribution rate set for the period by the OPERS Board for Tier Three employees for service the OPERS Board classifies as Police and Fire:
    - (I) Pension normal cost rate.
    - (II) Pension OPSRP unfunded actuarial liability rate.

Before each OPERS employer contribution rate change the Employer shall amend this Plan to specify the percentage of the Participant's Compensation to be contributed by the Employer or a Participating Employer on behalf of the Participant as an employer contribution for the applicable period.

- (iii) The Plan's employer contribution rates for Tier Four Active Participants in this Plan are the following percentages of the Participant's Compensation:
  - (A) Eight percent (8%); plus
  - (B) The percentage of Compensation contributed by the Participant to the Oregon Public Universities Tax-Deferred Investment 403(b) Plan under ORS 243.820, up to four percent (4%) of the Participant's Compensation in each pay period (i.e., the percentage match under this Section 3.2(b)(iii)(B) will be determined separately with respect to each pay period, not by aggregating pay periods). However, the Plan's employer contribution rate under this Section 3.2(b)(iii)(B) for a Tier Four Active Participant is zero percent (0%) for any pay period unless the Participant:
    - (1) Has selected Fidelity to receive contributions under this Plan for the pay period if Fidelity receives the Participant's contribution to such 403(b) Plan for the pay period; or
    - (2) Has selected TIAA-CREF to receive contributions under this Plan for the pay period if TIAA-CREF receives the Participant's contribution to such 403(b) Plan for the pay period.
- (iv) The Employer reserves the right to amend this Section 3.2, as the Employer determines appropriate:

- (A) To implement or respond to any change in law.
- (B) To respond to any other event that results in this Section 3.2 not implementing the Employer Contribution rates to the Plan required by ORS 243.800(9) or (10) or by any change in law.

### **3.3 Participant Rollovers and OPERS Transfers**

An Employee who is an Eligible Employee or a Participant may request in writing on forms provided by a Fund Sponsor that the Fund Sponsor accept a rollover amount that was distributed from the Employee's OPERS account, another qualified plan, or conduit Individual Retirement Account (IRA). The Fund Sponsor shall accept the rollover amount subject to the following terms and conditions:

- (a) The amount must be a direct rollover or must be deposited with the Fund Sponsor within sixty (60) days after the Participant's receipt of the distribution from another qualified Plan or conduit IRA;
- (b) A rollover of any type of property other than cash will not be accepted;
- (c) A rollover amount distributed from a conduit IRA must consist entirely of funds attributable to a lump sum distribution from a qualified plan; and
- (d) Prior to accepting a direct rollover from a qualified plan, the Employee shall provide the Fund Sponsor with a statement from the plan administrator of the distributing plan that the distributing plan has received a determination letter from the Internal Revenue Service indicating the plan is qualified.

Effective April 1, 2002, the Fund Sponsor shall accept direct rollovers, or deposits within sixty (60) days after the Participant's receipt of a distribution, from a qualified plan described in Code Section 401(a) or 403(a), excluding after-tax employee contributions; an annuity contract described in Code Section 403(b), excluding after-tax employee contributions; an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; or an Individual Retirement Annuity or Annuity (IRA) described in Code Section 408(a) or (b), excluding after-tax Employee contributions.

A rollover amount shall be allocated to a Participant's Rollover Account. The Rollover Account shall be a fully vested account subject to the same terms of the Plan as other amounts in the Participant's Participant Contribution Account.

Notwithstanding Section 2, if an Eligible Employee rolls over an amount into this Plan but never satisfies the participation requirements of Section 2, the Eligible Employee shall be considered a Participant only with respect to the Rollover Account, and such amount shall be distributed in accordance with Section 5.4 upon termination of employment.

A Fund Sponsor, as selected by the Participant (or as designated by the ORP Administration Committee if the Participant has not selected a Fund Sponsor approved for receipt of the transferred funds), shall accept funds transferred from OPERS on behalf of a Participant who is a former OPERS member, pursuant to ORS 243.800(6) and (7). All transferred pre-tax amounts shall be allocated to the Participant's Rollover Account;

after-tax monies received by a Fund Sponsor shall be allocated to a separate Post-Tax Transfer Account.

### **3.4 Payment**

The Trustee shall remit Plan contributions no less frequently than monthly to the Fund Sponsor selected by a Participant in accordance with procedures established by the ORP Administration Committee (or to the Fund Sponsor designated by the ORP Administration Committee if the Participant has not so selected a Fund Sponsor approved for receipt of current Participant Contributions and Employer Contributions or if the Fund Sponsor selected by the Participant is no longer approved for receipt of current Participant Contributions and Employer Contributions). Such procedures shall be subject to approval by the Vice President for Finance and Administration of the Employer. The Administrator shall provide the appropriate Fund Sponsor, at least monthly, the total amount of Plan contributions for each Participant.

Any determination as to the amount of Plan contributions by the Employer or a Participating Employer which is evidenced by a remittance and statement delivered to the Fund Sponsor is final and binding on all Participants, their Beneficiaries or contingent annuitants, or any other person or persons claiming an interest in or derived from the contributions payment.

### **3.5 No Reversion**

Under no circumstances or conditions will any Plan contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the Employer or any Participating Employer; except, in the event that Plan contributions are made by the Employer or a Participating Employer by mistake of fact, such Plan contributions may be returned to the Employer or such Participating Employer within one year of the date that such Plan contributions were made. The return of a contribution shall be permitted hereunder only if the amount so returned:

- (a) is the excess of the amount actually contributed over the amount which would otherwise have been contributed,
- (b) does not include the earnings attributable to such contributions, and
- (c) is reduced by any losses attributable to such contributions.

### **3.6 Maximum Contribution**

#### **(a) General**

Notwithstanding any Plan provision to the contrary, the total Annual Additions made on behalf of any Participant for any Limitation Year beginning on or after January 1, 2014, will not exceed the lesser of \$52,000 or 100% of the Participant's 415 Compensation for the year. The \$52,000 limit will be adjusted in accordance with Code Section 415(d).

#### **(b) Aggregated Defined Contribution Plans**

In the case of any Participant in more than one defined contribution plan of the Employer or a Participating Employer (within the meaning of Code Section 414(b), (c), (m), and (o), after applying Code Section 415(h)), all such plans will be treated

as one plan, and the maximum Annual Addition to the Participant's accounts under this Plan as provided above will be reduced, to the extent required to comply with Code Section 415, by the aggregate of the amount of the Annual Additions to the Participant's accounts under such other plans.

(c) Advising Affected Participants

The otherwise permissible annual Plan contributions for any Participant will be reduced to the extent necessary to prevent disqualification of the Plan under Code Section 415. The Administrator will advise affected Participants of any reduction in Plan contributions or additional limitation on annual contributions required by this Section 3.6.

(d) Incorporation by Reference

The limitations in this Section 3.6 will be applied according to adjustments described in and the provisions of Code Sections 415 and 419A(d) and Treasury regulations and guidance by the Internal Revenue Service under Code Sections 415 and 419A(d) (including the effective dates of such adjustments and provisions), which are incorporated into this Plan by this reference, including without limitation the adjustments described in and the provisions of Code Sections 415(c) (about limitation for defined contribution plans) and 415(d) (about COLAs). As provided in Treas. Reg. Section 1.415(a)-1(d)(3)(ii), for Limitation Years beginning after June 30, 2007, this Plan will be applied according to the default rules under Code Section 415 except where this Plan specifies a permitted optional manner in which Code Section 415 is to be applied in variance from the default rule.

(e) "415 Compensation" Defined

This Section 3.6(e) defines "415 Compensation" only for purposes of the limit on Annual Additions in this Section 3.6. "415 Compensation" is not relevant to defining "Compensation" for purposes of contributions under Sections 3.1 and 3.2.

- (i) "415 Compensation" means those items specified in Treas. Reg. Section 1.415(c)-2(b)(1). Those items consist of a Participant's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the employer maintaining the plan, to the extent that the amounts are includible in gross income or to the extent amounts would have been received and includible in gross income but for an election under Code Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).
- (ii) However, "415 Compensation" excludes all those items listed in Treas. Reg. Section 1.415(c)-2(c). Those items consist of (1) contributions, other than certain elective contributions, made by the employer to a plan of deferred compensation to the extent not includible in gross income for the taxable year contributed, (2) distributions from a plan of deferred compensation, (3) amounts realized from exercise of a nonstatutory option or when restricted property becomes freely transferrable or is no longer subject to a substantial risk of forfeiture, (4) amounts realized from the disposition of stock acquired under a statutory stock option, (5) other amounts that receive special tax

benefits, such as premiums for group-term life insurance that are not includible in gross income and are not salary reduction amounts under Code Section 125, and (6) other items that are similar to any of the items listed in (1) through (5) of this paragraph.

- (iii) The amounts included in a Participant's 415 Compensation will be based on such amounts from the employer (within the meaning of Code Section 414(b), (c), (m), and (o), after applying Code Section 415(h)).
  - (iv) 415 Compensation for any Limitation Year is the 415 Compensation (as defined in the above provisions of this Section 3.6(e)) actually paid or made available to the Participant (or, if earlier, includible in the gross income of the Participant) during such year. For this purpose:
    - (A) Compensation is treated as paid on a date if it is actually paid on that date or it would have been paid on that date but for an election under Code Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).
    - (B) Except as provided in Section 3.6(e)(v), 415 Compensation includes only those amounts described in the above provisions of this Section 3.6(f) that are:
      - (1) Paid or treated as paid to the Participant (in accordance with the above provisions of this Section 3.6(e)(iv)) before the Participant's severance from employment (as defined in Treasury Regulation Section 1.415(a)-1(f)(5)) with the employer; or
      - (2) Paid after such severance and by the later of 2½ months after such severance or the end of the Limitation Year that includes the date of such severance and which:
        - (I) Are regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and
        - (II) Would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the employer.
- Thus 415 Compensation does not include severance pay if paid after the Participant's severance from employment with the Employer and all Participating Employers.
- (v) 415 Compensation also includes amounts described in Treas. Reg. Section 1.415(c)-2(e)(3)(iii) (about leave cashouts and deferred compensation) that satisfy the requirements in Treas. Reg. Section 1.415(c)-2(e)(3)(i)(A) and (B). 415 Compensation includes amounts described in Treas. Reg. Section 1.415(c)-2(e)(4) (about salary continuation payments for military service and disabled participants). The rule of Treas. Reg. Section 1.415(c)-2(g)(4)

(treating certain amounts as 415 Compensation for a disabled participant) applies with respect to any Participant who is not a highly compensated employee (as defined in Code Section 414(q)) immediately before becoming disabled.

(vi) Annual 415 Compensation in excess of \$260,000, or any higher dollar limitation permitted by the Secretary of the Treasury in accordance with Code Section 401(a)(17)(B), shall be disregarded.

(f) Annual Addition

For purposes of this Section 3.6, “Annual Addition” means the sum, credited to a Participant’s account for any Limitation Year, of: (i) employer contributions made by the Employer and all Participating Employers; (ii) employee contributions; (iii) forfeitures; and (iv) any other amounts required by Treasury regulations to be treated as Annual Additions under Code Section 415(c).

## SECTION 4

### ACCOUNT ADMINISTRATION

#### 4.1 Types of Participant Accounts

All contributions shall be made to a Fund Sponsor which shall maintain the following types of accounts (herein called “Accounts” or collectively “Account”) for each Participant:

- (a) Participant Contribution Account
- (b) Employer Contribution Account
- (c) ORP Employer Match Account
- (d) Rollover Account
- (e) Post-Tax Transfer Account

#### 4.2 Forfeiture Account

Assets in the Employer Contribution Accounts of non-vested Participants are forfeited upon termination of the Participants’ employment with the Employer and all Participating Employers. Forfeited amounts are temporarily maintained in segregated fixed income accounts by the Fund Sponsors until transferred to an ORP Forfeiture Account held in trust by the Plan Trustees. The ORP Forfeiture Account is an asset of the Plan.

#### 4.3 Funding Vehicles

Participant Accounts shall be invested in one or more Funding Vehicles selected by the Participant.

- (a) For the purposes of the Plan, a Funding Vehicle designated by an investment manager appointed by the Participant under an arrangement approved by the Fund Sponsor and the Employer shall be deemed to be a Funding Vehicle selected by the Participant.
- (b) If a Participant has not notified the Fund Sponsor, in a manner designated by the Fund Sponsor, of his or her Funding Vehicle selection for any amount of the Participant’s Accounts held by the Fund Sponsor, the Fund Sponsor shall invest, at the direction of the Plan, that amount in the one or more of the Fund Sponsor’s Funding Vehicles designated from time to time by the ORP Administration Committee (subject to the approval of the Trustee) for this purpose. For the purposes of the Plan other than this paragraph, those one or more Funding Vehicles in which an amount of the Participant’s Accounts is invested shall be deemed to be Funding Vehicles selected by the Participant. This paragraph applies in all cases in which a Participant has not so notified the Fund Sponsor, including without limitation in the case of amounts received by a Fund Sponsor under Section 3.3, 3.4, 4.4, or 4.5.

Neither the Employer, the Participating Employers, the Board, the Administrator, the ORP Administration Committee, nor the Trustee will be liable for the selection or designation or the investment results of any Fund Sponsor or Funding Vehicle, including without limitation a selection or designation (and the associated investment results) by

the Participant, an investment manager, or the ORP Administration Committee as provided in Section 3 or this Section 4.

#### **4.4 Changing Investments of Future Contributions**

A Participant's investment request with respect to a Fund Sponsor shall remain effective with regard to all subsequent amounts credited to the part of Participant's Accounts held by the Fund Sponsor, until changed in accordance with the provisions of this Section.

A Participant may elect to change his or her selection for investment of future contributions among authorized Funding Vehicles of the same Fund Sponsor at the dates and times specified by the Fund Sponsor.

A Participant shall be allowed to change his or her selection of a Fund Sponsor for investment of future contributions with respect to future pay periods one time each Plan Year.

#### **4.5 Changing Investments of Existing Balances Between Fund Sponsors**

Under rules and procedures established by a Fund Sponsor, and subject to penalties, if any, imposed by the Fund Sponsor and to the Code provisions for maintaining the tax deferred status of the Accounts, a Participant may at any time transfer all or part of the balance in the Participant's Accounts (and earnings) to another Fund Sponsor approved for receipt of current Participant Contributions and Employer Contributions. The ORP Administration Committee may limit, restrict, or require such transfers when, in the opinion of the ORP Administration Committee, such action is in the best interest of the Plan or the Participants considered as a whole.

Subject to any right of a Fund Sponsor to restrict such transfers and to impose penalties on such transfers, and subject to the Code provisions for maintaining the tax deferred status of the Accounts, the ORP Administration Committee may at any time cause all or part of the balance in the Participant's Accounts (and earnings) to be transferred to another Fund Sponsor approved for receipt of current Participant Contributions and Employer Contributions, and may designate the Fund Sponsor to receive the transfer, when, in the opinion of the ORP Administration Committee, such action is in the best interest of the Plan or the Participants considered as a whole.

For the purposes of the Plan, a Fund Sponsor designated by the ORP Administration Committee (including without limitation as provided in Section 3 or this Section 4) shall be deemed to be a Fund Sponsor selected by the Participant, except that the ORP Administration Committee's designation of a Fund Sponsor shall not restrict the Participant's right under Section 4.4 to change his or her selection of a Fund Sponsor one time each Plan Year.

#### **4.6 Changing Investments of Existing Balances Between Funding Vehicles of a Fund Sponsor**

Subject to the Fund Sponsor's rules and penalties for transfers, a Participant may elect to transfer all or part of the balance in his or her Accounts to another authorized Funding Vehicle of the same Fund Sponsor at the dates, times, and in the manner specified by the Fund Sponsor.

#### **4.7 Transfers from Restricted or Discontinued Funding Vehicles**

In the absence of an election by a Participant and subject to the terms of any agreement between the Fund Sponsor and the Participant, the ORP Administration Committee may authorize or require the transfer of Account balances from restricted or discontinued Funding Vehicles to other authorized Funding Vehicles. Neither the Employer, the Participating Employers, the Board, the Administrator, the ORP Administration Committee, nor the Trustee will be liable for the selection or designation or investment results of any Fund Sponsor or Funding Vehicle.

#### **4.8 Valuation of the Trust Fund**

The fair market value of the Trust Fund shall be determined as of each Valuation Date and at any time specifically requested by the Administrator. Any portion of the Trust Fund held under an insurance contract or bank investment contract in which asset values are maintained only on a book value basis shall have that portion of the Trust Fund valued at book value rather than market value.

#### **4.9 Allocation of Forfeitures**

Amounts forfeited from an Employer Contribution Account pursuant to Section 6, if any, by any Participant shall be applied in the following order: to reinstate forfeitures pursuant to Section 6.2; to pay Plan expenses; and to reduce the next Employer Contributions.

#### **4.10 Account Statements**

Each Participant shall be provided with a statement of his or her Accounts under the Plan showing the Account values as of each Valuation Date. If within thirty (30) days after the statement is mailed the Participant makes no objection to the statement, it shall become binding and conclusive on the Participant and any Beneficiary.

## SECTION 5

### BENEFITS AND FORMS OF PAYMENT

#### 5.1 Eligibility for Benefits

A Participant shall be eligible to receive a distribution of his or her vested Accounts upon becoming Disabled, becoming Retired and reaching the Normal Retirement Age, termination of employment with the Employer and all Participating Employers, or Plan termination. A Participant's Beneficiary shall be eligible to receive a distribution of the remaining balance of the Participant's vested Accounts upon the death of the Participant.

Notwithstanding the foregoing, in the event a Participant again becomes an Active Participant before benefits commence, he or she shall no longer be eligible to receive a distribution. If benefits have commenced in the form of periodic payments, unpaid benefits shall be suspended until a subsequent event allowing distribution. The preceding sentence shall not apply if the suspension of benefit payments would be prohibited by insurance law or any other applicable law or regulation.

#### 5.2 Benefit Commencement

##### (a) Participant

A Participant who is eligible to receive a distribution (because Disabled, because Retired and reached the Normal Retirement Age, because of termination of employment with the Employer and all Participating Employers, or because of Plan termination) may request benefit commencement at any time after becoming eligible for benefits, and on or before April 1 of the calendar year following the later of the calendar year in which (i) the Participant attains age 70½, or (ii) the Participant retires from employment with the Employer and all Participating Employers (hereinafter the "Required Beginning Date").

If a Participant fails to request benefit commencement, the Participant shall be deemed to have requested that benefits equal to the minimum required distribution amount commence on the Required Beginning Date.

##### (b) Beneficiary

Payment of death benefits to a Beneficiary shall commence as provided in Section 5.7.

##### (c) Application for Benefits

A Participant who is eligible to receive a distribution (because Disabled, because Retired and reached the Normal Retirement Age, because of termination of employment with the Employer and all Participating Employers, or because of Plan termination), or a Beneficiary who is eligible to receive a distribution, must contact the Fund Sponsor directly to initiate a benefit distribution. A Participant or Beneficiary may request a complete distribution from a Fund Sponsor, or a partial distribution if permitted by the Fund Sponsor. Benefits will be payable by the Fund Sponsor upon receipt of a satisfactorily completed application for benefits, required

supporting documents, and confirmation from the Administrator that the Participant or Beneficiary is eligible for benefits. Necessary forms will be provided by the Fund Sponsor upon request of the Participant or Beneficiary.

(d) Deemed Cash-out

If a Participant terminates employment with the Employer and all Participating Employers prior to fully vesting in the Employer Contribution Account, the Participant shall be deemed to have received a distribution of such non-vested Employer Contribution Account balance upon termination of employment for purposes of Section 9.5.

(e) Waiver of Minimum Required Distributions for 2009

Effective for calendar years beginning after December 31, 2008:

- (i) The provisions in Sections 5.2 through 5.7, except this Section 5.2(e), implementing Code Section 401(a)(9) do not apply for calendar year 2009.
- (ii) Installment payments that a Participant, Beneficiary, or alternate payee elected to receive and that, but for Section 5.2(e)(i) above, would include payments required for calendar year 2009 under the provisions in Sections 5.2 through 5.7 implementing Code Section 401(a)(9), will continue to be made except to the extent the Participant, Beneficiary, or alternate payee elects not to receive the payments for calendar year 2009, but this Section 5.2(e)(ii) does not allow a Participant, Beneficiary, or alternate payee to elect not to receive payments being made under an irrevocable annuity.
- (iii) The Required Beginning Date with respect to any individual will be determined without regard to this Section 5.2(e) for purposes of applying the provisions in Sections 5.2 through 5.7 implementing Code Section 401(a)(9) for calendar years after 2009.
- (iv) The 5-year period described in Section 5.7(a)(vi) will be determined without regard to calendar year 2009.

**5.3 Amount of Payment**

The amount distributed shall be based on the Participant's vested interest in the current value of the Participant's Accounts, through the most recent valuation date for the Participant's selected Funding Vehicles. The actual amount distributed from an Account shall be determined in accordance with the forms of payment offered by each Fund Sponsor and the form elected by the Participant or Beneficiary or directed by the Plan.

**5.4 Form of Payment**

(a) General

A Participant who is eligible to receive a distribution (because Disabled, because Retired and reached the Normal Retirement Age, because of termination of employment with the Employer and all Participating Employers, or because of Plan termination) may elect any form of payment offered by a Fund Sponsor at the time of distribution, with respect to the part of his or her Accounts held by that Fund Sponsor. Where the forms of payment offered by a Fund Sponsor at the time of

distribution, with respect to any part of the Participant's Accounts held by that Fund Sponsor in a custodial account, are the forms of payment permitted under the Plan (subject to the requirements under Code Section 401(a)), the Participant may elect from among the following forms of payment for distributions from that part:

- (i) Full withdrawal: A single payment of the amount of that part.
- (ii) Partial withdrawal: A single payment of an amount specified by the Participant.
- (iii) Systematic withdrawal: Monthly, quarterly, or yearly installment payments.
- (iv) Annuity: Any form of annuity offered for that part by the Fund Sponsor.

Forms of payment offered by each Fund Sponsor may change from time to time. A Fund Sponsor shall provide a written explanation of the currently available forms of payment upon a Participant's or Beneficiary's request. A Participant who is eligible to receive a distribution (because Disabled, because Retired and reached the Normal Retirement Age, because of termination of employment with the Employer and all Participating Employers, or because of Plan termination) may elect to leave the part of his or her Accounts held by a Fund Sponsor in the Plan or have the benefit paid in the form of a lump sum. If left in the Plan, benefits will commence as required by Section 5.2 and 5.6.

(b) Limitation on Forms of Payment

A Participant who is eligible to receive a distribution (because Disabled, because Retired and reached the Normal Retirement Age, because of termination of employment with the Employer and all Participating Employers, or because of Plan termination) may elect a joint annuitant other than his or her spouse only if the percentage of benefits payable to the joint annuitant does not exceed the allowable percentage determined by the Fund Sponsor in accordance with applicable regulations. For distributions made before January 1, 2002, Proposed Treas. Reg. Section 1.401(a)(9)-2 (issued in 1987) requires that a certain percentage of the total benefit be provided to the Participant, determined as of the date payments are to commence under the Plan. For distributions made on or after January 1, 2002, Treas. Reg. Section 1.401(a)(9)-6 limits the percentage of benefits payable to a nonspouse joint annuitant. A Participant must elect a form of payment under which payments will be completed within the Participant's and Beneficiary's lifetimes or over a period certain not longer than their life expectancies.

(c) Automatic Form of Benefit at Required Beginning Date

Unless the Participant elects otherwise, benefits required to commence on the Required Beginning Date pursuant to Section 5.2(a) shall be paid in a lump sum.

## **5.5 Payment of Benefits**

Payment of benefits to a Participant or Beneficiary is the responsibility of the Fund Sponsor(s) holding the Participant's Accounts. Payment of benefits shall not be the responsibility of the Board, the Employer, the Participating Employers, the Administrator, the ORP Administration Committee, or the Trustee

## 5.6 Minimum Required Distribution

The minimum required distributions shall commence no later than the Required Beginning Date, and shall consist of annual payments in amounts which constitute the minimum required distribution under Code Section 401(a)(9)(A)(ii). The minimum required distribution shall be determined by dividing the Participant's remaining account balance by the Participant's applicable distribution period provided in Treas. Reg. Section 1.401(a)(9)-5. More generally, distributions from the Plan will be made in accordance with the requirements of the regulations under Code Section 401(a)(9), including the incidental death benefit requirement of Code Section 401(a)(9)(G), notwithstanding any provision of the Plan to the contrary.

Any amount remaining in the Accounts upon the death of the Participant shall be paid to the Participant's Beneficiary in accordance with Section 5.7.

## 5.7 Death Benefits

Upon the death of the Participant, the Beneficiary shall receive a distribution of the Participant's Accounts at the time and in the form described below:

### (a) Benefit Commencement

#### (i) Death after Benefit Commencement

If the Participant dies after a complete or partial distribution of his or her Account has begun, and the Participant has a designated beneficiary, as defined in the Treas. Reg. Section 1.401(a)(9)-4, the remaining portion of the Account will be paid over a period that does not exceed the longer of (a) the remaining life expectancy of the participant, or (b) the remaining life expectancy of the designated beneficiary. If the Participant does not have a designated beneficiary as of the date determined under Treas. Reg. Section 1.401(a)(9)-4, the remaining portion of the Account will be paid over a period that does not exceed the life expectancy of the Participant using the age of the Participant as of the Participant's birthday in the calendar year of the Participant's death.

#### (ii) Death before Benefit Commencement or after Partial Distribution

The Participant (or designated Beneficiary) may elect whether the five-year rule under Code Section 401(a)(9)(B)(ii) or the life expectancy rule under Code Section 401(a)(9)(B)(iii) applies if the Participant dies prior to commencing distribution of his or her Account, or after receiving a partial distribution (but before commencing distribution of the remaining Account balance), and the Participant has a designated Beneficiary, as defined in Treas. Reg. 1.401(a)(9)-4. Under the five-year rule, the remaining Account balance will be distributed to the designated Beneficiary within five (5) years of the Participant's death. Under the life expectancy rule, the remaining Account balance will be distributed to the designated Beneficiary over a period that does not exceed the remaining life expectancy of the designated Beneficiary.

The election must be made no later than the earlier of (A) the end of the calendar year immediately following the calendar year in which the Participant died, or, if the sole designated Beneficiary is the Participant's spouse, the end

of the calendar year in which the Participant would have attained age 70½, if later, or (B) the end of the calendar year which contains the fifth (5th) anniversary of the date of the Participant's death. The election must be irrevocable with respect to the Beneficiary and all subsequent Beneficiaries and must apply to all subsequent calendar years.

If neither the Participant nor the Beneficiary makes the election, then distribution of the remaining Account balance will be made as follows:

- (A) If the Participant has a designated Beneficiary as of the last day of the calendar year following the calendar year of the Participant's death, the remaining Account balance will be paid over a period that does not exceed the life expectancy of the designated Beneficiary.
- (B) If the Participant has no designated Beneficiary as of the last day of the calendar year following the calendar year of the Participant's death, the remaining Account balance will be distributed within five (5) years of the Participant's death.

(b) Application for Benefits

A Beneficiary entitled to benefits under subparagraph (a)(ii) or (iii) must apply for benefits pursuant to Section 5.2(c).

If a Beneficiary fails to request benefit commencement, he or she shall be deemed to have requested the commencement of any benefits required to be paid under Section 5.7(a).

(c) Amount of Payment

The amount distributed to a Beneficiary entitled to benefits under subparagraph (a)(ii) or (iii) shall be determined in accordance with Section 5.3.

(d) Form of Payment

A Beneficiary entitled to benefits under subparagraph (a)(ii) or (iii) may elect any form of payment offered by a Fund Sponsor at the time of distribution with respect to Accounts held by that Fund Sponsor, under which benefits will be completed by the times required in subparagraph (a) above. Where the forms of payment offered by a Fund Sponsor at the time of distribution, with respect to any part of the Beneficiary's interest in the Participant's Accounts held by that Fund Sponsor in a custodial account, are the forms of payment permitted under the Plan (subject to the requirements under Code Section 401(a)), the Beneficiary may elect from among the following forms of payment for distributions from that part, under which benefits will be completed by the times required in subparagraph (a) above:

- (i) Full withdrawal: A single payment of the amount of that part.
- (ii) Partial withdrawal: A single payment of an amount specified by the Beneficiary.
- (iii) Systematic withdrawal: Monthly, quarterly, or yearly installment payments.
- (iv) Annuity: Any form of annuity offered for that part by the Fund Sponsor.

Forms of payment offered by each Fund Sponsor may change from time to time. A Fund Sponsor shall provide a written explanation of the currently available forms of payment upon a Beneficiary's request.

In the event a Beneficiary fails to request benefit commencement and benefits are required to commence under Section 5.7(a), benefits shall be paid in the form of a lump sum.

(e) Beneficiary

A Beneficiary designation may be changed at any time prior to the earlier of the complete distribution of the Participant's benefits or the Participant's date of death.

If a Participant fails to designate a Beneficiary or no designated Beneficiary survives the Participant or exists, the ORP Administration Committee shall direct that benefits be paid to the person or persons in the first of the following categories of successive preference Beneficiaries to survive the Participant. The Participant's:

- (i) current spouse who survives the Participant for 30 days;
- (ii) same-sex domestic partner who survives the Participant for 30 days;
- (iii) children, including adopted children, who survive the Participant for 30 days, to share payments equally;
- (iv) parents who survive the Participant for 30 days, to share payments equally; or
- (v) estate.

For this purpose, a Participant's same-sex domestic partner is the individual, if any, who the Oregon Family Fairness Act (which is sections 1 to 9 of 2007 Oregon Laws chapter 99) requires be treated the same as the Participant's surviving spouse.

## 5.8 **Direct Rollovers**

(a) General Rule

Notwithstanding any provision of the Plan to the contrary, a Distributee may elect, at the time and in the manner prescribed by the ORP Administration Committee, to have any portion of any Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. The ORP Administration Committee shall, within a reasonable period of time before making an Eligible Rollover Distribution, provide a written explanation to the Distributee as provided under Code Section 402(f). The ORP Administration Committee has delegated the task of providing this notice to the Fund Sponsor(s). Such distribution may not commence less than 30 days after the notice required under Code Section 402(f) is given unless the distributee has affirmatively elected earlier distribution in accordance with Treas. Reg. Sec. 1.402(f)-1.

(b) Direct Rollover

A Direct Rollover is a payment by the Plan to an Eligible Retirement Plan specified by the Distributee.

(c) Distributee

A Distributee includes any of the following:

- (i) An employee or former employee.
- (ii) An employee's or former employee's surviving spouse.
- (iii) An employee's or former employee's spouse or former spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p).
- (iv) A Designated Beneficiary.

(d) Designated Beneficiary

A Designated Beneficiary is an employee's or former employee's beneficiary meeting either of the following requirements:

- (i) The beneficiary:
  - (A) Is an individual and a designated beneficiary (as defined in Code Section 401(a)(9)(E)) of the employee or former employee;
  - (B) Is not the employee's or former employee's surviving spouse; and
  - (C) Is not an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), who is the employee's or former employee's spouse or former spouse; or
- (ii) The beneficiary is a trust maintained for the benefit of one or more designated beneficiaries (as defined in Code Section 401(a)(9)(E)) of the employee or former employee.

(e) Eligible Retirement Plan

- (i) Except as provided in Sections 5.8(e)(ii) and 5.8(e)(iii), an Eligible Retirement Plan is any of the following specified by the Distributee that accepts the Eligible Rollover Distribution:
  - (A) An individual retirement plan described in Code Section 7701(a)(37) (other than an endowment contract), including a Roth IRA described in Code Section 408A.
  - (B) A qualified trust described in Code Section 401(a).
  - (C) An annuity plan described in Code Section 403(a).
  - (D) An annuity contract described in Code Section 403(b).
  - (E) An eligible deferred compensation plan under Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A) and that agrees to separately account for amounts transferred into such plan from the Plan.
- (ii) In the case of a Direct Rollover on behalf of a Designated Beneficiary, an Eligible Retirement Plan is an individual retirement plan described in Code Section 7701(a)(37) (other than an endowment contract), including a Roth IRA described in Code Section 408A, that:

- (A) Is specified by the Designated Beneficiary;
  - (B) Accepts the Direct Rollover;
  - (C) Is established for the purpose of receiving the distribution on behalf of the Designated Beneficiary; and
  - (D) Will be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Code Section 408(d)(3)(C)) pursuant to Code Section 402(c)(11).
- (iii) In the case of a Direct Rollover that is not on behalf of a Designated Beneficiary and includes an amount that is not includable in gross income, an Eligible Retirement Plan is any of the following that is specified by the Distributee and accepts the Direct Rollover:
- (A) A qualified trust described in Code Section 401(a) or an annuity contract described in Code Section 403(b) which trust or contract provides for separate accounting for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable; or
  - (B) An individual retirement plan as described in Section 5.8(e)(i)(A).

(f) Eligible Rollover Distribution

An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include any of the following:

- (i) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary (within the meaning of Code Section 402(c)(4)(A)(i)), or for a specified period of ten years or more.
- (ii) Any distribution to the extent such distribution is required under Code Section 401(a)(9). As provided in Code Section 402(c)(4), if all or any portion of a distribution during calendar year 2009 is treated as an eligible rollover distribution but would not be so treated if the minimum distribution requirements under Code Section 401(a)(9) had applied during calendar year 2009, such distribution shall not be treated as an Eligible Rollover Distribution. The determination of any distribution required under Code Section 401(a)(9) for a Designated Beneficiary will be made in accordance with Q&A-17 and -18 of Internal Revenue Service Notice 2007-7, 2007-5 I.R.B. 395, or later guidance by the Internal Revenue Service or in Treasury regulations.
- (iii) Unless the ORP Administration Committee affirmatively elects to the contrary, any minimum amount permitted by Code Section 401(a)(31) and regulations issued thereunder that is permitted to be excluded from the definition of Eligible Rollover Distribution.

- (iv) Any distribution made upon the hardship (within the meaning of Code Section 402(c)(4)(C)) of the Distributee.
- (v) Any other distribution designated in Treasury regulations, or by the Commissioner of Internal Revenue Service pursuant to Treasury regulations, as not an eligible rollover distribution within the meaning of Code Section 402(c)(4).

## 5.9 Loans

### (a) General

A Participant may apply to a Fund Sponsor for a loan from his or her vested Accounts. A Fund Sponsor may, but need not, offer such loans unless required to do so by the ORP Administration Committee or the Administrator. A Fund Sponsor that offers such loans may make only bona fide loans that are consistent with the requirements applicable to the Plan under Code Section 401(a) and may limit the loans to those that are not treated as taxable distributions pursuant to Code Section 72(p) when made.

The requirements applicable to the Plan under Code Section 401(a) which such loans must satisfy include without limitation the exclusive benefit requirement and the restrictions in Treas. Reg. Section 1.401(a)-1(b) on payment of benefits by a pension plan before termination of employment. The exclusive benefit requirement includes without limitation the requirements that a Fund Sponsor provide loans, if any, to Participants on a reasonably equivalent basis (but a Fund Sponsor may, for example, offer loans only to Active Participants) and that the loans be adequately secured, bear a reasonable interest rate, and provide for repayment within a specified period of time.

A Fund Sponsor may establish appropriate procedures, limitations, and requirements for such a loan if not inconsistent with this Section 5.9. The ORP Administration Committee and the Trustee may periodically review the Fund Sponsors' loan procedures and the status of outstanding loans for such matters as the Committee or Trustee deems appropriate.

All applications for and repayments and administration of such a loan shall be through the Fund Sponsor offering the loan, not through the ORP Administration Committee, the Trustee, the Employer, or the Participating Employers. Any loan fees charged by the Fund Sponsor shall be paid by the Participant or deducted from the loan proceeds or the part of the Participant's Accounts held by the Fund Sponsor.

### (b) Default

If a loan is in default, the Plan may foreclose upon the Participant's Account balance to the extent of the unpaid balance of the loan as of the earliest date on which the Participant is eligible for a distribution.

The ORP Administration Committee may from time to time review the payment status of all outstanding loans and take all appropriate action to foreclose upon defaulted loans.

## SECTION 6 VESTING

### 6.1 Vesting

(a) Participant Contribution Account, ORP Employer Match Account, Rollover Account, and Post-Tax Transfer Account

Each Participant shall have a one hundred percent (100%) vested, nonforfeitable right to his or her Participant Contribution Account, ORP Employer Match Account, Rollover Account, and Post-Tax Transfer Account.

(b) Employer Contribution Account

Each Participant shall earn a vested, non-forfeitable right to his or her Employer Contribution Account based on his or her Years of Service in accordance with the following table:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 5	0%
5 or more	100%

In addition, each Participant shall have a one hundred percent (100%) vested, non-forfeitable right to his or her Employer Contribution Account upon death, becoming Disabled or the attainment of age fifty (50), provided he or she is an Employee on such date. A Participant who commenced employment with the Employer or a Participating Employer at or after age fifty (50) shall be one hundred percent (100%) vested. A Participant who dies within one hundred twenty (120) days of the Participant's last day of paid employment with the Employer and all Participating Employers or while on an employer-approved leave of absence shall be one hundred percent (100%) vested upon death.

### 6.2 Forfeitures

(a) General

If a Participant terminates employment with the Employer and all Participating Employers prior to becoming one hundred percent (100%) vested in his or her Employer Contribution Account, the amount of the Account shall be forfeited upon the date the Participant terminates employment with the Employer and all Participating Employers.

(b) Assets to restore amounts forfeited shall be taken first from the ORP Forfeiture Accounts.

In the event that balances held in the ORP Forfeiture Account are inadequate to fully reinstate the Employer Contribution Account, the Employer or Participating Employer shall make a contribution in addition to the contributions required under Section 3 equal to the balance necessary to fully reinstate the Employer Contribution Account.

- (i) If an Inactive Participant returns to service with the Employer or a Participating Employer before five (5) years have lapsed since the Employee's date of termination, the amount forfeited shall be restored to the Participant's Employer Contribution Account as of the month following the date in which the Participant:
  - (A) Returns to a Qualifying Position before November 1, 2013; or
  - (B) Is or becomes an Active Participant on or after November 1, 2013, and after returning to service with the Employer or a Participating Employer.
- (ii) If an Inactive Participant returns to service with the Employer or a Participating Employer more than five (5) years after termination, the amount forfeited shall not be restored.

If a terminated Participant is reemployed by the Employer or a Participating Employer more than five (5) years after the Employee's prior termination date, the amount forfeited shall not be restored.

(c) Deemed Cash-out

If a Participant terminates employment with the Employer or a Participating Employer prior to fully vesting in the Employer Contribution Account, the Participant shall be deemed to have received a distribution of such non-vested Employer Contribution Account balance upon termination of employment for purposes of Section 9.5.

**6.3 Vesting on Reemployment**

If an Inactive Participant returns to service with the Employer or any Participating Employer before five (5) years have lapsed since the Employee's date of termination, all Years of Service before and after the period of termination shall be taken into account in determining the Participant's vested interest in the Employer Contribution Account.

If an Inactive Participant returns to service with the Employer or any Participating Employer more than five (5) years after termination, or if a former Participant returns to service with the Employer or any Participating Employer after receiving a full disbursement of vested benefits, only Years of Service after the period of termination shall be taken into account in determining the Participant's vested interest in the Employer Contribution Account.

## SECTION 7

### DOMESTIC RELATIONS ORDERS

#### 7.1 Requirements for Qualification

Notwithstanding any Plan provisions to the contrary, vested benefits under the Plan may be paid to someone other than the Participant or Beneficiary, pursuant to a Qualified Domestic Relations Order. A “Qualified Domestic Relations Order” is a judgment, decree, or order (“Order”) (including approval of a property settlement agreement) that:

- (a) relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant;
- (b) is made pursuant to a state domestic relations law (including a community property law); and
- (c) creates or recognizes the existence of an alternate payee’s right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable to a Participant under the Plan.

The Plan will recognize a Qualified Domestic Relations Order only if it meets the following additional requirements:

- (i) The Order must identify the Plan benefits that are being awarded to the alternate payee with sufficient clarity that the ORP Administration Committee, in its sole judgment, is able to interpret and administer the order.
- (ii) The Order must not require the payment of any benefits that are not provided for under the Plan or the applicable Funding Vehicle.
- (iii) The Order must not require the ORP Administration Committee or any Fund Sponsor to take any action that would be inconsistent with the terms of the Plan or any applicable Funding Vehicle.
- (iv) The Order must not conflict with any prior Qualified Domestic Relations Order relating to the Participant’s Account.

#### 7.2 Commencement of Payment

All vested benefits awarded to an alternate payee shall be distributed to the alternate payee in accordance with the Order as soon as administratively feasible after the Order has been determined to be a Qualified Domestic Relations Order, unless otherwise required by the terms of the Order. Payments may be made to an alternate payee in accordance with the terms of a Qualified Domestic Relations Order even if the Participant is not eligible for a distribution.

#### 7.3 Determination of Status of Order

The ORP Administration Committee shall determine whether an order meets the requirements of this Section within a reasonable period after receiving an order. An order shall be considered received by the Plan when it is received and recorded by the Administrator. The Participant and any alternate payee shall be notified that an order has

been received and of the procedures for determining the qualified status of domestic relations orders.

#### **7.4 Rights of Alternate Payees**

No alternate payee shall have any right in or to any asset of the Plan, or any part thereof, except as, and only to the extent, expressly provided for in this Section relating to domestic relations orders. However, while the qualified status of an order is being determined, an alternate payee shall receive information concerning the Plan which is provided to Participants.

Subsequent to determination as a Qualified Domestic Relations Order, and subject to the terms of the Qualified Domestic Relations Order, and any agreement between the Participant and the Fund Sponsor, an alternate payee may select authorized Funding Vehicles and name a Beneficiary with respect to his or her benefit in the same manner as a Participant.

#### **7.5 Same-Sex Domestic Partners**

This Section 7 applies to a Participant and the Participant's same-sex domestic partner or former same-sex domestic partner in the same manner as this Section 7 applies to a Participant and the Participant's spouse or former spouse, except that this Section 7 does not allow the Plan to distribute a benefit to a Participant's same-sex domestic partner or former same-sex domestic partner (or other person with respect to whom the distribution does not satisfy the requirements of Code Section 414(p)(11)) if the Participant has not attained the Normal Retirement Age or separated from employment with the employer (within the meaning of Code Section 414(b), (c), (m), and (o)) at the time of the distribution. For this purpose, a Participant's same-sex domestic partner is the individual, if any, who the Oregon Family Fairness Act (which is sections 1 to 9 of 2007 Oregon Laws chapter 99) requires be treated the same as the Participant's spouse.

## SECTION 8

### ADMINISTRATION OF THE PLAN

#### 8.1 ORP Administration Committee

The fiduciary body responsible for administrative oversight of the Plan shall be the ORP Administration Committee. The Board shall appoint an ORP Administration Committee composed of three or more persons which shall carry out the day-to-day administration of the Plan to the extent provided in this document, including the delegation of various ministerial duties to the Administrator. No member of the ORP Administration Committee who is an Employee shall receive additional compensation with respect to service on the committee. Any member of the ORP Administration Committee may resign by delivering written resignation to the Board and to the ORP Administration Committee. The Board may remove or replace any member of the ORP Administration Committee at any time and for any reason.

#### 8.2 Organization and Procedures

(a) Chairperson

The Board shall designate a committee chair from the members of the ORP Administration Committee. Legal process shall be in the same manner as if for service on the Board. All reports required by law may be signed by the chair on behalf of all members of the ORP Administration Committee.

(b) Secretary

The ORP Administration Committee shall appoint a secretary, who may or may not be a member of the ORP Administration Committee. The secretary shall have the primary responsibility for keeping a record of all meetings and acts of the ORP Administration Committee and shall have custody of all documents, the preservation of which shall be necessary or convenient to the efficient functioning of the ORP Administration Committee and which shall be in accordance with other requirements of law.

(c) Bylaws and Procedures

The ORP Administration Committee shall adopt such bylaws and procedures as it deems desirable for the conduct of its affairs subject to the approval of the Vice President for Finance and Administration of the Employer.

#### 8.3 Authority and Duties

(a) Authority

The ORP Administration Committee shall have all powers necessary or appropriate to carry out its duties. Any interpretation of or action by the ORP Administration Committee with respect to the Plan and its administration shall be conclusive and binding upon any and all parties and persons affected hereby, subject to the exclusive appeal procedure set forth in Section 8.4 herein.

(b) Duties

The ORP Administration Committee shall administer the Plan in a non-discriminatory manner for the exclusive benefit of the Plan's Participants, Beneficiaries, and alternate payees. The ORP Administration Committee shall perform all such duties as are necessary to supervise the administration of the Plan and to control its operation in accordance with the terms thereof, including, but not limited to, the following:

- (i) consider Employee interests and recommend to the Employer, if applicable, Plan amendments and administrative procedures that serve those interests;
- (ii) delegate and allocate specific obligations, responsibilities, and duties imposed by the Plan to the Administrator or one or more Employees, officers, Fund Sponsor(s) or such other persons as the ORP Administration Committee deems appropriate subject to the approval of the Vice President for Finance and Administration of the Employer;
- (iii) interpret the provisions of the Plan in its sole discretion and determine any question arising under the Plan, or in connection with the administration or operation thereof, including any question of fact;
- (iv) determine in its sole discretion the eligibility of any Employee to be or become a Participant;
- (v) determine in its sole discretion eligibility for benefits of any Participant, Beneficiary; or alternate payee pursuant to a Qualified Domestic Relations Order; and
- (vi) establish limits and restrictions for Participant Contributions, Employer Contributions, and Participant investments with Fund Sponsors and specified Funding Vehicles subject to the approval of the Board.

**8.4 Determination and Appeal Procedure**

(a) Requests for Determination

Any time a request for determination of eligibility for participation or benefits distribution, or an interpretation of Plan provisions is disputed, or a Participant or Beneficiary is adversely affected by action of a Fund Sponsor, the Employer, a Participating Employer, the Administrator, or the ORP Administration Committee, the individual (hereinafter "Claimant") may submit a claim for determination to the Benefits Officer for the Employer or Participating Employer institution where the Participant is employed (or, if there is not a Benefits Officer, to the Administrator). The Claimant shall be notified of the Benefits Officer's (or Administrator's) determination within ninety (90) days after receipt of the claim, unless special circumstances require an extension of time for processing. Such notice will indicate the basis for the determination or interpretation and an explanation of the procedure for requesting an appeal as set forth herein.

(b) Appeal Procedure

Any person who has received an adverse determination shall have the right to appeal the Benefits Officer's determination to the ORP Administration Committee. Such appeal must be in writing and must be made within sixty (60) days after such person is advised of the adverse action. If a written request for appeal is not made within such sixty (60)-day period, the Claimant shall forfeit his or her right to an appeal. The Claimant or a duly authorized representative of the Claimant may review all pertinent documents and submit issues and comments to the ORP Administration Committee.

(c) Consideration of Appeal

The ORP Administration Committee shall consider appeals received under Section 8.4(b) herein. It may hold a hearing if it deems it necessary and shall issue a written decision affirming, modifying, or setting aside the former action within one hundred twenty (120) days after receipt of the written request for appeal, unless special circumstances require an extension of time for processing. A copy of the decision shall be furnished to the Claimant. The decision shall set forth its reasons and pertinent Plan provisions on which it is based. The decision shall be final and binding upon the Claimant, the Employer, the Participating Employers, the ORP Administration Committee, the Trustee, the Administrator, and all other persons involved to the maximum extent permitted by law.

(d) Final Decision

The determination of the ORP Administration Committee shall constitute the final decision of the Plan and the Employer and shall be binding upon the Claimant, the Employer, the Participating Employers, the Trustee, the Administrator, and all other persons. Any person seeking judicial review of the decision must file a timely complaint with the Oregon District or Circuit Court of Multnomah County in Portland, Oregon. The ORP Administration Committee will inform a Claimant of the right to appeal to the Oregon District or Circuit Court of Multnomah County in Portland, Oregon.

**8.5 Trust Fund**

The Employer shall maintain a separate trust fund for the Plan to hold and account for the assets of the Plan. The Employer, or any person designated in writing from time to time by the Employer, has the power and duty to appoint the Trustee and it shall have the power to remove the Trustee and appoint successors at any time. As a condition to exercising its power to remove any Trustee hereunder, the Employer must first enter into an agreement with a successor Trustee. The Trustee shall have responsibility for and control over the investment of Trust Fund assets not deposited with a Fund Sponsor, if any. The Trustee shall have the authority to review, monitor, and keep alert to the continued ability of Fund Sponsors to fulfill obligations to Participants, Beneficiaries, and alternate payees.

## 8.6 Miscellaneous

### (a) Expenses and Assistance

All reasonable expenses in excess of any forfeitures, as provided in Section 4.9, which are necessary to operate and administer the Plan may be deducted from the Plan's Trust Fund or investment earnings or, at the election of the Employer, paid directly by the Employer.

### (b) Limitations on Assignments

Benefits under the Plan may not be assigned, sold, transferred, or encumbered, and any attempt to do so shall be void, except a benefit may be rolled over pursuant to Section 5.8. The interest of a Participant, Beneficiary, or alternate payee in benefits under the Plan shall not be subject to debts or liabilities of any kind and shall not be subject to attachment, garnishment or other legal process, except as provided in Section 7 relating to Domestic Relations Orders, or as otherwise required or permitted by state or federal law.

Effective January 1, 2002, the foregoing paragraph shall not apply to an offset of the interest hereunder of a Participant or Beneficiary against an amount the Participant or Beneficiary is ordered or required to pay to the Plan pursuant to a judgment or settlement, as described in Code Section 401(a)(13)(C) or (D).

### (c) Masculine and Feminine, Singular and Plural

Whenever used herein, the masculine pronouns shall include the feminine, and the singular shall include the plural whenever the context shall plainly so require.

### (d) No Additional Rights

No person shall have any right in or to a Participant's Account or any part thereof or any right under the Plan, except as and only to the extent expressly provided for in the Plan. Neither the establishment of the Plan, the granting of a retirement benefit, nor any action of the Employer, the Participating Employers, the Board, the Trustee, the Administrator, or the ORP Administration Committee shall be held or construed to confer upon any person any right to be continued as an employee, or, upon dismissal, any right or interest other than as herein provided. Nothing in this Plan shall be construed to expand any Employee's rights beyond those provided in the policies and regulations of the Employer or the Participating Employers.

### (e) Governing Law

This Plan shall be construed in accordance with applicable federal law and the laws of the State of Oregon. Jurisdiction for any litigation arising out of this Plan shall be solely in the Oregon District or Circuit Court of Multnomah County in Portland, Oregon, depending upon the amount of the claim.

### (f) Disclosure to Participants

Each Participant shall be advised of the general provisions of the Plan upon written request addressed to the ORP Administration Committee and shall be furnished any information requested regarding the Participant's status, rights, and privileges under the Plan as may be required by law.

(g) Income Tax Withholding Requirements

Any benefit payment made under the Plan shall be subject to any applicable income tax withholding requirements. For this purpose, the Employer shall provide the Fund Sponsor with any information in its custody needed to satisfy such withholding obligations and with any other information that may be required by regulations promulgated under the Code.

(h) Severability

If any provision of a Plan shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions of the Plan which shall be construed as if said illegal or invalid provision had never been included.

(i) Correction of Errors

In the event an incorrect amount is credited to a Participant's Account or paid on behalf of a Participant, Beneficiary or alternate payee, the Participant's Account or any remaining payments may be adjusted to correct the error. Adjustments resulting from clerical errors or other causes which are determined by the ORP Administration Committee to be *de minimis* in amount may be waived at the discretion of the ORP Administration Committee, in accordance with Internal Revenue Service guidance.

(j) Spouse's Consent

In the event a spouse's or same-sex domestic partner's consent is required for any Plan purpose, such consent shall acknowledge a full understanding of the effect of the consent, shall be in writing, and shall be witnessed by a notary public; provided, written consent will not be required if the Participant establishes to the satisfaction of the ORP Administration Committee and the Fund Sponsor that no spouse or same-sex domestic partner exists, or that the spouse or same-sex domestic partner cannot be located. For this purpose, a Participant's same-sex domestic partner is the individual, if any, who the Oregon Family Fairness Act (which is sections 1 to 9 of 2007 Oregon Laws chapter 99) requires be treated the same as the Participant's spouse.

(k) Benefit Funding

All benefits under the Plan are funded exclusively through contributions to Accounts and any earnings upon such contributions and are provided solely through the Funding Vehicles selected by the Participant; therefore, benefits are not subject to nor covered by federal plan termination insurance.

(l) No Representation

The Plan, the Employer, the Participating Employers, the Board, the Trustee, the Administrator, and the ORP Administration Committee do not represent or guarantee that any particular federal or state income, payroll, personal property, Social Security, or other tax consequences will result from participation in the Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation.

(m) Facility of Payment

In the event any benefit under this Plan shall be payable to a person who is under legal disability or is in any way incapacitated so as to be unable to manage his or her financial affairs, the ORP Administration Committee may direct payment of such benefit to a duly appointed guardian or other legal representative of such person or in the absence of a guardian or legal representative, to a custodian for such person under a Uniform Gift to Minors Act or to any relative of such person by blood or marriage, for such person's benefit. Any payment made in good faith pursuant to this provision shall fully discharge the Employer, the Participating Employers, the Trustee, the Administrator, the ORP Administration Committee, and the Plan of any liability to the extent of such payment.

(n) Missing Persons

In the event a distribution is required to commence under Section 5.2 and the Participant or Beneficiary cannot be located, the Participant's Account shall be forfeited on the last day of the Plan Year following the Plan Year in which distribution was supposed to commence.

If the affected Participant or Beneficiary later contacts the Administrator, his or her Account shall be reinstated and distributed as soon as practical. The Administrator shall reinstate the amount forfeited, with no adjustment for interest, from current forfeitures. If current year forfeitures are inadequate to fully reinstate the Account, the Employer or Participating Employer shall make a special Employer contribution or Participating Employer contributions equal to such amount and allocate it to the affected Participant's or Beneficiary's Account. Such reinstatement shall not be considered an Annual Addition for purposes of the limitations on contributions pursuant to Code Section 415.

Prior to forfeiting any Account, the Administrator shall attempt to contact the Participant or Beneficiary by return receipt mail at his or her last known address according to the Employer's and Participating Employer's records, and by the letter forwarding services offered through the Social Security Administration or such other means as the ORP Administration Committee deems appropriate.

## SECTION 9

### AMENDMENT AND TERMINATION

#### 9.1 Amendment

Subject to any advance notice or other requirements of law, the Board is authorized to amend the Plan at any time, including amendments designating authorized Fund Sponsors and Funding Vehicles, except that any amendment which establishes or changes the Employer contribution rates, Employee contribution rates, or results in full or partial Plan termination, Plan merger or consolidation must be consistent with Oregon law.

Proposed amendments shall be prepared at the direction of the ORP Administration Committee and submitted to the Board for approval.

#### 9.2 Limitation

Notwithstanding the provisions of Section 9.1 herein, the following conditions and limitations apply:

- (a) No amendment will be made which will operate to recapture for the Employer or a Participating Employer any Plan contributions previously made under the Plan. However, Plan contributions made in contemplation of approval by the Internal Revenue Service may be returned to the Employer or Participating Employer that made the contributions, to the extent feasible, if the Internal Revenue Service fails to approve the Plan as qualified under Code Section 401(a). In addition, Plan contributions may be returned as described in Section 3.5.
- (b) No amendment will deprive, take away, or alter any then accrued right of any Participant insofar as any Plan contributions are concerned.

#### 9.3 Plan Qualification

Any modification or amendment of the Plan may be made retroactive, as necessary or appropriate, to establish and maintain a “qualified plan” pursuant to Code Section 401 and regulations thereunder, and exempt status of the fund or trust under Code Section 501.

Notwithstanding anything herein to the contrary, the Plan shall be contingent upon a favorable Internal Revenue Service ruling that the Plan is qualified under Code Section 401(a), as amended, and exempt from income taxation under Code Section 501(a). In the event the Plan is not initially recognized as a “qualified plan,” or the assets of the Plan are not initially exempt under Code Section 501, and the Plan is not amended retroactively for any reason to correct the defaults, then that Plan shall be void *ab initio* and all amounts contributed to the Plan, plus investment earnings, less expenses paid, shall be returned to the Employer or the Participating Employer that made the contribution within one year from the date of the adverse ruling. Any determination by the Internal Revenue Service that the Plan is not qualified will apply equally to the Employer and all Participating Employers.

#### **9.4 Termination of the Plan**

The Employer shall have the right to fully or partially terminate the Plan or merge or consolidate the Plan with another plan at any time, subject to any requirements of applicable law.

The termination of the Plan shall not cause or permit any part of the assets of the Plan to be diverted to purposes other than for the exclusive benefit of the Participants, Beneficiaries, and alternate payees, or cause or permit any portion of the Plan assets to revert to or become the property of the Employer or any Participating Employer at any time prior to the satisfaction of all liabilities with respect to the Participants, Beneficiaries, and alternate payees.

Upon termination of the Plan, the then members of the ORP Administration Committee shall continue to act for the purpose of complying with the prior paragraph and shall have all power necessary or convenient to the winding up and dissolution of the Plan as herein provided. While so acting, they shall be in the same status and position with respect to other persons as if the Plan remained in existence.

#### **9.5 Vested Accounts on Plan Termination**

As provided in, and only to the extent required by, Code Section 401(a)(7) as in effect on September 1, 1974 and Treasury Regulation Section 1.401-6, upon the termination of the Plan or upon the complete discontinuance of contributions under the Plan, the rights of each employee to benefits accrued to the date of such termination or discontinuance, to the extent then funded, or the rights of each employee to the amounts credited to the employee's account at such time, are nonforfeitable.

## **SECTION 10**

### **FIDUCIARIES**

#### **10.1 Limitation of Liability of the Employer and Others**

All benefits shall be payable solely from the Participant's Accounts. No Participant shall have any claim against the Employer, a Participating Employer, the Board, or the Employer's, Participating Employer's, or Board's officers, employees, agents or representatives, or against the ORP Administration Committee, the Administrator, or the Trustee for any benefits under the Plan. Nor shall the Employer, a Participating Employer, the Board, or the Employer's, Participating Employer's or Board's officers, employees, agents or representatives, the ORP Administration Committee, the Administrator, or the Trustee incur any liability to any person for any action taken or suffered or omitted to be taken by them under the Plan in good faith.

#### **10.2 Indemnification of Fiduciaries**

In order to facilitate the recruitment of competent fiduciaries, the Employer agrees to provide the indemnification as described herein. This provision shall apply to the Retirement Committee, the Retirement Plans Administration Committee, the ORP Administration Committee, the Board, the Employer, or any other individuals who are determined to be Plan fiduciaries. Notwithstanding the preceding, this provision shall not apply and indemnification will not be provided for any Fund Sponsor, paid consultant, or agent appointed as provided in this Plan.

#### **10.3 Scope of Indemnification**

The Employer agrees to indemnify the fiduciaries as described above for all acts taken in carrying out his, her, or their responsibilities under the terms of the Plan. This indemnification for all acts is intentionally broad but shall not provide indemnification for gross negligence, willful misconduct, embezzlement or diversion of Plan funds for the benefit of the fiduciary. The Employer agrees to indemnify the fiduciaries described herein for all expenses of defending an action, including all legal fees for counsel selected with the Employer's consent and other costs of such defense. The Board shall also indemnify the fiduciary for any monetary recovery in any court or arbitration proceeding. In addition, if the claim is settled out of court with the concurrence of the Employer, the Employer shall indemnify the fiduciary for any monetary liability under said settlement. The Board shall have the right, but not the obligation, to conduct the defense of such persons in any proceeding to which this Section applies. The Employer may satisfy its obligation under this Section in whole or in part through the purchase of a policy or policies of insurance providing equivalent protection.

Notwithstanding the foregoing, the indemnification provided for herein shall be subject to any applicable limitations under Article XI, Section 7, of the Oregon Constitution, or the Oregon Tort Claims Act, ORS 30.260 to 30.300.

## SECTION 11

### PARTICIPATING EMPLOYERS

#### 11.1 Adoption of Plan

With the consent of the Employer, any Oregon public university may adopt this Plan and all of the provisions hereof, and participate herein and be known as a Participating Employer, by a properly executed document evidencing such intent of the Board of Trustees of said Oregon public university.

#### 11.2 Rights and Duties

Notwithstanding anything herein to the contrary, for each Participating Employer hereunder, the following shall apply:

- (a) Each Participating Employer shall be required to use the same Trustee as provided in this Plan.
- (b) The Trustee may commingle, hold and invest as one (1) fund all contributions made by the Employer, Participating Employers and Employees, as well as increments thereon. All of the Plan assets shall be available to pay benefits to Participants and their Beneficiaries.
- (c) The transfer of any Participant from or to a Participating Employer shall not affect such Participant's rights under the Plan, and all amounts credited to such Participant's Account as well as accumulated service time with the transferor or predecessor, and length of participation in the Plan, shall continue to the Participant's credit.
- (d) Any forfeitures arising under the Plan shall be allocated to the ORP Forfeiture Account.
- (e) Any expenses of the Plan or Trust which are to be paid by the Employer or borne by the Trust fund shall be paid by each Participating Employer in such manner as agreed to in writing by the Employer and the Participating Employers.

#### 11.3 Designation of Agent

Each Participating Employer shall be deemed to be a part of this Plan; provided, however, that with respect to all of its relations with the Trustee, Fund Sponsors and service providers for the purpose of this Plan, each Participating Employer shall be deemed to have designated irrevocably the Employer as its agent.

#### 11.4 Contributions

All contributions made by a Participating Employer will be remitted promptly to the Employer, or its designee, in such manner as agreed to in writing by the Employer and the Participating Employer.

#### 11.5 Amendment of Plan

Amendment of this Plan by the Employer at any time when there shall be a Participating Employer hereunder shall require the written consent of each Participating Employer

only where such consent is necessary in accordance with the terms of this Plan, and the written commitments between the Employer and the Participating Employer.

#### **11.6 Revocation of Participation**

Any Participating Employer shall be permitted to discontinue or revoke its participation in the Plan in accordance with the procedures set forth in that certain Participation Agreement between Employer and the Participating Employer. At the time of any such discontinuance or revocation, satisfactory evidence thereof and of any applicable conditions imposed shall be delivered to the Employer and the Trustee. Upon approval of the Employer, the Trustee shall thereafter transfer, deliver and assign Trust fund assets allocable to the Participants of such Participating Employer to such new trustee as shall have been designated by such Participating Employer, in the event that it has established a separate qualified plan for its employees. If no successor is designated, the Trustee shall retain such assets for the employees of said Participating Employer and shall make distributions pursuant to the provisions of Section 5 hereof, with no further involvement or responsibility on the part of the Employer.

#### **11.7 Authority**

The Employer shall have authority to make any and all necessary rules or regulations, binding upon all Participating Employers and all Participants, to effectuate the purpose of this Section.

**SIGNATURE PAGE**

The Oregon Public Universities Optional Retirement Plan, as amended and restated herein, is adopted by the Employer.

IN WITNESS WHEREOF, the Employer has caused this document to be duly executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

FOR THE UNIVERSITY OF OREGON

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**OREGON PUBLIC UNIVERSITIES**  
**OPTIONAL RETIREMENT PLAN TRUST AGREEMENT**

**AMENDED AND RESTATED**

**JULY 1, 2014**

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**OREGON PUBLIC UNIVERSITIES  
OPTIONAL RETIREMENT PLAN  
TRUST AGREEMENT**

The Oregon State Board of Higher Education (“OSBHE”) adopted the Oregon State System of Higher Education Optional Retirement Plan (“Plan”) effective April 1, 1996, to provide retirement benefits to administrative and academic employees of the Oregon State System of Higher Education (“OSSHE”), later renamed the Oregon University System (“OUS”) who become covered by the Plan. The Oregon State System of Higher Education Optional Retirement Plan Trust (“Trust”), was established by agreement between a trustee and the OSBHE to hold and maintain assets of the Plan for the exclusive benefit of Participants in the Plan and their beneficiaries.

Effective July 1, 2014, the University of Oregon (the “Employer”) assumes sponsorship and fiduciary authority for the Plan. Also effective July 1, 2014, the name of the Plan is changed to the Oregon Public Universities Optional Retirement Plan. This Agreement is hereby amended and restated to reflect the change in sponsorship and to recognize adoption of the Plan by members and former members of the OUS (“Participating Employers”).

The Employer and the undersigned trustee (“Trustee”) intend that the Plan and Trust comply with Section 401 of the Internal Revenue Code of 1986, as amended (“Code”) and related Treasury Regulations, and that the Trust qualify as a tax-exempt trust under Section 501(a) of the Code.

The Employer and the Trustee now enter into this amended and restated Agreement on the following terms:

## **SECTION I DEFINITIONS**

The terms when used herein which are defined in Section I of the Plan shall have the same meaning as therein defined and the following additional terms shall have the following meanings, unless a different meaning is plainly required by the context. Capitalized terms are used throughout the text for terms defined by this and other sections.

1.1 Agreement

“Agreement” means this Oregon Public Universities Optional Retirement Plan Trust Agreement, as now or hereafter in effect.

1.2 Board

“Board” means the Board of Trustees of the University of Oregon.

1.3 Code

“Code” means the Internal Revenue Code of 1986, as amended, and including all regulations promulgated pursuant thereto.

1.4 Effective Date

This amended and restated Trust shall be effective July 1, 2014. The original Effective Date of the Trust was April 1, 1996.

1.5 Employer

“Employer” means the University of Oregon.

1.6 Fund Sponsors

“Fund Sponsors” means companies or other entities which provide Funding Vehicles to Participants under the Plan.

1.7 Funding Vehicles

“Funding Vehicles” means deferred annuities, mutual funds, separate accounts, collective trusts, stable value investment vehicles, and/or pooled accounts provided or made available by a Fund Sponsor for the purpose of funding benefits under the Plan.

1.8 ORP Administration Committee

“ORP Administration Committee” means the committee as from time to time constituted and appointed by the Board to administer the Plan.

1.9 Participant

“Participant” means an individual who is participating in the Plan.

1.10 Participating Employers

“Participating Employers” means:

- (a) Oregon State University,
- (b) Portland State University,
- (c) Eastern Oregon University,

- (d) Western Oregon University,
- (e) Southern Oregon University,
- (f) Oregon Institute of Technology, and
- (g) Chancellor's Office of the Oregon University System

1.11 Plan

“Plan” means the Oregon Public Universities Optional Retirement Plan, as now or hereafter in effect, the provisions of which are expressly incorporated herein as if fully set forth.

1.12 Trustee

“Trustee” means the trustee or trustees designated by the Employer to hold and maintain assets of the Plan.

1.13 Trust

“Trust” means this Oregon Public Universities Optional Retirement Plan Trust.

## **SECTION II TRUST FUND**

### 2.1 Payments to Trustee

The Employer and each Participating Employer shall pay to the Trustee or its designee from time to time such contribution amounts as are required by the Plan. The Trustee (or its authorized agent) shall accept the sums so paid and shall have no duty to make or inquire as to, and shall not be responsible for, the determination of any such amount nor to collect any contribution not voluntarily paid.

### 2.2 Trust Fund

All Employer, Employee, and rollover contributions, and assets acquired with such contributions, the income and earnings from the investment and reinvestment of such contributions, and all other property and assets of the Trust delivered to or coming into the hands of the Trustee, regardless of whether held in one or more separate accounts, shall constitute the "Trust Fund," and shall be held in trust by the Trustee pursuant to the terms of this Agreement.

### 2.3 Qualification

If the Commissioner of the Internal Revenue Service rules that this Trust is not exempt from tax under Section 501(a) of the Code, the Employer and Trustee may retroactively or prospectively amend this Trust so as to qualify.

## **SECTION III INVESTMENT AND ADMINISTRATION**

### **3.1 Administering the Plan**

To the extent authorized in the Plan, the ORP Administration Committee appointed under the Plan has the responsibility for administering the Plan, including the responsibility to authorize and direct the Trustee with respect to receipt and distribution of Plan assets and administration of Participant accounts in accordance with the terms of the Plan.

### **3.2 Managing the Trust**

Except as provided otherwise in the Plan and this Agreement, the Trustee has the sole responsibility for the management, acquisition, disposition and investment of the assets of the Plan. As provided in Section 4 of the Plan, Participants may elect to direct the investment allocation of their individual accounts among the Funding Vehicles authorized under the Plan. The investment allocation of any Plan assets not so directed, including assets allocated to the Forfeiture Account, shall be the responsibility of the Trustee.

### **3.3 Deposit with Fund Sponsors**

Assets of the Trust Fund shall be deposited with Fund Sponsors as provided in the Plan. Each Fund Sponsor shall have exclusive responsibility for and control over the investment of the Trust Fund assets deposited with it, subject to investment direction as provided in the Plan.

### **3.4 Directed Investments**

The Fund Sponsor shall be directed, as provided in the Plan by a Participant or the ORP Administration Committee as to the allocation of the Participant's individual account among the Funding Vehicles offered by the Fund Sponsor.

### **3.5 Investment Duties of Trustee**

The Trustee shall have responsibility for and control over the investment of Trust Fund assets not deposited with a Fund Sponsor, if any. The Trustee shall act as custodian as to such assets and shall invest such assets in interest-bearing accounts.

### **3.6 Powers of Trustee**

Subject to the investment authority allocated to the Fund Sponsors, the Trustee shall have all necessary powers to discharge its duties under this Trust, as provided in ORS 128.026, and including, without limitation, the power to do the following:

- (a) own and hold all Trust Fund assets and retain and exercise all incidences of such ownership, subject to the terms of this Trust, either directly or through nominees, with or without disclosing the Trust;
- (b) deal in any way with any Trust Fund assets through a public or private transaction and receive all proceeds from the Trust assets;
- (c) as the holder of any security in the Trust Fund, exercise any right or power to take any action that could be exercised or taken by the beneficial owner holding the security of record; and

- (d) subject to the approval of the Vice President for Finance and Administration of the Employer, employ agents for assistance, and consult and rely upon the advice of counsel, who may be counsel for Employer.

3.7 Distributions

A Participant shall initiate distribution of benefits by contacting the Fund Sponsor(s) directly. Distribution shall be made in accordance with the terms of the Plan.

3.8 Domestic Relations Orders and Levies

Benefits under the Plan shall be paid to someone other than a Participant or beneficiary only pursuant to levies approved by, or to domestic relations orders “qualified” by, the ORP Administration Committee. The ORP Administration Committee shall forward qualified domestic relations orders and approved levies to the Fund Sponsors. The Fund Sponsors will have the sole responsibility to pay benefits as required in a qualified domestic relations order or levy.

3.9 Expenses and Fees

The expenses necessary to operate and administer the Plan may be deducted from the Trust or, at the election of the Employer, paid directly by the Employer and the Participating Employers.

## **SECTION IV RECORDS**

### 4.1 Records

The Fund Sponsors shall keep records of amounts held for each Participant and shall provide periodic reports to the Trustee of all receipts, disbursements, and other transactions. The Trustee shall maintain copies of periodic reports provided by the Fund Sponsors to the Trustee. The Trustee shall also keep detailed records of assets transferred to the Fund Sponsors and of all receipts, disbursements, and other transactions for any Trust Fund assets not deposited with Fund Sponsors.

### 4.2 Yearly Accounting

The Trustee shall furnish the ORP Administration Committee with a complete annual accounting, within 120 days after the end of the calendar year, showing all assets and liabilities and receipts and disbursements for the year.

## **SECTION V REPLACING THE TRUSTEE**

### 5.1 Resignation or Removal

The Trustee may resign at any time by giving 60 days' written notice to the ORP Administration Committee. The Employer may remove a Trustee at any time by giving 60 days' written notice to such Trustee.

### 5.2 Appointment of Successor

There shall be at least one Trustee at all times and the Board may appoint more than one Trustee for any given period. The Employer may appoint any qualified person(s), national or state bank or trust company, or other qualified entity as a Trustee. The appointment of a Trustee shall be effective when accepted in writing by such Trustee.

### 5.3 Rights and Powers of Successor Trustee

A successor Trustee shall have all of the rights and powers of the Trustee, including ownership of the Trust Fund assets. A successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust Fund assets pursuant to the provisions of this Trust. A successor Trustee shall not be responsible for any claim or liability resulting from any action or inaction of any prior Trustee or any other past event, or any condition of assets existing at the time of appointment of such successor Trustee.

### 5.4 Duties of Outgoing Trustee

The outgoing Trustee shall execute any instruments necessary or reasonably requested by the ORP Administration Committee or the successor Trustee to evidence the transfer of Trust Fund assets.

### 5.5 Effect on Plan or Trust

No resignation or removal of the Trustee or change in identity of the Trustee for any reason shall terminate the Plan or this Trust.

## **SECTION VI AMENDMENT AND TERMINATION**

### 6.1 Amendment

Subject to any advance notice or other requirements of law, the Employer (or its designee, including but not limited to the ORP Administration Committee) shall have the right to amend this Trust at any time.

### 6.2 Termination

#### (a) Right to Terminate

The Employer shall have the right to fully or partially terminate this Trust at any time as now or hereafter provided in the Plan, subject to any requirements of law. The Trust shall not fully terminate until all assets are distributed to Participants and beneficiaries, either in the form of individual annuity contracts or otherwise.

#### (b) Continuation or Liquidation of Trust

Upon termination of the Plan, the Employer may direct that the Trust be continued to pay benefits as they mature or be liquidated and the Trust Fund distributed. If the Trust Fund is liquidated, it shall be allocated by the Trustee at the direction of the ORP Administration Committee among Participants, beneficiaries and, if permissible, to the Employer in accordance with the Plan.

## **SECTION VII GENERAL PROVISIONS**

### 7.1 Applicable Law

This Trust shall be construed in accordance with applicable federal law and the laws of the State of Oregon. Jurisdiction for any litigation arising out of this Trust shall be solely and exclusively in the Oregon District or Circuit Court of Multnomah County in Portland, Oregon.

### 7.2 Agreement Binding on All Parties

This Agreement shall be binding upon the successors and assigns of any and all present and future parties.

### 7.3 Notices and Directions

Any notice or direction under this Trust shall be in writing and shall be effective when actually delivered or, if mailed, when deposited in the U.S. mail directed to such address as either party may specify by notice to the other party.

### 7.4 No Implied Duties

The duties of the Trustee shall be those stated in this Trust, and no other duties shall be implied.

### 7.5 Nondiscrimination

The Employer, the ORP Administration Committee, and the Trustee shall to the fullest extent possible treat all persons similarly situated alike under this Trust.

### 7.6 Exclusive Benefit of Participants

In no event shall any part of the contributions or the principal or income of this Trust be paid to or revested in the Employer or any Participating Employer or be used other than for the exclusive benefit of the Participants and their beneficiaries, except as provided by the Plan and by law.

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Employer and Trustee cause this amended and restated Trust Agreement to be duly executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Employer:

University of Oregon

By: \_\_\_\_\_

Its: \_\_\_\_\_

Trustee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OREGON PUBLIC UNIVERSITIES  
TAX-DEFERRED INVESTMENT 403(b) PLAN

Amended and Restated  
Effective July 1, 2014

OREGON PUBLIC UNIVERSITIES  
TAX-DEFERRED INVESTMENT 403(b) PLAN

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OREGON PUBLIC UNIVERSITIES  
TAX-DEFERRED INVESTMENT 403(b) PLAN

**Preamble**

The University of Oregon (the “Employer”) hereby adopts the Oregon Public Universities Tax-Deferred Investment 403(b) Plan (the “Plan”) effective as of July 1, 2014. It is an amendment and restatement and therefore a continuation of the Oregon University System Tax-Deferred Investment 403(b) Plan previously maintained by the Oregon State Board of Higher Education. Effective July 1, 2014, the Employer assumes sponsorship and fiduciary authority for the Plan for the benefit of eligible employees of the Employer and the Participating Employers who adopt the Plan.

Effective as of July 1, 2014, the Plan is the exclusive means by which the Employer or a Participating Employer will agree to reduce an employee’s salary and to contribute the same amount for the employee as premiums for an annuity contract or to a custodial account to obtain the advantages of section 403(b) of the Code.

The Plan is intended to be a governmental plan exempt from Titles I and IV of the Employee Retirement Income Security Act of 1974 as amended.

The Plan is not part of any other plan or program of the Employer.

**Section 1**  
**Definition of Terms Used**

The following words and terms, when used in the Plan, have the meaning set forth below.

**1.1 “Account”**

The account or accumulation maintained for the benefit of any Participant, Beneficiary, or Alternate Payee under an Annuity Contract or a Custodial Account. The Vendor shall establish the following Source accounts within a Participant’s, Beneficiary’s, or Alternate Payee’s Account, subject to the Individual Agreements:

- (a) Pre-Tax Elective Deferral Source account, for pre-tax elective deferrals.
- (b) Roth Elective Deferral Source account, for Roth elective deferrals.
- (c) Rollover Source account, for eligible rollover distributions paid to the Plan that are not from another plan’s Roth elective deferral account.
- (d) Roth Rollover Source account, for eligible rollover distributions paid to the Plan from another plan’s Roth elective deferral account.

- (e) Employee Post-Tax Source account, for amounts transferred under Section 6.2 from an employee after-tax contribution account.

The Administrator may direct the Vendor to establish additional Source accounts within an Account.

**1.2 “Account Balance”**

The aggregate amount credited to the Participant’s Account under all Accounts, including the Participant’s Elective Deferrals, the earnings or loss of each Annuity Contract or Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant’s benefit, and any distribution made to the Participant or the Participant’s Beneficiary. The Account Balance includes any Source accounts established for rollover contributions and plan-to-plan transfers made for a Participant or Beneficiary, any Source accounts established for a Beneficiary after a Participant’s death, and any Source accounts established for an Alternate Payee.

**1.3 “Administrator”**

The University of Oregon or its delegate, including but not limited to the following University of Oregon Committees: the Retirement Committee, the Retirement Plans Administration Committee, and the TDI Administration Committee.

**1.4 “Alternate Payee”**

A spouse, former spouse, child, or other dependent of a Participant who is recognized by a domestic relations order, as defined in Section 11.2(b), as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to the Participant.

**1.5 “Annuity Contract”**

A nontransferable group or individual contract, as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually only as authorized under Section 7.4(b), that is issued by an insurance company qualified to issue annuities in the State of Oregon and that includes payment in the form of an annuity.

**1.6 “Beneficiary”**

An individual or any type of entity that is entitled to receive benefits under the Plan after the death of a Participant, subject to Section 8 (relating to Beneficiary).

**1.7 “Board”**

The Board of Trustees of the University of Oregon.

**1.8 “Code”**

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.

**1.9 “Compensation”**

All cash compensation for services to the Employer or a Participating Employer, including salary, wages, fees, commissions, bonuses, overtime pay, and accrued leave cashout, that is includible in the Employee’s gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer or a Participating Employer includible in the Employee’s gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code or that would be cash compensation for services to the Employer or Participating Employer but for a compensation reduction election under section 401(k) or 403(b) of the Code and that are includible in the Employee’s gross income for the calendar year as designated Roth contributions under section 402A of the Code (including an election under Section 2 made to reduce compensation in order to have Elective Deferrals under the Plan). However, the definition of “Compensation” in this Section 1.9 is subject to § 1.403(b)-3(b)(4) of the Income Tax Regulations, which limits contributions for former Employees.

**1.10 “Contract Exchange”**

An exchange, permitted under § 1.403(b)-10(b)(2) of the Income Tax Regulations, of any part of a Participant’s or Beneficiary’s interest in a nontransferable contract as defined in section 403(b)(1) of the Code, or in a custodial account as defined in section 403(b)(7) of the Code, for an interest in another such contract or account. See Section 6.4 for prohibited Contract Exchanges.

**1.11 “Custodial Account”**

A group or individual custodial account, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, or by each Participant individually only as authorized under Section 7.4(b), to hold assets of the Plan.

**1.12 “Elective Deferral”**

The contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals include pre-tax salary reduction contributions (“Pre-Tax Elective Deferrals”) and Roth Elective Deferrals.

**1.13 “Employee”**

Each individual, whether appointed or elected, who is a common law employee of the Employer or a Participating Employer performing services for a public educational institution as an employee of the Employer or a Participating Employer. This definition is not applicable unless the employee’s compensation for performing services for a public educational institution is paid by or on behalf of the Employer or a Participating Employer. Further, a person occupying an

elective or appointive public office is not an employee performing services for a public educational institution unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government. However, a student performing services described in section 3121(b)(10) of the Code is not an Employee for purposes of the Plan (*i.e.*, a student who is enrolled and regularly attending classes at a school, college or university and who is performing service in the employ of the school, college, or university). For purposes of this Section 1.13 and Section 1.25 (defining “Severance from Employment”), “public educational institution” means an educational organization described in section 170(b)(1)(A)(ii) of the Code (relating to educational organizations that normally maintain a regular faculty and curriculum and normally have a regularly enrolled body of pupils or students in attendance at the place where educational activities are regularly carried on) that is sponsored by or through the State of Oregon or any agency or instrumentality of the State of Oregon.

**1.14 “Employer”**

The University of Oregon. Prior to July 1, 2014, Employer was the Oregon University System.

**1.15 “Funding Vehicles”**

The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by the Employer for use under the Plan. “Funding Vehicle” means one such Annuity Contract or Custodial Account.

**1.16 “Includible Compensation”**

An Employee’s actual wages in box 1 of Form W-2 for a year for services to the Employer or a Participating Employer, but subject to a maximum of \$260,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and, to the extent excluded from box 1, increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Pre-Tax Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws.

**1.17 “Indemnified Persons”**

The Board, any member of the Board, the Board’s officers, employees, agents and representatives, the Employer, the Administrator, and the Participating Employers and their respective officers, employees, agents and representatives, the Vice President for Finance and Administration of the Employer, the Retirement Committee, the Retirement Plans Administration Committee, the TDI Administration Committee, the Investment Committee, any member of the foregoing committees, and, in performing service as a designee under Section 11.22 or 11.24 (relating to designees through which the Board or the Employer may act), any employee of the Employer or a Participating Employer.

“Indemnified Person” means one of the Indemnified Persons. See Section 11.25 (relating to indemnification of Indemnified Persons). Despite the above provisions of this Section 1.17, “Indemnified Persons” and “Indemnified Person” do not include, and indemnification under Section 11.25 will not be provided for, any Vendor, and do not include, and indemnification under Section 11.25 will not be provided for, any paid consultant, paid contractor, or paid agent with respect to the Plan whose consultancy, contract, or agency is not served as a member, officer, or employee of the Board, the Employer or a Participating Employer, or of the Retirement Committee, the Retirement Plans Administration Committee, the TDI Administration Committee or the Investment Committee.

**1.18 “Individual Agreement”**

The agreements between a Vendor and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

**1.19 “ORS”**

Oregon Revised Statutes, as now in effect or as hereafter amended. All citations to a section or chapter of the ORS are to such section or chapter as it may from time to time be amended or renumbered.

**1.20 “Participant”**

An individual for whom Elective Deferrals are currently being made, or for whom Elective Deferrals have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.

**1.21 “Participating Employer”**

Any public university in the State of Oregon that formally adopts the Plan as provided in Section 12. As of July 1, 2014, the Participating Employers are:

- Oregon State University
- Portland State University
- Eastern Oregon University
- Western Oregon University
- Southern Oregon University
- Oregon Institute of Technology
- Chancellor’s Office of the Oregon University System

**1.22 “Plan”**

The Oregon Public Universities Tax-Deferred Investment 403(b) Plan.

**1.23 “Related Employer”**

The Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good

faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

**1.24 “Roth Elective Deferral”**

An Elective Deferral that is:

- (a) Designated irrevocably by the Participant at the time of the cash or deferred election under Section 2 as a Roth elective deferral that is being made in lieu of all or a portion of the Pre-Tax Elective Deferrals the Participant is otherwise eligible to make under the Plan;
- (b) Treated by the Employer or a Participating Employer as includible in the Participant’s income; and
- (c) Maintained in the Participant’s Roth Elective Deferral Source account as described in Section 2.3(b).

**1.25 “Severance from Employment”**

For purpose of the Plan, Severance from Employment means Severance from Employment with the Employer, all Participating Employers and any Related Employer. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public educational institution, even though the Employee may continue to be employed by a Related Employer (other than a Participating Employer) that is another unit of the State or local government that is not a public educational institution or in a capacity that is not employment with a public educational institution (*e.g.*, ceasing to be an employee performing services for a public educational institution but continuing to work for the same State or local government employer). For purposes of this Section 1.25 “public educational institution” has the meaning given in Section 1.13 (defining “Employee”).

**1.26 “Source”**

“Source” identifies the origin of funds that flow into or out of an Account that, for purposes of the Plan, must be separately accounted for, including but not limited to for purposes of their tax treatment, withdrawal provisions, and contribution limits. The funds Source for each of the Source accounts established under Section 1.1 (defining “Account”) is the type of contribution or account for which the Vendor establishes the Source account. For example, the funds Source for a Roth Elective Deferral Source account is Roth elective deferrals, and the funds Source for a Rollover Roth Source account is eligible rollover distributions paid to the Plan from another plan’s Roth elective deferral account.

**1.27 “Transfer”**

See Section 6.2 for permitted plan-to-plan transfers to the Plan, Section 6.3 for permitted plan-to-plan transfers from the Plan, and Section 6.5 for permissive service credit transfers. The movement of the full or partial Account Balance or

future Elective Deferral from one Vendor, Annuity Contract, or Custodial Account to another is not a Transfer for purposes of the Plan, although such movements of Account Balances may be generally described as transfers.

**1.28 “Vendor”**

The provider of an Annuity Contract or Custodial Account.

**1.29 “Valuation Date”**

Each business day.

**Section 2  
Participation and Contributions**

**2.1 Eligibility.**

Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed by the Employer or a Participating Employer. A student performing services described in section 3121(b)(10) of the Code is not eligible to participate in the Plan (*i.e.*, a student who is enrolled and regularly attending classes at a school, college or university and who is performing service in the employ of the school, college, or university).

**2.2 Salary Reduction Agreement.**

- (a) An Employee elects to become a Participant by executing a salary reduction agreement (“Salary Reduction Agreement” or “SRA”) to reduce his or her Compensation (and have that amount contributed as an Elective Deferral on his or her behalf), and filing it with the Administrator. The Salary Reduction Agreement binds the Participant to the terms and conditions of the Plan.
- (b) The Administrator may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time.
- (c) The Employee shall designate a single Vendor at any one time to which Elective Deferrals are to be made, and may designate Beneficiaries. A Salary Reduction Agreement (or designation) shall remain in effect until a new Salary Reduction Agreement (or designation) is filed.
- (d) Only an individual who performs services for the Employer or a Participating Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. An Employee shall become a Participant on the date the first Pre-Tax

Elective Deferral, Roth Elective Deferral, or rollover contribution for the Employee is deposited with the Vendor.

- (e) All Elective Deferrals, except Roth Elective Deferrals, shall be made on a pre-tax basis.

### **2.3 Roth Elective Deferrals.**

- (a) ***General.***

The Plan will accept Roth Elective Deferrals made on behalf of Participants. The Employer will transmit Roth Elective Deferrals to the applicable Funding Vehicle for crediting to a Roth Elective Deferral Source account. Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Elective Deferrals for all purposes under the Plan.

- (b) ***Roth Elective Deferral Source Account.***

A Vendor to whose Funding Vehicle the Employer transmits a Participant's Roth Elective Deferrals shall establish and maintain a Roth Elective Deferral Source account for the Participant as required under Section 1.1 (defining "Account") and Section 2.4.

- (c) ***Roth Rollover Source Account.***

A Vendor to whose Funding Vehicle an eligible rollover distribution is paid under Section 6.1 from another plan's Roth elective deferral account shall establish and maintain a Roth Rollover Source account for the Participant as required under Section 1.1 (defining "Account") and Section 2.4.

### **2.4 Maintenance of Source Accounts.**

Each Source account established under Section 1.1 (defining "Account") by a Vendor for a Participant, Beneficiary, or Alternate Payee (the "account holder") shall be maintained as follows:

- (a) Contributions, transfers, and withdrawals with respect to the account holder of that account's funds Source shall be credited and debited to only that account;
- (b) No contributions or transfers with respect to the account holder other than that account's funds Source and properly attributable earnings shall be credited to that account;
- (c) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to that account and the other accounts under the Annuity Contract or Custodial Account; and

- (d) The Plan shall maintain a record of the amount of that account.

In addition, for a Roth Elective Deferral Source account the Plan shall maintain a record of the Participant's investment in the contract (that is, Roth Elective Deferrals that have not been distributed) with respect to the account.

**2.5 Information Provided by the Employee.**

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements, and shall provide the Administrator with such information whenever requested by the Administrator. Without limiting the foregoing, the Administrator may require an Employee to determine and inform the Administrator of the amounts of:

- (a) The Employee's limit on elective deferrals under sections 401(a)(30), 402(g), 414(u), and 414(v) of the Code;
- (b) The Employee's limit on annual additions under sections 414(u), 414(v), and 415 of the Code; and
- (c) Any contributions and annual additions that are to be aggregated with contributions under the Plan in determining those limits.

The Administrator may require this information on a worksheet provided by the Administrator or in any other format.

**2.6 Change in Elective Deferrals Election.**

Subject to the provisions of the applicable Individual Agreements and to the restriction in Section 2.7 on changing Vendors, an Employee may at any time (a) change, on a new Salary Reduction Agreement, the amount of his or her future Elective Deferrals (including to zero) and the portion of his or her future Elective Deferrals that he or she irrevocably designates as Roth Elective Deferrals and (b) change his or her designated Beneficiary. A change in the Beneficiary designation shall take effect when the change is accepted by the Vendor.

**2.7 Change in Vendor.**

Subject to the provisions of the applicable Individual Agreements, (a) an Employee may one time each calendar year, on a new Salary Reduction Agreement, change the designated Vendor to which future Elective Deferrals are to be made and (b) an Employee who changes the designated Vendor may designate Beneficiaries with respect to the Employee's Accounts with that Vendor. A change in the Vendor shall take effect as of the date provided by the Administrator on a uniform basis for all Employees.

- 2.8 Contributions of Elective Deferrals Made Promptly.**  
Elective Deferrals under the Plan shall be transmitted to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.
- 2.9 Leave of Absence.**  
Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.
- 2.10 Suspension of Elective Deferral Election.**  
Elective Deferrals will be suspended as required under Section 3.7(e)(2) (relating to distributions elected by reason of uniformed service) or Section 5.6(b) (relating to suspension of contributions after hardship withdrawal).
- 2.11 Obligation to Notify Administrator of Account Errors.**  
Within 30 days after receiving a report or statement of the status of an Account the Participant, Beneficiary, or Alternate Payee must inform the Administrator in writing of any error in the report or statement, in a manner that identifies the error with sufficient clarity for the Administrator to act effectively (based on the written information given by the Participant, Beneficiary, or Alternate Payee) to request the Vendor to correct the error. The Participant, Beneficiary, or Alternate Payee shall suffer any loss resulting from failing to so inform the Administrator if by reason of such failure the Administrator is unable to cause the Vendor providing the Annuity Contract or Custodial Account with respect to which the error was made to correct the error at the Vendor's sole expense.

### **Section 3 Limitations on Amounts Deferred**

- 3.1 Basic Annual Limitation.**  
Except as provided in Section 3.3, the maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Compensation for the calendar year. The applicable dollar amount is the amount established under section 402(g)(1)(B) of the Code, which is \$17,500 for 2014, and is adjusted for cost-of-living after 2014 to the extent provided under section 415(d) of the Code.
- 3.2 No Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service.**  
The Plan does not allow Employees to elect an additional amount of Elective Deferrals under section 402(g)(7) of the Code.
- 3.3 Age 50 Catch-up Elective Deferral Contributions.**  
An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals,

up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,500 for 2014, and is adjusted for cost-of-living after 2014 to the extent provided under the Code.

**3.4 Coordination.**

Amounts in excess of the limitation set forth in Section 3.1 shall be allocated as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Compensation for the year.

**3.5 Special Rule for a Participant Covered by Another Section 403(b) Plan.**

For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then the Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Participating Employer or any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

**3.6 Correction of Excess Elective Deferrals.**

If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the Employer, a Participating Employer, or a Related Employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant.

**3.7 Protection of Persons Who Serve in a Uniformed Service.**

Despite any contrary provision of the Plan except Section 3.7(b) below, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code. Without limiting the foregoing:

(a) ***Elective Deferrals, after Resumption of Employment, for the Period of Uniformed Service.***

An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment

with the Employer or a Participating Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer or a Participating Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

(b) ***No Elective Deferrals (Except From Differential Wage Payments) for the Period of Uniformed Service if Employment not Resumed.***

The Plan will not apply section 414(u)(9) of the Code (relating to treatment in the case of death or disability resulting from active military service) as added by section 104(b) of Public Law No. 110-245, the Heroes Earnings Assistance and Relief Tax Act of 2008; and therefore, for benefit accrual purposes, the Plan will not treat an individual who dies or becomes disabled while performing qualified military service with respect to the Employer or a Participating Employer as if the individual has resumed employment in accordance with the individual's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability. This Section 3.7(b) applies to deaths and disabilities occurring on or after January 1, 2007.

(c) ***Any Additional Benefits (Except Elective Deferrals) Had a Participant Who Died During Uniformed Service Resumed Employment.***

In the case of a Participant who dies while performing qualified military service (as defined in section 414(u) of the Code), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death. This Section 3.7(c) applies to deaths occurring on or after January 1, 2007, and implements, and will be interpreted and administered consistent with, sections 401(a)(37) and 403(b)(14) of the Code.

(d) ***Differential Wage Payments.***

An individual receiving a differential wage payment from the Employer or a Participating Employer will be treated as an Employee as to any part of the differential wage payment the individual is receiving because of the individual's former status as an Employee. That part of the differential wage payment will be treated as compensation. A differential wage payment is any payment that (1) is made by or on behalf of the Employer or a Participating Employer to an individual with respect to any period

during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days and (2) represents all or a portion of the wages the individual would have received from or on behalf of the Employer or a Participating Employer if the individual were performing service for the Employer or a Participating Employer. This Section 3.7(d) does not entitle any employee or former employee of the Employer or a Participating Employer to a differential wage payment. This Section 3.7(d) applies to years beginning after December 31, 2008, and implements, and will be interpreted and administered consistent with, section 414(u)(12) of the Code.

(e) ***Deemed Severance from Employment.***

- (1) For purposes of Section 5.1 (relating to benefit distributions), an individual will be treated as having a Severance from Employment during any period the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.
- (2) If an individual elects to receive a distribution by reason of Section 3.7(e)(1) above, the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution.
- (3) This Section 3.7(e) applies to years beginning after December 31, 2008, and implements, and will be interpreted and administered consistent with, section 414(u)(12)(B) of the Code.

## **Section 4 Loans**

### **4.1 Loans.**

Loans shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. However, where such Individual Agreements provide that loans will be made under guidelines provided by the Administrator or under the Plan, loans from the Account assets shall be made according to the written loan policy adopted by the Administrator, as amended by the Administrator in writing from time to time. The written loan policy adopted by the Administrator shall be consistent with the requirements in § 1.403(b)-6(f) of the Income Tax Regulations for loans and is incorporated by reference into the Plan.

#### **4.2 Information Coordination Concerning Loans.**

Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 4.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer, a Participating Employer, or a Related Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors, and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer, a Participating Employer, or a Related Employer.

#### **4.3 Maximum Loan Amount.**

The Individual Agreements and loan policy referred to in Section 4.1 may require a minimum loan amount and may allow a maximum loan amount that is less than the maximum loan amount stated in the next sentence. No loan to a Participant under the Plan may exceed the lesser of:

- (a) \$50,000, reduced by the greater of (1) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (2) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or
- (b) The greater of (1) one half of the value of the Participant's vested Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator) or (2) the value of the Participant's vested Account Balance (as of such Valuation Date) up to \$10,000.

For purposes of the maximum loan amount stated in the previous sentence, any loan from any other plan maintained by the Employer, a Participating Employer, and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under the Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

## **Section 5 Benefit Distributions**

### **5.1 Benefit Distributions At Severance from Employment or Other Distribution Event.**

(a) ***General.***

Except as permitted under Section 3.6 (relating to correction of excess Elective Deferrals), Section 3.7(e) (relating to deemed Severance from Employment), Section 5.5 (relating to in-service distributions from rollover account), Sections 5.6 and 5.7 (relating to hardship withdrawals), Section 5.9 (relating to qualified reservist distributions), or Section 10.3 (relating to distributions upon termination of the Plan), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, or attains age 59<sup>1</sup>/<sub>2</sub>. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

(b) ***Where the Plan Controls the Time of Payment.***

Subject to Section 5.3 (relating to small account balances), Section 5.4 (relating to minimum distributions), Sections 5.6 and 5.7 (relating to hardship withdrawals), Section 5.8 (relating to rollover distributions), and the requirements under section 403(b) of the Code, where the Individual Agreements controlling the Account assets to be distributed provide that distributions are to be made when permitted under the Plan (subject to the requirements under section 403(b) of the Code), distributions from the Account shall be made when not prohibited by Section 5.1(a) above (or, in the case of an Alternate Payee, when allowed under Section 11.2) and after the Participant, Beneficiary (after the Participant's death), or Alternate Payee elects the time of distribution and the type of payment in the manner required under the Individual Agreements.

### **5.2 Form of Payment.**

(a) ***General.***

A Participant, Beneficiary, or Alternate Payee may elect any form of payment from a Custodial Account or Annuity Contract offered at the time of distribution under the Individual Agreement that constitutes or governs the Custodial Account or Annuity Contract. Forms of payment offered under the Individual Agreements may change from time to time. The Vendor shall provide a written explanation of the currently available forms of payment upon a Participant's, Beneficiary's, or Alternate Payee's request.

(b) ***Where the Plan Controls the Form of Payment From a Custodial Account.***

Subject to Section 5.3 (relating to small account balances), Section 5.4 (relating to minimum distributions), Sections 5.6 and 5.7 (relating to hardship withdrawals), Section 5.8 (relating to rollover distributions), and the requirements under section 403(b) of the Code, where the Individual Agreements controlling the Account assets to be distributed from a Custodial Account provide that distributions are to be made in the types of payment permitted under the Plan (subject to the requirements under section 403(b) of the Code), the Participant, Beneficiary (after the Participant's death), or Alternate Payee (the "recipient") may elect (in the manner required under the Individual Agreements) from among the following types of payment for distributions from the Account:

- (1) Full withdrawal: A single payment of the amount of the recipient's entire Account.
- (2) Partial withdrawal: A single payment of an amount specified by the recipient.
- (3) Systematic withdrawal: Monthly, quarterly, or yearly installment payments.

### **5.3 Small Account Balances.**

The terms of the Individual Agreement may permit distributions to be made in the form of a lump-sum payment, without the consent of the Participant, Beneficiary, or Alternate Payee, but no such payment may be made without the consent of the Participant, Beneficiary, or Alternate Payee unless the Account Balance does not exceed \$5,000 (determined without regard to any separate account that holds rollover contributions under Section 6.1) and any such distribution shall comply with the requirements of section 401(a)(31)(B) of the Code (relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of \$1,000).

### **5.4 Minimum Distributions.**

Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of § 1.408-8 of the Income Tax Regulations, except as provided in § 1.403(b)-6(e) of the Income Tax Regulations. Effective for calendar years beginning after December 31, 2008:

- (a) The minimum distribution requirements of section 401(a)(9) of the Code do not apply for calendar year 2009.
- (b) Installment payments that a Participant, Beneficiary, or Alternate Payee elected to receive and that, but for Section 5.4(a) above, would include

payments required for calendar year 2009 under section 401(a)(9) of the Code, will continue to be made except to the extent the Participant, Beneficiary, or Alternate Payee elects not to receive the payments for calendar year 2009, but this Section 5.4(b) does not allow a Participant, Beneficiary, or Alternate Payee to elect not to receive payments being made under an irrevocable annuity.

- (c) The required beginning date with respect to any individual will be determined without regard to Section 5.4(a) above for purposes of applying section 401(a)(9) of the Code for calendar years after 2009.
- (d) The 5-year period described in section 401(a)(9)(B)(ii) of the Code will be determined without regard to calendar year 2009.

### **5.5 In-Service Distributions From Rollover Account.**

If a Participant has a separate account attributable to rollover contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

### **5.6 Hardship Withdrawals.**

(a) ***General.***

Subject to Section 5.7 (relating to hardship withdrawal determined by the Plan) and applicable Income Tax Regulations, hardship withdrawals shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship.

(b) ***Suspension of Contributions After Hardship Withdrawal.***

No elective deferrals or employee contributions shall be allowed under the Plan and all other plans maintained by the Employer, a Participating Employer, or a Related Employer (as that phrase is defined in Section 5.7(g)) during the period beginning on the date the Participant receives a distribution under Section 5.6(a) above or Section 5.7 on account of hardship and ending with the close of the sixth calendar month that begins after the date the Participant receives the distribution.

(c) ***Exchange of Information.***

The Individual Agreements shall provide for the exchange of information among the Employer, the Participating Employers, the Administrator, and the Vendors to the extent necessary to implement the Individual Agreements, including, in the case of a hardship withdrawal that is automatically deemed to be necessary to satisfy the Participant's financial need (pursuant to § 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations), the Vendor notifying the Administrator of the withdrawal in

order for the Administrator to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals under the Plan. In addition, in the case of a hardship withdrawal that is not automatically deemed to be necessary to satisfy the financial need (pursuant to § 1.401(k)-1(d)(3)(iii)(B) of the Income Tax Regulations), the Vendor shall obtain information from the Administrator or other Vendors to determine the amount of any plan loans and rollover accounts that are available to the Participant under the Plan to satisfy the financial need.

## **5.7 Hardship Withdrawals Determined by the Plan.**

This Section 5.7 applies where the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship provide that hardship withdrawals are to be allowed as permitted under the Plan.

### **(a) *Limitation on Funds Available for a Hardship Withdrawal.***

The amount of a Participant's Account consisting of Elective Deferrals (but not income on Elective Deferrals) may be paid from the Account on account of hardship to the extent permitted under this Section 5.7. and § 1.403(b)-6(d)(2) and (3) of the Income Tax Regulations. However, no amount may be paid from any of the following Source accounts on account of hardship: the Participant's Roth Elective Deferral Source account described in Section 2.3(b), the Participant's Roth Rollover Source account described in Section 2.3(c), and any other Source account of the Participant attributable to a transfer from another plan's Roth elective deferral account.

### **(b) *Application by Participant and Determination by Administrator.***

A Participant may apply to the Vendor and the Administrator for a distribution on account of hardship.

- (1) The application must be made on a written document or through an electronic means made available by the Vendor for this purpose and be properly completed and be accompanied by evidence showing the amount of the distribution to which the Participant is entitled on account of the hardship.
- (2) If the application is approved by the Administrator, the distribution will be made in a single lump sum payment in the amount approved by the Administrator. If only part of the amount requested by the Participant is approved by the Administrator, only that part will be distributed.
- (3) If the Participant disagrees with the Administrator's determination, the Administrator will reconsider the determination (but only once) if the Participant requests reconsideration within 10 business days after receiving notice of the Administrator's determination.

Sections 9.1 through 9.4 (relating to claims procedure) do not apply to the application or reconsideration but do apply (and apply only) after any request by the Participant for reconsideration and the Administrator's decision on the request.

(c) ***Meaning of "hardship".***

A distribution is made on account of hardship only if the distribution:

- (1) Is made on account of an immediate and heavy financial need of the Participant, as determined under Section 5.7(d) below; and
- (2) Is necessary to satisfy the financial need, as determined under 5.7(f) below.

(d) ***Meaning of "immediate and heavy financial need".***

A distribution is made on account of an immediate and heavy financial need of the Participant only if the distribution is for:

- (1) Expenses for (or necessary to obtain) medical care that would be deductible under section 213(d) of the Code (determined without regard to whether the expenses exceed 7.5% of adjusted gross income) (see Section 5.7(e) below about expenses for a primary Beneficiary or partner);
- (2) Costs directly related to the purchase of a principal residence for the Participant (excluding mortgage payments);
- (3) Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the Participant, or the Participant's spouse, children, or dependents (as defined in section 152 of the Code, without regard to section 152(b)(1), (b)(2) and (d)(1)(B) of the Code) (see Section 5.7(e) below about payments for a primary Beneficiary or partner);
- (4) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage on that residence;
- (5) Payments for burial or funeral expenses for the Participant's deceased parent, spouse, children, or dependents (as defined in section 152 of the Code, without regard to section 152(d)(1)(B) of the Code) (see Section 5.7(e) below about expenses for a primary Beneficiary or partner); or
- (6) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under

section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income).

(e) ***Expenses or Payments for an Individual Primary Beneficiary or Partner.***

- (1) A primary Beneficiary of the Participant is treated the same as the Participant's spouse or dependent for purposes of Section 5.7(d)(1), (3), and (5) above. For this purpose, a "primary Beneficiary" is an individual who is named as a Beneficiary and has an unconditional right to all or a portion of the Participant's Account (from which the hardship distribution will be made) upon the death of the Participant.
- (2) Pursuant to section 9(6) of the Oregon Family Fairness Act (which Act is sections 1 to 9 of 2007 Oregon Laws chapter 99), the Administrator concludes that treating a Participant's same-sex partner (as defined in section 3 of that Act) the same as the Participant's spouse for purposes of Section 5.7(d)(1), (3), and (5) above would conflict with a condition for tax qualification of the Plan, or a condition for other favorable tax treatment of the Plan, under the Code or regulations adopted under the Code.

(f) ***Meaning of "necessary to satisfy the financial need".***

A distribution is necessary to satisfy the financial need only if:

- (1) The distribution is limited to the amount required to satisfy the financial need as determined under Section 5.7(d) above (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution);
- (2) The Participant has obtained all other currently available distributions (but not hardship distributions) and nontaxable (at the time of the loan) loans, under the Plan and all other plans maintained by the Employer, a Participating Employer, or a Related Employer; and
- (3) The Participant is prohibited, under the terms of the Plan or an otherwise legally enforceable agreement, from making elective contributions and employee contributions to the Plan and all other plans maintained by the Employer, a Participating Employer, or a Related Employer for at least 6 months after receipt of the hardship distribution.

- (g) ***Meaning of “plans maintained by the Employer, a Participating Employer, or a Related Employer”.***

For purposes of Section 5.6(b) (relating to suspension of contributions after hardship withdrawal) and Section 5.7(f) above, “plans maintained by the Employer, a Participating Employer, or a Related Employer” means all qualified and nonqualified plans of deferred compensation maintained by the Employer, a Participating Employer, or a Related Employer. However, it does not include the mandatory employee contribution portion of a defined benefit plan or a health or welfare benefit plan.

## **5.8 Rollover Distributions.**

- (a) ***Direct Rollovers.***

Subject to Section 5.8(b) and (d) below, a Participant or the Beneficiary of a deceased Participant (or a Participant’s spouse or former spouse who is an Alternate Payee under a domestic relations order, as defined in Section 11.2(b)) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant or other distributee 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 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 section 408(d)(3)(C) of the Code).

- (b) ***From Roth Elective Deferral Source Account or Roth Rollover Source Account.***

A direct rollover of a distribution from a Roth Elective Deferral Source account described in Section 2.3(b) or a Roth Rollover Source account described in Section 2.3(c) will only be made to another Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

- (c) ***Vendors to Provide Special Tax Notice.***

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.

(d) ***Direct Rollovers are Subject to Limitations Under the Code and Individual Agreements.***

The right of a Participant, Beneficiary, and Alternate Payee to elect a direct rollover is subject to any limitations imposed by the Code, Income Tax Regulations, or Internal Revenue Service guidance and to any limitations imposed by the Individual Agreement to the extent consistent with the Code, Income Tax Regulations, and Internal Revenue Service guidance. For example, an Individual Agreement might not allow a direct rollover if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year and might allow a Participant to elect a direct rollover of only a portion of an eligible rollover distribution only if the amount rolled over is at least \$500. As another example, Income Tax Regulations provide that an eligible rollover distribution attributable to Roth Elective Deferrals is not aggregated with other distributions when applying these \$200 and \$500 limitations.

**5.9 Qualified Reservist Distributions.**

A Participant ordered or called to active duty, as described in Section 5.9(b) below, after September 11, 2001, may elect, in the manner the Administrator requires, to receive a qualified reservist distribution. A “qualified reservist distribution” means any distribution to a Participant if:

- (a) The distribution is from amounts attributable to Elective Deferrals;
- (b) The Participant was (by reason of being a member of a reserve component (as defined in section 101 of title 37, United States Code)) ordered or called to active duty for a period in excess of 179 days or for an indefinite period; and
- (c) The distribution is made during the period beginning on the date of that order or call and ending at the close of the active duty period.

**Section 6  
Rollovers to the Plan and Transfers**

**6.1 Eligible Rollover Contributions to the Plan.**

(a) ***Eligible Rollover Contributions.***

Subject to Section 1.1 (defining “Account”), Section 2.3(c) (relating to Roth Rollover Source accounts), and Section 6.1(b) and (d) below, to the extent provided in the Individual Agreements and consistent with the Code, Income Tax Regulations, and Internal Revenue Service guidance, an Employee who is a Participant, and a Beneficiary who is a deceased Participant’s surviving spouse, who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to

have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, in no event does the Plan accept a rollover contribution from a Roth IRA described in section 408A of the Code.

(b) ***From Roth Elective Deferral Accounts.***

The Plan will accept a rollover contribution of an eligible rollover distribution from another plan's Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code only if the rollover satisfies each of the following requirements:

- (1) The rollover is permitted under Section 6.1(a) above and the rules of section 402(c) of the Code;
- (2) The rollover is for transfer to a Funding Vehicle authorized by the Employer to receive transmittals (under Section 2.8) of Roth Elective Deferrals;
- (3) The rollover is maintained in a Roth Rollover Source account described in Section 2.3(c); and
- (4) The rollover is a direct rollover or is from the portion of the distribution that (but for the rollover) would be includible in the individual's gross income.

(c) ***"Eligible Rollover Distribution".***

For purposes of Section 6.1(a) and (b) above, an eligible rollover distribution means any distribution of all or any portion of a Participant's or Beneficiary's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment or distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary or for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the distributee, (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code, or (4) other distributions that Income Tax Regulations or Internal Revenue Service guidance exclude from treatment as an eligible rollover distribution. In addition, an eligible retirement plan means an individual retirement account described in

section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code.

(d) ***Separate Rollover Source Accounts.***

The Vendor shall establish and maintain for the Participant or Beneficiary a Rollover Source or Roth Rollover Source account, as applicable, for any eligible rollover distributions paid to the Plan.

**6.2 Plan-to-Plan Transfers to the Plan for All Members of a Class.**

- (a) At the direction of the Employer, for a class (as defined by the Employer) of Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Administrator may permit a transfer of assets to the Plan as provided in this Section 6.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the Plan, the participant is an employee or former employee of the Employer, a Participating Employer, or Oregon University System, and the transfer is for all (but not less than all) the Employees in the class. The Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with § 1.403(b)-10(b)(3) of the Income Tax Regulations and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.
- (b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.
- (c) To the extent provided in the Individual Agreements holding such transferred amounts, the amounts transferred shall be held, accounted for, administered, and otherwise treated in the same manner as a Pre-Tax Elective Deferral, a Roth Elective Deferral, an employee after-tax contribution, a rollover that is not from another plan's Roth elective deferral account, or a rollover that is from another plan's Roth elective deferral account, as determined by the transferred fund Sources, or in such other manner as is consistent with the requirements under the Code.
- (d) However, (1) the Individual Agreement which holds any amount transferred to the Plan under this Section 6.2 must provide that, to the

extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan, and (2) the amount transferred to the Plan under this Section 6.2 shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

### **6.3 Plan-to-Plan Transfers from the Plan for All Members of a Class.**

- (a) At the direction of the Employer, the Administrator may permit a class (as defined by the Employer) of Participants and Beneficiaries to elect to have all (but not less than all) of their Account Balances transferred to another plan that satisfies section 403(b) of the Code in accordance with § 1.403(b)-10(b)(3) of the Income Tax Regulations. A transfer is permitted under this Section 6.3(a) only if the Participants or Beneficiaries are employees or former employees of the employer (or the business of the employer) under the receiving plan, the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred, and the transfer is for all (but not less than all) the Participants and Beneficiaries in the class.
- (b) The other plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose restrictions on distributions to the Participants and Beneficiaries whose assets are transferred that are not less stringent than those imposed under the Plan.
- (c) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participants and Beneficiaries under the Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to § 1.403(b)-10(b)(3) of the Income Tax Regulations.

### **6.4 Contract Exchanges and Custodial Account Exchanges.**

- (a) ***Permitted Within the Plan.***  
Subject to Section 6.4(b) below and the terms of the Individual Agreements, a Participant or Beneficiary is permitted to change the investment of his or her Account Balance by (1) a change in Vendor under

Section 2.7 (relating to changing the designated Vendor to which future Elective Deferrals are to be made) one time each calendar year, (2) transfer of the full or partial Account Balance one time each calendar year, or (3) both.

(b) ***Not Permitted.***

- (1) An investment change to a Vendor, or to an investment in an Annuity Contract or Custodial Account, that is not eligible to receive contributions under Section 2 is not permitted.
- (2) A Participant or Beneficiary is not permitted to change any part of his or her Account Balance for an interest in a 403(b) contract or custodial account that is not part of the Plan as a Contract Exchange.

(c) ***Information Sharing Agreements.***

If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Employer will enter into an information sharing agreement with a Vendor receiving another other contract or custodial account. Under this information sharing agreement, the Employer and the Vendor will from time to time in the future provide each other with the following information:

- (1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including (i) the Employer providing information as to whether the Participant's employment with the Employer or a Participating Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5.1), (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 5.5 if the withdrawal results in a 6-month suspension of the Participant's right to make Elective Deferrals under the Plan and (iii) the Vendor providing information to the Employer concerning the Participant's or Beneficiary's section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan to satisfy the financial need under the hardship withdrawal rules of Section 5.5); and
- (2) Information necessary for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer

or a Participating Employer to satisfy other tax requirements, including (i) the amount of any plan loan that is outstanding to the Participant necessary to determine whether an additional plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under section 72(p)(1) of the Code and (ii) information concerning the Participant's or Beneficiary's after-tax employee contributions for a Vendor to determine the extent to which a distribution is includible in gross income.

If the Vendor was authorized to receive Roth Elective Deferrals, the information sharing agreement will also provide (to the extent the Employer's contract with the Vendor does not provide for the exchange of this information) for the exchange of information necessary to satisfy section 402A of the Code.

## **6.5 Permissive Service Credit Transfers.**

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.5(a) may be made before the Participant has had a Severance from Employment.
- (b) A transfer may be made under Section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.
- (c) In addition and subject to Section 6.5(d) below, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (*e.g.*, a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).
- (d) If any portion of the Participant's Account Balance immediately before the transfer is attributable to a Roth Elective Deferral Source account described in Section 2.3(b) or a Roth Rollover Source account described in Section 2.3(b), or both (the "Roth Portion"):

- (1) The Participant shall designate before the transfer (in the manner and by the time required by the Administrator) the part of the transfer that is from the Roth Portion; and
- (2) Section 6.5(c) above will apply separately to the Roth Portion and separately to the rest of the Participant's Account Balance.

## **Section 7**

### **Investment of Contributions and Vesting**

#### **7.1 Manner of Investment.**

All Elective Deferrals and other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

#### **7.2 Investment of Contributions.**

Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the applicable Vendor's Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts provided by the Vendors under the Plan may be made one time each calendar year to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations. However:

- (a) A transfer of any part of the Account Balance to a Vendor, or to an Annuity Contract or Custodial Account, that is not eligible to receive contributions under Section 2 is not permitted; and
- (b) The Investment Committee may designate default investment options for amounts for which investment direction has not been provided.

#### **7.3 Vesting.**

A Participant's Account Balance is at all times fully vested and nonforfeitable.

#### **7.4 Vendors.**

- (a) The Administrator shall maintain a list of all Vendors under the Plan. In addition to dealing with such other matters as the Administrator determines advisable, the list shall identify:

- (1) The Vendors that are, and the Vendors that are not, eligible to receive Pre-Tax Elective Deferrals and Roth Elective Deferrals under Section 2;
- (2) For any Vendor that is eligible to receive contributions under Section 2 to less than all of the Vendor's Annuity Contracts and Custodial Accounts that are part of the Plan, the Vendor's Annuity Contracts and Custodial Accounts that are part of the Plan and that are eligible to receive contributions under Section 2;
- (3) For any Vendor that is eligible to receive transmittals (under Section 2.8) of Roth Elective Deferrals to less than all of the Vendor's Annuity Contracts and Custodial Accounts that are part of the Plan, the Vendor's Annuity Contracts and Custodial Accounts that are part of the Plan and that are eligible to receive transmittals (under Section 2.8) of Roth Elective Deferrals; and
- (4) For any Vendor that is eligible to receive contributions under Section 2 from less than all Participants, the class or classes of Participants from which the Vendor may receive contributions under Section 2.

Such list (with any specifications and identifications pursuant to Section 7.4(b) below) is hereby incorporated as part of the Plan.

- (b) The list of all Vendors under the Plan may, but need not, specify one or more classes of Participants who may establish an Annuity Contract individually under Section 1.5 (defining "Annuity Contract") and may, but need not, specify one or more classes of Participants who may establish a Custodial Account individually under Section 1.11 (defining "Custodial Account"). The specifications shall:
  - (1) Identify the Vendor or Vendors with which a Participant in a specified class may establish an Annuity Contract individually under Section 1.5; and
  - (2) Identify the Vendor or Vendors with which a Participant in a specified class may establish a Custodial Account individually under Section 1.11.
- (c) Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 402A or 403(b) of the Code or other requirements of applicable law.
- (d) In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor

eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.2), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 402A or 403(b) of the Code or other requirements of applicable law.

## **Section 8 Beneficiary**

### **8.1 Participant's Beneficiary.**

A Participant may deliver to the Administrator a designation of beneficiary designating the Beneficiary or Beneficiaries who are to receive any of the Participant's benefits under the Plan that are payable after the Participant's death.

### **8.2 Requirements.**

A designation of beneficiary must be on a written paper document or through an electronic means made available by the Vendor or the Administrator for this purpose and is effective when properly completed by the Participant and delivered to the Vendor during the Participant's life at the place specified in the document or the electronic means or the instructions therefor, and when effective revokes all earlier designations of beneficiary by the Participant with respect to the Participant's Account Balance. However, a designation of beneficiary that applies to only part of a Participant's Account Balance does not apply to any other part of the Participant's Account Balance and does not, as to any other part of the Participant's Account Balance, revoke earlier designations of beneficiary. A Beneficiary does not include an individual, even if designated by the Participant, who does not survive the Participant. A Beneficiary may be an individual or any type of entity.

### **8.3 Default Beneficiary.**

If at the Participant's death there is not an effective designation of beneficiary, or if none of the Beneficiaries designated by the Participant survives the Participant, the Participant's Beneficiary will be the following person or persons in the following order of priority: the Participant's (a) surviving spouse, (b) surviving same-sex domestic partner, (c) surviving children in equal shares, (d) surviving parents in equal shares, or (e) estate. For this purpose (1) "surviving" means survives the Participant and (2) a Participant's surviving same-sex domestic partner is the individual, if any, who the Oregon Family Fairness Act (which is sections 1 to 9 of 2007 Oregon Laws chapter 99) requires be treated the same as the Participant's surviving spouse.

### **8.4 Beneficiary's Beneficiary.**

To the extent permitted by the Individual Agreements controlling the Account Balance, after the Participant's death a Beneficiary may designate a beneficiary or beneficiaries of the Beneficiary's interest in the Participant's Account Balance,

and that beneficiary or those beneficiaries will be the Beneficiary's Beneficiary or Beneficiaries for purposes of the Plan. The designation may be made only as provided in this Section 8 for a designation by a Participant and is subject to all the terms of this Section 8 as if the Participant's Beneficiary were a Participant, except that Section 8.3 applies to determine a Beneficiary's Beneficiary for only any part of the Beneficiary's Account Balance for which the Beneficiary has designated a Beneficiary under this Section 8.4.

#### **8.5 Alternate Payee's Beneficiary.**

To the extent permitted by the Individual Agreements controlling the Account Balance and to the extent consistent with the domestic relations order, an Alternate Payee under a domestic relations order, as defined in Section 11.2(b), may designate a beneficiary or beneficiaries of the Alternate Payee's interest in the Participant's Account Balance, and that beneficiary or those beneficiaries will be the Alternate Payee's Beneficiary or Beneficiaries for purposes of the Plan. The designation may be made only as provided in this Section 8 for a designation by a Participant and is subject to all the terms of this Section 8 as if the Alternate Payee were a Participant, except that Section 8.3 applies to determine an Alternate Payee's Beneficiary for only any part of the Alternate Payee's Account Balance for which the Alternate Payee has designated a Beneficiary under this Section 8.5.

#### **8.6 Survivorship and Relationships.**

Whenever application of the Plan depends on the relationship of one individual to another or whether one individual survives another (including without limitation when determining whether an individual is a Beneficiary):

- (a) Oregon law applies to determine whether one individual survives another. For this purpose, (1) the individuals will be treated as residing in Oregon and (2) Oregon law includes without limitation the Uniform Simultaneous Death Act (ORS 112.570 to ORS 112.590) or its successor and the Uniform Disclaimer of Property Interests Act (ORS 105.623 to 105.649) or its successor but does not include Oregon law regarding conflicts of laws. The Uniform Simultaneous Death Act or its successor will be applied by treating the Plan as a pension plan. However, if a Participant's designation of beneficiary requires an individual to survive the Participant's death for a specified period of time in order to be the Participant's Beneficiary, that specified period, and not the 120-hour period in the Uniform Simultaneous Death Act, will apply.
- (b) ORS 112.175 to 112.195, about adoption, or successor Oregon statutes, apply to determine relationships. ORS 112.105, about paternity, or successor Oregon statutes, apply without regard to any limitation therein regarding intestate succession. ORS 112.455 to 112.555, regarding certain deaths caused by an individual, or successor Oregon statutes, apply without regard to whether the death occurs or the individuals reside in Oregon and will be applied by treating the Plan as a pension plan.

**8.7 Contrary Terms in Individual Agreement.**

Any term in an Individual Agreement that is contrary to a term in this Section 8 applies instead of that term in this Section 8, unless under the Individual Agreement the Plan controls as to that term.

**Section 9  
Claims Procedure**

**9.1 Requests for Determination.**

- (a) Any time a request for determination of eligibility for participation or benefits distribution is disputed, an interpretation of Plan provisions is disputed, or a Participant or Beneficiary is adversely affected by action of a Vendor, the Employer or the Administrator, the individual (the "Claimant") may submit a claim for determination to the Benefits Officer for the institution where the Participant is or was last employed (or if there is no Benefits Officer, to the Administrator). The Benefits Officer will forward all such claims to the Administrator. (But see Section 9.1(b) below about an application for a distribution on account of hardship.) The Claimant shall be notified of the Benefits Officer's (or Administrator's, if there is no Benefits Officer) determination within 90 days after receipt of the claim, unless special circumstances require an extension of time for processing. Such notice will indicate the basis for the determination or interpretation and an explanation of the procedure for requesting an appeal as set forth in this Section 9.
  
- (b) A Participant who disagrees with the Administrator's determination on the Participant's application under Section 5.7(b) for a distribution on account of hardship may submit a claim under this Section 9.1 only after requesting reconsideration as provided in Section 5.7(b)(3) and receiving the Administrator's decision on the request.

**9.2 Appeal Procedure.**

Any Claimant who has received an adverse determination shall have the right to appeal the determination to the Retirement Plans Administration Committee (the "Committee"). Such appeal must be in writing and must be made within 60 days after the Claimant is advised of the adverse action. If a written request for appeal is not made within such 60-day period, the Claimant shall forfeit his or her right to an appeal. The Claimant or a duly authorized representative of the Claimant may review all pertinent documents and submit issues and comments to the Committee.

**9.3 Consideration of Appeal.**

The Committee shall consider appeals received under Section 9.2. It may hold a hearing if it deems it necessary and shall issue a written decision affirming,

modifying, or setting aside the former action within 120 days after receipt of the written request for appeal, unless special circumstances require an extension of time for processing. A copy of the decision shall be furnished to the Claimant. The decision shall set forth its reasons and pertinent Plan provisions on which it is based.

**9.4 Final Decision.**

The Committee's decision on the appeal shall constitute the final decision of the Plan and the Employer and shall be binding upon the Claimant, the Employer, the Participating Employers, the Administrator, the Committee, and all other persons involved to the maximum extent permitted by law. Any person seeking judicial review of the decision must file a timely complaint with the Oregon Circuit Court of Multnomah County in Portland, Oregon. The Committee will inform the Claimant of the right to appeal to the Oregon Circuit Court of Multnomah County in Portland, Oregon.

**9.5 Exhaustion of Remedies.**

- (a) No Claimant may challenge in judicial or administrative proceedings any action or inaction of any of the following persons with respect to the Plan without first exhausting the remedies available under the Plan: the Board (and any member of the Board), the Board's officers, employees, agents and representatives, the Employer, the Participating Employers, the Administrator, the Vice President for Finance and Administration of the Employer, the Retirement Plans Administration Committee (and any member of the Committee), the Investment Committee (an any member of the Committee), and, in performing service as a designee under Section 11.22 or 11.24, any officer, employee, agent or representative of the Employer or a Participating Employer.
- (b) Any judicial or administrative review of any such action or inaction is subject to Section 11.26 (relating to limitation of liability).

**Section 10  
Amendment and Plan Termination**

**10.1 Termination of Contributions.**

The Employer has assumed sponsorship of the Plan with the intention and expectation that contributions will be continued indefinitely. However, neither the Employer nor any Participating Employer has any obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

## **10.2 Amendment and Termination.**

The Employer reserves the authority to amend or terminate the Plan at any time or times as the Employer deems advisable, including amending the Plan retroactively, by adopting a writing making the amendment or termination. Any retroactive amendment applies to Participants, Beneficiaries, and all other persons retroactively according to the terms of the amendment. However, an amendment or termination may not limit the Employer's obligations under Section 11.25 (relating to indemnification) with respect to an act or failure to act that occurs before the amendment or termination.

## **10.3 Distribution upon Termination of the Plan.**

The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer, the Participating Employers, and any Related Employer on the date of termination do not make contributions to an alternative section 403(b) contract 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 Income Tax Regulations.

## **Section 11 Miscellaneous**

### **11.1 Non-Assignability.**

Except as provided in Section 11.2 and Section 11.3, the interests of each Participant, Beneficiary, or Alternate Payee under the Plan are not subject to the claims of the Participant's, Beneficiary's, or Alternate Payee's creditors; and neither the Participant nor any Beneficiary or Alternate Payee shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

### **11.2 Domestic Relation Orders.**

- (a) Notwithstanding Section 11.1, if permitted by section 414(p) of the Code, the amount of the Participant's Account Balance shall be paid to an Alternate Payee in the manner and to the person or persons so directed in a domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.
- (b) For purposes of the Plan, "domestic relations order" means a judgment, decree, or order (including approval of a property settlement agreement ("Order")) that:

- (1) Relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant;
- (2) Is made pursuant to the domestic relations law of any State;
- (3) Creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan;
- (4) Clearly specifies:
  - (i) The name and the last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order;
  - (ii) The amount or percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined;
  - (iii) The number of payments or period to which such Order applies; and
  - (iv) That the Order applies to the Plan;
- (5) Does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan (other than payment without regard to whether the Participant is eligible for a distribution of benefits under the Plan) and does not require the Plan to pay benefits to the Alternate Payee in the form of a joint and survivor annuity with respect to the Alternate Payee and his or her subsequent spouse;
- (6) Does not require the Plan to provide increased benefits;
- (7) Does not require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another Order previously determined to be a domestic relations order; and
- (8) Does not require any action that would be inconsistent with the terms of the Plan, section 401(a)(9), 402A, or 403(b) of the Code, any other federal or Oregon law, or any Funding Vehicle.

- (c) The Administrator shall establish reasonable procedures for determining the status of any such Order and for effectuating distribution pursuant to the domestic relations order.
- (d) Pursuant to section 9(6) of the Oregon Family Fairness Act (which Act is sections 1 to 9 of 2007 Oregon Laws chapter 99), the Administrator concludes that the extension of the benefits of this Section 11.2 to an individual because the individual is or was in a domestic partnership (as defined in section 3 of that Act) would conflict with a condition for tax qualification of the Plan, or a condition for other favorable tax treatment of the Plan, under the Code or regulations adopted under the Code.

### **11.3 IRS Levy.**

Notwithstanding Section 11.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or that the Administrator finds is lawfully sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

### **11.4 Tax Withholding.**

Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Treasury Regulations thereunder). A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

### **11.5 Payments to Minors and Incompetents.**

If a person entitled to receive any benefits hereunder is a minor or incompetent by reason of physical or mental disability, or is deemed so by the Administrator, benefits may, subject to any applicable provisions of ORS chapter 126, be paid to such third person as the Administrator may designate for the benefit of the person entitled to benefits. Such payments shall be considered a payment to the person entitled to benefits and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan. The Administrator has no duty to inquire about whether a person entitled to benefits is a minor or incompetent, and may (even after notice of minority or incompetency) pay benefits directly to a person entitled to benefits who is a minor or incompetent, and such direct payments shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

**11.6 Mistaken Contributions.**

If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer or the Participating Employer, as applicable.

**11.7 Procedure When Distributee Cannot Be Located.**

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the records of the Employer, the Administrator, and the Participating Employers, (b) notification sent to the Social Security Administration's Letter Forwarding Service, and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Funding Vehicle shall continue to hold the benefits due such person.

**11.8 Incorporation of Individual Agreements.**

The Plan, together with the Individual Agreements, is intended to satisfy the requirements of sections 402A and 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 402A or 403(b) of the Code.

**11.9 Governing Law.**

The Plan will be construed, administered and enforced according to the Code and the laws of the State of Oregon and consistent with the Employer's intent that the Plan satisfy sections 402A and 403(b) of the Code. Any provision of the Plan that is based on a provision of the Code, including one not necessary for the Plan to satisfy section 402A or 403(b) of the Code, will be construed, administered, and enforced consistent with such provision and the interpretive authorities thereunder.

**11.10 Headings.**

Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

**11.11 Gender.**

Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

**11.12 Plan Year.**

The Plan's plan year is the calendar year.

**11.13 Severability.**

If a court of competent jurisdiction determines that any provision of the Plan is invalid or unenforceable, the remaining provisions will continue to be fully effective.

**11.14 No Contract Rights.**

Except for rights required for the Plan to satisfy ORS 243.820 to 243.830, section 402A or 403(b) of the Code, any other section of the Code, Treasury regulations, or Internal Revenue Service guidance, no Employee, Participant, Beneficiary, or other person will acquire a right, contractual or otherwise, to (a) make or continue Elective Deferrals, (b) the terms or the continuance of (1) the Plan, (2) any Annuity Contract or Custodial Account, (3) any annuity contract or custodial account to which amounts have been transferred under the right granted in Section 11.19, or (4) any investment fund, or (c) have the Participant's Account Balance held or continue to be held in any particular Annuity Contract or Custodial Account or be invested or continue to be invested in any particular investment fund or funds.

**11.15 Powers of Attorney.**

The Administrator may allow any person to act under the Plan through an agent or attorney-in-fact designated in a written power of attorney. For this purpose ORS 127.005 to 127.045 and successor Oregon statutes apply, including without limitation the provisions in those statutes allowing the Administrator to rely on the authority of the attorney-in-fact or agent and protecting the Administrator from liability. This Section 11.15 does not prevent a Vendor from requiring compliance with the Vendor's rules for acts taken through an agent or attorney-in-fact.

**11.16 Effect of Plan Summary, Information, and Administration Forms.**

The terms of the Plan control in the event of any inconsistency between the Plan and any (a) written, electronic, or oral summary of, or information about, the Plan or any of its provisions or (b) administration form provided (as a written paper document or through electronic or other means) in connection with the Plan.

**11.17 Reliance on Evidence of a Person’s Identity.**

Where the Administrator establishes reasonable means to identify a person, the Administrator may, unless the Administrator has actual knowledge to the contrary, rely on that evidence as establishing the person’s identity. Such reasonable means include, without limitation, identification by password, personal identification number, identifying information (for example, social security number or mother’s maiden name), a document (for example, a driver’s license or other picture ID), or familiarity with the person (for example, with the person’s voice or physical appearance).

**11.18 Correcting 403(b) Failures.**

The Administrator may require a Vendor, Participant, Beneficiary, Alternate Payee, Participating Employer and any other person to take any actions the Administrator deems advisable to correct one or more 403(b) Failures with respect to the Plan in a manner allowed by the Internal Revenue Service’s Employee Plans Compliance Resolution System (which defines “403(b) Failure”), including without limitation (a) require that a Participant repay or prepay a loan in whole or in part and (b) require that the amount of a Participant’s Account Balance be changed or paid in part or whole.

**11.19 The Employer’s Irrevocable Right to Take Actions to Change and Terminate the Plan, Including Actions on Behalf of and in the Name of Participants and Beneficiaries.**

The Employer has the irrevocable right to take all actions (except actions that would cause the Plan to fail to satisfy ORS 243.820 to 243.830, section 402A or 403(b) of the Code, any other section of the Code, Treasury regulations, or Internal Revenue Service guidance) that the Employer deems appropriate, including without limitation actions on behalf of and in the name of the Participant and the Participant’s Beneficiaries, to facilitate all changes that the Employer determines to make to the Plan and to facilitate termination of the Plan, including without limitation actions:

- (a) To cause the Participant’s Account Balance to be transferred to one or more other annuity contracts or custodial accounts to which contributions may be made under section 403(b) of the Code and which will, as the Employer determines, (1) be under the control of the Participant or (after the Participant’s death) one or more of the Participant’s beneficiaries or (2) be under the control of the Employer; and
- (b) To designate the one or more investment funds in which the Participant’s Account Balance is to be invested, and the one or more Annuity Contracts and Custodial Accounts in which the Participant’s Account Balance is to be held, and from time to time to change the designation.

This right allows the Employer to effect the Employer’s interest in making changes to the Plan and in terminating the Plan. No person who relies in good

faith on this right of the Employer is liable to any other person based on that reliance.

**11.20 Administrator's Discretionary Authority.**

The Administrator has discretionary authority in exercising, or deciding not to exercise, each of its functions under the Plan including questions of fact. Without limiting the foregoing, the Administrator has discretionary authority to construe and interpret the Plan and to determine all questions that arise under the Plan, including questions of fact. The Administrator's decisions are final and binding on all parties and affected persons and their beneficiaries and successors to the maximum extent permitted by law. For purposes of the authority of the Retirement Plans Administration Committee (the "Committee") under Section 9 (relating to claims procedure), references in the above provisions of this Section 11.20 to the Administrator shall be deemed to refer to the Committee.

**11.21 Employer's Sole Discretion.**

The Employer has sole discretion in exercising, or deciding not to exercise, each of its functions under the Plan. The Employer's decisions are final and binding on all parties, including the Participating Employers and other affected persons and their beneficiaries and successors, to the maximum extent permitted by law.

**11.22 Designees Through Which the Administrator May Act.**

Administrator may act through any person or entity it designates in its sole discretion. Any designation under this Section 11.22 must satisfy any applicable requirements in § 1.403(b)-3(b)(3)(ii) of the Income Tax Regulations.

**11.23 Retirement Plans Administration Committee and Investment Committee.**

The Board shall appoint the Retirement Plans Administration Committee (the "Committee"), which shall be composed of three or more persons and which may establish subcommittees, including the TDI Administration Committee. The Board shall also appoint the Investment Committee, which shall be comprised of persons described in the Committee Charter. No member of either committee who is an employee of the Employer or a Participating Employer shall receive additional compensation with respect to service on a committee. Any member of a committee may resign by delivering written resignation to the Board and to the committee. The Board may remove or replace any member of a committee at any time and for any reason.

**11.24 Designees Through Which the Employer May Act.**

The Employer may act through any person it designates from time to time. Any designation under this Section 11.24 must satisfy any applicable requirements in § 1.403(b)-3(b)(3)(ii) of the Income Tax Regulations.

**11.25 Indemnification.**

- (a) In order to facilitate the recruitment of competent persons, the Employer agrees to provide the indemnification as described in this Section 11.25.
- (b) The Employer agrees to indemnify Indemnified Persons for all acts taken in carrying out his, her, or their responsibilities under the terms of the Plan. This indemnification for all acts is intentionally broad but shall not provide indemnification for gross negligence, willful misconduct, embezzlement, or diversion of Plan funds for the benefit of the Indemnified Person. The Employer agrees to indemnify Indemnified Persons for all expenses of defending an action, including all legal fees for counsel selected with the Employer's consent and other costs of such defense. The Employer shall also indemnify Indemnified Persons for any monetary recovery in any court or arbitration proceeding. In addition, if the claim is settled out of court with the concurrence of the Employer, the Employer shall indemnify Indemnified Persons for any monetary liability under said settlement. The Employer shall have the right, but not the obligation, to conduct the defense of Indemnified Persons in any proceeding to which this Section 11.25 applies. The Employer may satisfy its obligation under this Section 11.25 in whole or in part through the purchase of a policy or policies of insurance providing equivalent protection.
- (c) Notwithstanding the foregoing, the indemnification provided for in this Section 11.25 shall be subject to any applicable limitations under Article XI, Section 7, of the Oregon Constitution, or the Oregon Tort Claims Act, ORS 30.260 to 30.300.

**11.26 Limitation of Liability.**

Subject to any requirements under section 403(b) of the Code:

- (a) Except as provided in section 11.26(b) below, none of the following persons is liable to any person for any act or failure to act under or with respect to the Plan where the act or failure to act is in good faith: the Board (and any member of the Board), the Board's officers, employees, agents and representatives, the Employer, the Participating Employers, the Administrator, the Vice President for Finance and Administration of the Employer, the Retirement Plans Administration Committee (and any member thereof), the Investment Committee and any member thereof, and, in performing service as a designee under Section 11.22 or 11.24, any officer, employee, agent or representative of the Employer or a Participating Employer. This Section 11.26(a) is not intended, and will not be construed, to expand the duties or liability of any of the foregoing persons beyond their duties and liabilities in the absence of this Section 11.26(a).

- (b) The exoneration from liability in Section 11.26(a) above does not apply to any Vendor and does not apply to any paid consultant, paid contractor, or paid agent with respect to the Plan whose consultancy, contract, or agency is not served as a member, officer, or employee of the Board or of the Retirement Plans Administration Committee or the Investment Committee, or as an employee of the Employer or a Participating Employer.
- (c) Nothing in the Plan, including without limitation Section 9 (relating to claims procedure) and Section 11.26(a) above, constitutes a waiver of the sovereign immunity of the State of Oregon or a waiver of any other defense or right of any of the persons described in Section 11.26(a) above.

**11.27 Source of Benefits.**

All benefits payable with respect to amounts paid or transferred to an Annuity Contract or a Custodial Account will be paid solely from the Annuity Contract or the Custodial Account, and no person described in Section 11.26(a) and not in Section 11.26(b) is liable or responsible therefor.

**11.29 Oregon Family Fairness Act.**

The Administrator will administer the Plan to comply with the Oregon Family Fairness Act, which is sections 1 to 9 of 2007 Oregon Laws chapter 99.

**11.30 Not a Contract of Employment.**

The Plan is not a contract of employment between the Employer or a Participating Employer and any Employee. Nothing in the Plan gives any employee the right to be retained in the employ of the Employer or a Participating Employer or to interfere with any right of the Employer or a Participating Employer to discharge any Employee at any time. Nothing in the Plan gives the Employer or a Participating Employer the right to require any employee to remain in its employ or to interfere with any right of any Employee to terminate the Employee's employment at any time.

**Section 12  
Participating Employers**

**12.1 Adoption of Plan**

With the consent of the Employer, any Oregon public university may adopt this Plan and all of the provisions hereof, and participate herein and be known as a Participating Employer, by a properly executed document evidencing such intent of the Board of Trustees of said Oregon public university.

**12.2 Rights and Duties**

Notwithstanding anything herein to the contrary, for each Participating Employer hereunder, the following shall apply:

- (a) Each Participating Employer shall be required to use the same Vendors as provided in this Plan.
- (b) The Vendors shall commingle, hold and invest as one (1) fund all contributions made by the Employer, Participating Employers and Employees, as well as increments thereon. All of the Plan assets shall be available to pay benefits to Participants and their Beneficiaries.
- (c) The transfer of any Participant from or to a Participating Employer shall not affect such Participant's rights under the Plan, and all amounts credited to such Participant's Account as well as accumulated service time with the transferor or predecessor, and length of participation in the Plan, shall continue to the Participant's credit.
- (d) Any expenses of the Plan which are to be paid by the Employer or borne by the Plan assets shall be paid by each Participating Employer in such manner as agreed to in writing by the Employer and the Participating Employers.

### **12.3 Designation of Agent**

Each Participating Employer shall be deemed to be a part of this Plan; provided, however, that with respect to all of its relations with the Vendors for the purpose of this Plan, each Participating Employer shall be deemed to have designated irrevocably the Employer as its agent.

### **12.4 Contributions**

All contributions made by a Participating Employer will be remitted promptly to the Employer, or its designee, in such manner as agreed to in writing by the Employer and the Participating Employer.

### **12.5 Amendment of Plan**

Amendment of this Plan by the Employer at any time when there shall be a Participating Employer hereunder shall require the written consent of each Participating Employer only where such consent is necessary in accordance with the terms of this Plan and the writing between the Employer and the Participating Employer.

### **12.6 Revocation of Participation**

Any Participating Employer shall be permitted to discontinue or revoke its participation in the Plan in accordance with the terms of that certain Participation Agreement by and between the Employer and the Participating Employer. At the time of any such discontinuance or revocation, satisfactory evidence thereof and of any applicable conditions imposed shall be delivered to the Employer. Upon approval of the Employer, the Vendor shall thereafter transfer, deliver and assign Plan assets allocable to the Participants of such Participating Employer to such new vendor as shall have been designated by such Participating Employer, in the event that it has established a separate 403(b) plan for its employees. If no

successor is designated, the Vendor shall retain such assets for the employees of said Participating Employer and shall make distributions pursuant to the provisions of Section 5 hereof, without further involvement or responsibility on the part of the Employer.

**12.7 Authority**

The Employer shall have authority to make any and all necessary rules or regulations, binding upon all Participating Employers and all Participants, to effectuate the purpose of this Section.

FOR THE UNIVERSITY OF OREGON

\_\_\_\_\_  
Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

OREGON PUBLIC UNIVERSITIES SUPPLEMENTAL RETIREMENT PLAN

Effective July 1, 2014

OREGON PUBLIC UNIVERSITIES SUPPLEMENTAL RETIREMENT PLAN

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## OREGON PUBLIC UNIVERSITIES SUPPLEMENTAL RETIREMENT PLAN

### SECTION 1. GENERAL

1.1 PURPOSE. The purpose of the OREGON PUBLIC UNIVERSITIES SUPPLEMENTAL RETIREMENT PLAN (the “Plan”) as stated herein is to create a cash balance defined benefit plan qualified under IRC Section 401(a) as a governmental plan as defined in IRC Section 414(d).

1.2 EFFECTIVE DATE. The Plan was originally effective January 1, 2009. This amendment and restatement of the Plan is effective July 1, 2014.

1.3 PLAN NAME. The name of the Plan is the OREGON PUBLIC UNIVERSITIES SUPPLEMENTAL RETIREMENT PLAN.

### SECTION 2. DEFINITIONS

Capitalized terms used in the Plan will have the meaning ascribed to them in the Plan.

2.1 Accrued Benefit: Subject to 6.3 (regarding maximum benefit), a Participant’s Accrued Benefit as of any date is the amount of the Participant’s Account as determined under 6.1 as of that date.

2.2 Account: The account established under 6.1 to which a Participant’s benefits under the Plan are credited and debited.

2.3 Beneficiary: As defined in 7.8.

2.4 Benefit Starting Date: The date as of which benefit payments start to a Participant or Beneficiary.

2.5 Designated Beneficiary:

a. For purposes of 7.9 (regarding required minimum payments), “Designated Beneficiary” means any individual designated as a beneficiary by the Participant.

b. For purposes of 2.8 (defining Eligible Retirement Plan), 2.9 (defining Eligible Rollover Distribution) and 7.4.b (regarding cash-out forms), “Designated Beneficiary” means a Beneficiary meeting either of the following requirements:

(1) The Beneficiary is an individual and a designated beneficiary (as defined in IRC Section 401(a)(9)(E)) of the Participant and is not the Participant’s surviving spouse; or

(2) The Beneficiary is a trust maintained for the benefit of one or more designated beneficiaries (as defined in IRC Section 401(a)(9)(E)) of the Participant.

2.6 Direct Rollover: A payment by the Plan of an Eligible Rollover Distribution to the Eligible Retirement Plan specified by an individual described in 7.4.b.

2.7 Disabled: A Participant is Disabled if the Participant has a medically determinable condition of mind or body resulting from illness or injury that permanently prevents the Participant from performing, with reasonable accommodation, the essential functions previously performed by the Participant for Employer or a Participating Employer. The Plan Administrator may rely on the certification of a medical examiner satisfactory to the Plan Administrator to the effect that the Participant is Disabled.

2.8 Eligible Retirement Plan:

a. Except as provided in 2.8.b, 2.8.c and 2.8.d, the single one of the following that (i) is specified by the person described in 7.4.b to whom the Direct Rollover is available with respect to the benefit to be paid and (ii) accepts the Direct Rollover:

(1) An individual retirement plan described in IRC Section 7701(a)(37) (other than an endowment contract), including a Roth IRA described in IRC Section 408A;

(2) A qualified trust described in IRC Section 401(a);

(3) An annuity plan described in IRC Section 403(a);

(4) An annuity contract described in IRC Section 403(b); or

(5) An eligible deferred compensation plan described in IRC Section 457(b) maintained by an eligible employer described in IRC Section 457(e)(1)(A) and that agrees to separately account for amounts transferred into such plan from the Plan.

b. In the case of a Direct Rollover on behalf of a Designated Beneficiary, the single individual retirement plan described in IRC Section 7701(a)(37) (other than an endowment contract), including a Roth IRA described in IRC Section 408A, that (i) is specified by the Designated Beneficiary, (ii) accepts the Direct Rollover, (iii) is established for the purpose of receiving the distribution on behalf of the Designated Beneficiary and (iv) will be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of IRC Section 408(d)(3)(C)) pursuant to IRC Section 402(c)(11).

c. In the case of a Direct Rollover under 7.5.a, the single individual retirement plan described in IRC Section 7701(a)(37) (other than an endowment contract) that is designated by the Plan Administrator.

d. In the case of a Direct Rollover that is not on behalf of a Designated Beneficiary, is not under 7.5.a and that includes an amount that is not includable in gross income, the single one of the following that (i) is specified by the person described in 7.4.b to whom the Direct Rollover is available with respect to the benefit to be paid and (ii) accepts the Direct Rollover:

(1) A qualified trust described in IRC Section 401(a) or an annuity contract described in IRC Section 403(b), which trust or contract provides for separate account for amounts so transferred (and earnings thereon), including separately accounting for the

portion of such distribution that is includable in gross income and the portion of such distribution that is not so includable; or

(2) An individual retirement plan described in IRC Section 7701(a)(37) (other than an endowment contract).

2.9 Eligible Rollover Distribution: Any payment of all or any portion of the balance to the credit of an individual to whom a Direct Rollover is available under 7.4 (regarding available forms of payment), but not including:

a. Any payment that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of such individual or the joint lives (or joint life expectancies) of such individual and such individual's contingent annuitant, or for a specified period often years or more;

b. Any payment to the extent such payment is required under IRC Section 401(a)(9) (regarding required payments), and the determination of the amount of any payment required under IRC Section 401(a)(9) that is ineligible for rollover on behalf of a Designated Beneficiary will be made in accordance with Q&A-17 and -18 of Notice 2007-7, 2007-5 I.R.B. 395, or later guidance by the Internal Revenue Service or in Treasury regulations; and

c. Any other payment if all benefit payments under the Plan to such individual that are not required under IRC Section 401(a)(9) (regarding required payments) are reasonably expected to total less than \$200 during such individual's taxable year.

2.10 Employee: A common law employee of Employer or a Participating Employer.

2.11 Employer: UNIVERSITY OF OREGON. For purposes of the following, "Employer" includes all persons aggregated with Employer pursuant to any of IRC Section 414(b), 414(c), 414(m), and 414(o): 2.10 (defining Employee), 2.21 (defining Severance of Employment), 6.3 (regarding maximum benefit), and 9.6.a(9) (regarding asset pooling). For purposes of 6.3 (regarding maximum benefit), IRC Sections 414(b) and 414 (c) will be applied by substituting "more than 50 percent" for "at least 80 percent" each place it appears in IRC Section 1563(a)(1).

2.12 402(f)Notice: The written explanation required by IRC Section 402(1) and the regulations thereunder.

2.13 IRC: Internal Revenue Code of 1986, as amended.

2.14 Limitation Year: The calendar year.

2.15 Normal Retirement Age: The later of (a) age 65 or (b) the 15<sup>th</sup> anniversary of the first day of the Plan Year in which the Participant begins to participate in the Plan.

2.16 ORS: Oregon Revised Statutes, as amended.

2.17 Participant: An Employee who has begun to participate in the Plan as provided in 4.2 and who has not thereafter ceased being a Participant as provided in 4.3.

2.18 Participating Employer: Any public university in the State of Oregon that formally adopts the Plan as provided in Section 11. As of July 1, 2014, the Participating Employers are OREGON STATE UNIVERSITY, PORTLAND STATE UNIVERSITY, EASTERN OREGON UNIVERSITY, WESTERN OREGON UNIVERSITY, SOUTHERN STATE UNIVERSITY and OREGON INSTITUTE OF TECHNOLOGY, to the extent that they have Employees who are Participants in the Plan.

2.19 Plan: The defined benefit plan embodied herein.

2.20 Plan Administrator: UNIVERSITY OF OREGON and the person or persons appointed from time to time as Plan Administrator of the Plan.

2.21 Plan Year: The calendar year.

2.22 Severance of Employment: Permanent termination of the Participant's employment with Employer, the Participating Employers and all persons designated in 2.11 as Employer for purposes of this 2.22.

2.23 Ten Years Certain Annuity: An annuity payable in equal monthly installments on the first day of the calendar month for 120 consecutive months beginning as of the Benefit Starting Date, with each monthly installment equal to 1/120 of the amount payable under 7.3 to the Participant or Beneficiary to whom the annuity is payable.

2.24 Trust: As described in 9.2.

2.25 Trust Fund: As described in 9.2.

2.26 Trustee: The persons appointed from time to time by Employer to serve as trustee of the Trust.

### SECTION 3. CONTRIBUTIONS

3.1 CONTRIBUTIONS. All contributions by Employer and the Participating Employers to the Plan will be made to the Trust. The portion of each contribution paid by Employer will be the amount of the total contribution attributable to the Employees of Employer and the portion of each contribution paid by each Participant Employer will be the amount of the total contribution attributable to the Employees of the Participating Employer. Employer and Participating Employers intend, but are not required, to contribute to the Plan the amounts actuarially calculated to be adequate to fund the benefits provided in the Plan.

3.2 RETURN OF CONTRIBUTIONS. Any contribution made by Employer or a Participating Employer because of a mistake of fact must be returned to Employer or the Participating Employer, as applicable, within one year of the contribution, but only if Employer or the Participating Employer makes timely written demand therefor. Such returned contributions will not include attributable earnings but will be reduced by attributable losses.

## SECTION 4. ELIGIBLE AND PARTICIPATING EMPLOYEES

4.1 ELIGIBLE EMPLOYEES. The following Employees are eligible to participate in the Plan:

a. The Employee who on January 1, 2009, is the President of OREGON STATE UNIVERSITY.

b. The Employee who on July 1, 2009, is the President of the UNIVERSITY OF OREGON.

c. The Employee who on July 1, 2010, is the President of PORTLAND STATE UNIVERSITY.

d. The Employee who on January 1, 2012, is the Interim President of the UNIVERSITY OF OREGON.

e. The Employee who on January 1, 2012, is the President of SOUTHERN OREGON UNIVERSITY.

f. The Employee who on August 1, 2012, is the President of the UNIVERSITY OF OREGON.

g. The Employee who on July 1, 2013, is the President of WESTERN OREGON UNIVERSITY.

h. Any other Employees who are designated in an amendment to the Plan as eligible to participate in the Plan.

### 4.2 DATE PARTICIPATION BEGINS.

a. The Employee described in 4.1.a begins to participate in the Plan on January 1, 2009.

b. The Employee described in 4.1.b begins to participate in the Plan on July 1, 2009.

c. The Employee described in 4.1.c begins to participate in the Plan on July 1, 2010.

d. The Employee described in 4.1.d begins to participate in the Plan on January 1, 2012.

e. The Employee described in 4.1.e begins to participate in the Plan on January 1, 2012.

f. The Employee described in 4.1.f begins to participate in the Plan on August 1, 2012.

g. The Employee described in 4.1.g begins to participate in the Plan on July 1, 2013.

h. An Employee described in 4.1.h will begin to participant in the Plan as provided in the amendment to the Plan designating the Employee as eligible to participate in the Plan.

#### 4.3 DATE PARTICIPATION ENDS.

a. The Employee described in 4.1.a will cease to be a Participant on the first date after January 1, 2009, on which the Employee has no vested Accrued Benefit and has ceased to be the President of OREGON STATE UNIVERSITY.

b. The Employee described in 4.1.b will cease to be a Participant on the first date after July 1, 2009, on which the Employee has no vested Accrued Benefit and has ceased to be the President of the UNIVERSITY OF OREGON.

c. The Employee described in 4.1.c will cease to be a Participant on the first date after July 1, 2010, on which the Employee has no vested Accrued Benefit and has ceased to be the President of PORTLAND STATE UNIVERSITY.

d. The Employee described in 4.1.d will cease to be a Participant on the first date after January 1, 2012, on which the Employee has no vested Accrued Benefit and has ceased to be the Interim President of the UNIVERSITY OF OREGON.

e. The Employee described in 4.1.e will cease to be a Participant on the first date after January 1, 2012, on which the Employee has no vested Accrued Benefit and has ceased to be the President of SOUTHERN OREGON UNIVERSITY.

f. The Employee described in 4.1.f will cease to be a Participant on the first date after August 1, 2012, on which the Employee has no vested Accrued Benefit and has ceased to be the President of the UNIVERSITY OF OREGON.

g. The Employee described in 4.1.g will cease to be a Participant on the first date after July 1, 2013, on which the Employee has no vested Accrued Benefit and has ceased to be the President of WESTERN OREGON UNIVERSITY.

h. An Employee described in 4.1.h will cease to be a Participant as provided in the amendment to the Plan designating the Employee as eligible to participate in the Plan.

### SECTION 5. VESTING

5.1 VESTING. A Participant's right to the Participant's Accrued Benefit is 100% vested and nonforfeitable on the date the Participant, while both a Participant and an Employee, has attained Normal Retirement Age and vests earlier only as follows:

a. THE PARTICIPANT DESCRIBED IN 4.1.a.

(1) (a) The right of the Participant described in 4.1.a to the part of the Participant's Accrued Benefit attributable to service credits credited under 6.1.a as of a date before July 2, 2009 (i.e. the service credits credited as of July 1 of 2007, 2008 and 2009), will become 100% vested and nonforfeitable on June 30, 2010, if the Participant is employed as the President of OREGON STATE UNIVERSITY at all times from July 1, 2007, through June 30, 2010.

(b) The right of the Participant described in 4.1.a to the part of the Participant's Accrued Benefit attributable to service credits credited under 6.1.a as of July 1, 2010, will become 100% vested and nonforfeitable on June 30, 2011, if the Participant is employed as the President of OREGON STATE UNIVERSITY at all times from July 1, 2010, through June 30, 2011.

(c) The right of the Participant described in 4.1.a to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.a as of July 1, 2011, will become 100% vested and nonforfeitable on June 30, 2012, if the Participant is employed as the President of OREGON STATE UNIVERSITY at all times from July 1, 2011, through June 30, 2012.

(d) The right of the Participant described in 4.1.a to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.a as of July 1, 2012, will become 100% vested and nonforfeitable on June 30, 2013, if the Participant is employed as the President of OREGON STATE UNIVERSITY at all times from July 1, 2012, through June 30, 2013.

(e) The right of the Participant described in 4.1.a to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.a as of July 1, 2013, will become 100% vested and nonforfeitable on June 30, 2014, if the Participant is employed as the President of OREGON STATE UNIVERSITY at all times from July 1, 2013, through June 30, 2014.

(2) The right of the Participant described in 4.1.a to the part of the Participant's Accrued Benefit attributable to any service credits credited under 6.1.a as of a date after July 1, 2013, will vest as provided in the amendment to the Plan providing the service credits.

(3) In addition to the vesting events provided in 5.1.a(1) and 5.1.a(2), the right of the Participant described in 4.1.a to the Participant's Accrued Benefit will become 100% vested and nonforfeitable if the Participant dies or becomes Disabled while the President of OREGON STATE UNIVERSITY.

b. THE PARTICIPANT DESCRIBED IN 4.1.b.

(1) (a) The right of the Participant described in 4.1.b to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.b as of July 1, 2009, will become 100% vested and nonforfeitable on June 30, 2010, if the Participant is

employed as the President of the UNIVERSITY OF OREGON at all times from July 1, 2009, through June 30, 2010.

(b) The right of the Participant described in 4.1.b to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.b as of July 1, 2010, will become 100% vested and nonforfeitable on June 30, 2011, if the Participant is employed as the President of the UNIVERSITY OF OREGON at all times from July 1, 2010, through June 30, 2011.

(c) The right of the Participant described in 4.1.b to the part of the Participant's Accrued Benefit attributable to the service credits credited under 6.1.b as of July 31, 2011, August 31, 2011, September 30, 2011, October 31, 2011, and November 30, 2011, will become 100% vested and nonforfeitable on the date of the credit if the Participant is employed as the President of the UNIVERSITY OF OREGON at all times during the calendar month that includes the date of the credit (e.g., the \$15,000 credit credited under 6.1.b as of July 31, 2011, will become 100% vested and nonforfeitable on July 31, 2011, if the Participant is employed as the President of the UNIVERSITY OF OREGON at all times during July 2011).

(2) In addition to the vesting events provided in 5.1.b(l), the right of the Participant described in 4.1.b to the Participant's Accrued Benefit will become 100% vested and nonforfeitable if the Participant dies or becomes Disabled while the President of the UNIVERSITY OF OREGON.

c. THE PARTICIPANT DESCRIBED IN 4.1.c.

(1) (a) The right of the Participant described in 4.1.c to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.c as of July 1, 2010, is 100% vested and nonforfeitable.

(b) The right of the Participant described in 4.1.c to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.c as of July 1, 2011, will become 100% vested and nonforfeitable on June 30, 2012, if the Participant is employed as the President of PORTLAND STATE UNIVERSITY at all times from July 1, 2011, through June 30, 2012.

(c) The right of the Participant described in 4.1.c to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.c as of July 1, 2012, will become 100% vested and nonforfeitable on June 30, 2013, if the Participant is employed as the President of PORTLAND STATE UNIVERSITY at all times from July 1, 2012, through June 30, 2013.

(d) The right of the Participant described in 4.1.c to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.c as of July 1, 2013, will become 100% vested and nonforfeitable on June 30, 2014, if the Participant is employed as the President of PORTLAND STATE UNIVERSITY at all times from July 1, 2013, through June 30, 2014.

(2) The right of the Participant described in 4.1.c to the part of the Participant's Accrued Benefit attributable to any service credits credited under 6.1.c as of a date after July 1, 2013, will vest as provided in the amendment to the Plan providing the service credits.

(3) In addition to the vesting events provided in 5.1.c(1), the right of the Participant described in 4.1.c to the Participant's Accrued Benefit will become 100% vested and nonforfeitable if the Participant dies or becomes Disabled while the President of PORTLAND STATE UNIVERSITY.

d. THE PARTICIPANT DESCRIBED IN 4.1.d. The right of the Participant described in 4.1.d to the part of the Participant's Accrued Benefit attributable to the service credit credited under 6.1.d as of December 29, 2011, is 100% vested and nonforfeitable.

e. THE PARTICIPANT DESCRIBED IN 4.1.e.

(1) The right of the Participant described in 4.1.e to the part of the Participant's Accrued Benefit attributable to service credits credited under 6.1.e as of January 1, 2012, will become 100% vested and nonforfeitable on June 30, 2012, if the Participant is employed as the President of SOUTHERN OREGON UNIVERSITY at all times from January 1, 2012, through June 30, 2012.

(2) The right of the Participant described in 4.1.e to the part of the Participant's Accrued Benefit attributable to any service credits credited under 6.1.e as of a date after January 1, 2012, will vest as provided in the amendment to the Plan providing the service credits.

(3) In addition to the vesting events provided in 5.1.e(1) and 5.1.e(2), the right of the Participant described in 4.1.e to the Participant's Accrued Benefit will become 100% vested and nonforfeitable if the Participant dies or becomes Disabled while the President of SOUTHERN OREGON UNIVERSITY.

f. THE PARTICIPANT DESCRIBED IN 4.1.f.

(1) (a) The right of the Participant described in 4.1.f to the part of the Participant's Accrued Benefit attributable to service credits credited under 6.1.f as of August 1, 2012, will become 100% vested and nonforfeitable on June 30, 2013, if the Participant is employed as the President of the UNIVERSITY OF OREGON at all times from August 1, 2012, through June 30, 2013.

(b) The right of the Participant described in 4.1.f to the part of the Participant's Accrued Benefit attributable to service credits credited under 6.1.f as of July 1, 2013, will become 100% vested and nonforfeitable on June 30, 2014, if the Participant is employed as the President of the UNIVERSITY OF OREGON at all times from July 1, 2013, through June 30, 2014.

(2) The right of the Participant described in 4.1.f to the part of the Participant's Accrued Benefit attributable to any service credits credited under 6.1.f as of a date

after July 1, 2013, will vest as provided in the amendment to the Plan providing the service credits.

(3) In addition to the vesting events provided in 5.1.f(1) and 5.1.f(2), the right of the Participant described in 4.1.f to the Participant's Accrued Benefit will become 100% vested and nonforfeitable if the Participant dies or becomes Disabled while the President of the UNIVERSITY OF OREGON.

g. THE PARTICIPANT DESCRIBED IN 4.1.g.

(1) The right of the Participant described in 4.1.g to the part of the Participant's Accrued Benefit attributable to service credits credited under 6.1.g as of July 1, 2013, will become 100% vested and nonforfeitable on June 30, 2014, if the Participant is employed as the President of WESTERN OREGON UNIVERSITY at all times from July 1, 2013, through June 30, 2014.

(2) The right of the Participant described in 4.1.g to the part of the Participant's Accrued Benefit attributable to any service credits credited under 6.1.g as of a date after July 1, 2013, will vest as provided in the amendment to the Plan providing the service credits.

(3) In addition to the vesting events provided in 5.1.g(1) and 5.1.g(2), the right of the Participant described in 4.1.g to the Participant's Accrued Benefit will become 100% vested and nonforfeitable if the Participant dies or becomes Disabled while the President of WESTERN OREGON UNIVERSITY.

h. A PARTICIPANT DESCRIBED IN 4.1.h. The right of a Participant described in 4.1.h to the Participant's Accrued Benefit will vest as provided in the amendment to the Plan designating the Participant as eligible to participate in the Plan.

5.2 USE OF FORFEITURES. Forfeitures will not be applied to increase the benefits an Employee would otherwise receive under the Plan. The amounts forfeited will be used as soon as possible to pay expenses of administering the Plan and Trust and to reduce Employer's and Participating Employers' contributions under the Plan.

SECTION 6. BENEFITS

6.1 ACCOUNT. A Participant's Account will be credited and debited as follows:

a. The Account of the Participant described in 4.1.a will be credited as of the following dates with the following service credits, but only if the Participant is the President of OREGON STATE UNIVERSITY on the date of the credit:

<i>Date of credit</i>	<i>Amount of service credit</i>
July 1, 2007	\$95,000
July 1, 2008	\$114,300
July 1, 2009	\$114,300

<i>Date of credit</i>	<i>Amount of service credit</i>
July 1, 2010	\$114,300
July 1 2011	\$125,730
July 1, 2012	\$138,300
July 1, 2013	\$138,303

b. The Account of the Participant described in 4.1.b will be credited as of the following dates with the following service credits, but only if the Participant is the President of the UNIVERSITY OF OREGON on the date of the credit:

<i>Date of credit</i>	<i>Amount of service credit</i>
July 1, 2009	\$114,300
July 1, 2010	\$114,300
July 31, 2011	\$15,000
August 31, 2011	\$15,000
September 30, 2011	\$15,000
October 31, 2011	\$15,000
November 31, 2011	\$15,000

c. The Account of the Participant described in 4.1.c will be credited as of the following dates with the following service credits, but only if the Participant is the President of PORTLAND STATE UNIVERSITY on the date of the credit:

<i>Date of credit</i>	<i>Amount of service credit</i>
July 1, 2010	\$114,300
July 1, 2011	\$114,300
July 1, 2012	\$138,300
July 1, 2013	\$138,300

d. The Account of the Participant described in 4.1.d will be credited as of the following dates with the following service credits, but only if the Participant is the Interim President of the UNIVERSITY OF OREGON on the date of the credit:

<i>Date of credit</i>	<i>Amount of service credit</i>
December 29, 2011	\$173,509

e. The Account of the Participant described in 4.1.e will be credited as of the following dates with the following service credits, but only if the Participant is the President of SOUTHERN OREGON UNIVERSITY on the date of the credit:

<i>Date of credit</i>	<i>Amount of service credit</i>
January 1, 2012	\$10,000

f. The Account of the Participant described in 4.1.f will be credited as of the

following dates with the following service credits, but only if the Participant is the President of the UNIVERSITY OF OREGON on the date of the credit:

<i>Date of credit</i>	<i>Amount of service credit</i>
August 1, 2012	\$91,666.67
July 1, 2013	\$100,000

g. The Account of the Participant described in 4.1.g will be credited as of the following dates with the following service credits, but only if the Participant is the President of WESTERN OREGON UNIVERSITY on the date of the credit:

<i>Date of credit</i>	<i>Amount of service credit</i>
July 1, 2013	\$20,000

h. The Account of a Participant described in 4.1.h will be credited with service credits as provided in the amendment to the Plan designating the Participant as eligible to participate in the Plan.

i. As of each date an amount of a Participant's Account is paid as benefits under the Plan, the Account will be debited with that amount.

6.2 BENEFITS FOR MILITARY SERVICE. Despite any contrary provision of the Plan:

a. Benefits and service credit with respect to qualified military service will be provided in accordance with IRC Section 414(u).

b. However, the Plan will not apply IRC Section 414(u)(9) (regarding treatment in the case of death or disability resulting from active military service) as added by Section 104(b) of the Heroes Earnings Assistance and Relief Tax Act of 2008; and therefore, for benefit accrual purposes, the Plan will not treat an individual who dies or becomes disabled while performing qualified military service with respect to the employer maintaining the Plan as if the individual has resumed employment in accordance with the individual's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

c. In the case of a Participant who dies while performing qualified military service (as defined in IRC Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death.

d. An individual receiving a differential wage payment will be treated as an employee of the employer making the payment. The differential wage payment will be treated as compensation. A differential wage payment is any payment that (1) is made by Employer or a Participating Employer to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States

Code) while on active duty for a period of more than 30 days and (2) represents all or a portion of the wages the individual would have received from Employer or the Participating Employer if the individual were performing service for Employer or the Participating Employer. This 6.2.d does not require Employer or any Participating Employer to make differential wage payments.

6.3 MAXIMUM BENEFIT. Despite any contrary provision of the Plan, a Participant's annual benefit payable under the Plan during any Limitation Year may not exceed the limitations of IRC Section 415 as provided in this 6.3.

a. A Participant's annual benefit payable under the Plan during any Limitation Year may not exceed the dollar limitation under IRC Section 415(b)(1)(A) for the Limitation Year. The dollar limitation under IRC Section 415(b)(1)(A) will be annually adjusted pursuant to IRC Section 415(d). Without limiting the foregoing:

(1) For Participants who have incurred a severance from employment (as defined in Treasury Regulation Section 1.415(a)-1(f)(5)) with Employer or a Participating Employer or commenced receiving benefits, the annual adjustments to the dollar limitation under IRC Section 415(b)(1)(A) pursuant to IRC Section 415(d) that are effective after such severance or, if earlier, after the annuity starting date with respect to the commenced benefits, will apply to the Participants.

(2) Adjustments of the dollar limitation under IRC Section 415(b)(1)(A) will apply to Participants who have not commenced benefits before the effective date of the adjustment.

(3) With respect to distributions that commenced before the effective date of an adjustment of the dollar limitation under IRC Section 415(b)(1)(A), the adjustment will apply to the distributions, but only to the extent that benefits have not been paid.

b. If a Participant's annual benefit payable under the Plan during a Limitation Year would exceed the amount provided in 6.3.a, the Participant's annual benefit payable under the Plan during such Limitation Year will be reduced to the amount provided in 6.3.a.

c. Except as provided in IRC Section 415(f)(2) (regarding multiemployer plans), in the case of any Participant in more than one defined benefit plan of Employer or any Participating Employer (1) all such plans will be treated as one plan and (2) the annual benefit payable to the Participant under the Plan as provided in 6.3.a during a Limitation Year will be reduced, to the extent required to comply with IRC Section 415, by the amount of the annual benefit payable to the Participant under such other plans during the Limitation Year.

d. The limitations in this 6.3 will be applied according to the adjustments described in and the provisions of IRC Section 415 and Treasury regulations and guidance by the Internal Revenue Service under IRC Section 415 (including the effective dates of such adjustments and provisions), which are incorporated into the Plan by this reference, including without limitation the adjustments described in and the provisions of IRC Sections 415(b)(2)(B) (regarding benefits payable in any form other than a form described in IRC Section 415(b)(2)(A), or where employees contribute to the Plan or make rollover contributions),

415(b)(2)(C) and 415(b)(2)(D) (regarding benefits beginning before or after a stated age or stated ages), 415(b)(2)(1) (regarding disability and survivor benefits under governmental plans), 415(b)(4) (regarding total annual benefits not exceeding \$10,000), 415(b)(5) (regarding employees with less than 10 years of participation or service), 415(d) (regarding COLAs), 415(k)(3) (about repayments of cashouts under governmental plan), and 415(n) (about purchase of permissive service credit) and in Treasury Regulation Section 1.415(a)1(g)(4) (regarding grandfather rule for preexisting benefits). As provided in Treasury Regulation Section 1.415(a)-1(d)(3)(ii), the Plan will be applied according to the default rules under IRC Section 415 except where the Plan specifies a permitted optional manner in which IRC Section 415 is to be applied in variance from the default rule.

e. The adjustments described in IRC Section 415(b)(2)(B), 415(b)(2)(C) and 415(b)(2)(D) will be made as follows:

(1) The adjustment described in IRC Section 415(b)(2)(B) for any form of benefit not subject to IRC Section 417(e)(3) will be made as provided in Treasury Regulation Section 1.415(b)-1(c)(2) and, to the extent applicable, Treasury Regulation Section 1.415(b)-1(c)(4) and 1.415(b)-1(c)(5).

(2) The adjustment described in IRC Section 415(b)(2)(B) for any form of benefit subject to IRC Section 417(e)(3) will be made as provided in Treasury Regulation Section 1.415(b)-1(c)(3) and, to the extent applicable, Treasury Regulation Section 1.415(b)-1(c)(4) and 1.415(b)-1(c)(5).

(3) The adjustment described in IRC Section 415(b)(2)(C) will be made as provided in Treasury Regulation Section 1.415(b)-1(d).

(4) The adjustment described in IRC Section 415(b)(2)(D) will be made as provided in Treasury Regulation Section 1.415(b)-1(e).

(5) Despite the above provisions of this 6.3.e, the mortality table will be the applicable mortality table (within the meaning of IRC Section 417(e)(3)(B)), as provided in IRC Section 415(b)(2)(E)(v) as amended by the Worker, Retiree, and Employer Recovery Act of 2008.

f. For purposes of the adjustment in IRC Section 415(b)(5):

(1) A year of participation will be determined as provided in Treasury Regulation Section 1.415(b)-1(g)(1)(ii);

(2) An Employee employed in a position eligible for membership in the Oregon Public Employees Retirement System will be credited with one-twelfth of a year of service for each one-twelfth of a year of retirement credit (a) accrued by the Participant under such system with respect to the Participant's employment as an Employee or (b) that would have been accrued by the Participant under such system, with respect to the Participant's employment as an Employee, during the six-month waiting period provided in ORS 238.015(1) or 238A.100(1) for membership in such system if the Participant had been an active member of such system during that six-month waiting period;

(3) An Employee who is an active participant in the Optional Retirement Plan established under ORS 243.800 will be credited with one-twelfth of a year of service for each calendar month of employment as an Employee for the entire month or for the major fraction of the month; and

(4) A Participant who is permanently and totally disabled (as defined in IRC Section 22(e)(3)) for a Plan Year will be credited with a year of participation and a year of service for that Plan Year.

6.4 BENEFITS ON TERMINATION OF THE PLAN. Benefits upon and after termination of the Plan are subject to 10.3.

## SECTION 7. PAYMENT OF BENEFITS

7.1 GENERAL. Benefit payments will start as of the date determined under 7.2 in the amount determined under 7.3 in one of the forms available under 7.4. The form in which benefit payments will be made to a Participant or Beneficiary will be determined under 7.5 after giving effect to any election under 7.6, but subject to 7.9 (regarding required payments). Benefit payments will be made to the person specified in 7.7 and will be paid upon and after termination of the Plan only as provided in 10.3.

7.2 STARTING DATE. Benefit payments to a Participant or Beneficiary will start as of the first day of a calendar month and as soon as administratively practicable on or after the first date as of which the Participant or Beneficiary is eligible to start benefit payments under this 7.2.

### a. PARTICIPANT.

(1) The Participant described in 4.1.a will be eligible to start benefit payments as of the first day of the first calendar month that begins after the date the Participant has both ceased being the President of OREGON STATE UNIVERSITY and attained age 62.

(2) The Participant described in 4.1.b will be eligible to start benefit payments as of the first day of the first calendar month that begins after the earlier of (a) the date the Participant has both ceased being the President of the UNIVERSITY OF OREGON and attained age 62 or (b) the date of the Participant's Severance of Employment.

(3) The Participant described in 4.1.c will be eligible to start benefit payments as of the first day of the first calendar month that begins after the earlier of (a) the date the Participant has both ceased being the President of PORTLAND STATE UNIVERSITY and attained age 62 or (b) the date of the Participant's Severance of Employment.

(4) The Participant described in 4.1.d will be eligible to start benefit payments as of the first day of the first calendar month that begins after the earlier of (a) the date the Participant has both ceased being the Interim President of the UNIVERSITY OF OREGON and attained age 62 or (b) the date of the Participant's Severance of Employment.

(5) The Participant described in 4.1.e will be eligible to start benefit

payments as of the first day of the first calendar month that begins after the earlier of (a) the date the Participant has both ceased being the President of SOUTHERN OREGON UNIVERSITY and attained age 62 or (b) the date of the Participant’s Severance of Employment.

(6) The Participant described in 4.1.f will be eligible to start benefit payments as of the first day of the first calendar month that begins after the earlier of (a) the date the Participant has both ceased being the President of the UNIVERSITY OF OREGON and attained age 62 or (b) the date of the Participant’s Severance of Employment.

(7) The Participant described in 4.1.g will be eligible to start benefit payments as of the first day of the first calendar month that begins after the earlier of (a) the date the Participant has both ceased being the President of WESTERN OREGON UNIVERSITY and attained age 62 or (b) the date of the Participant’s Severance of Employment.

(8) A Participant described in 4.1.h will be eligible to start benefit payments as provided in the amendment to the Plan designating the Participant as eligible to participate in the Plan.

b. **BENEFICIARY.** A Beneficiary will be eligible to start benefit payments as of the first day of the first calendar month that begins after the date of the Participant’s death.

7.3 **AMOUNT PAYABLE.** For purposes of this 7.3, a Participant’s vested Accrued Benefit will be determined as of the day before the Benefit Starting Date.

a. A Participant will be paid the amount of the Participant’s vested Accrued Benefit.

b. A Beneficiary will be paid the amount of the Beneficiary’s share of the Participant’s vested Accrued Benefit.

7.4 **AVAILABLE FORMS OF PAYMENT.** Benefits are payable in the forms described in this 7.4.

a. **ANNUITY FORM.** The following annuity form is available, but only if the amount payable to the Participant or Beneficiary exceeds \$50,000 and the annuity form is allowed by 7.9 (regarding required payments):

<i>Persons to whom the form is available</i>	<i>Form</i>
Participant or Beneficiary	<i>Ten Years Certain Annuity:</i> A Ten Years Certain Annuity (defined in 2.23)

b. **CASH-OUT FORMS.** The following cash-out forms are available:

<i>Persons to whom the form is available</i>	<i>Form</i>
Participant or Beneficiary	<i>Lump Sum:</i> A single sum payment

<i>Persons to whom the form is available</i>	<i>Form</i>
Participant, Beneficiary who is the Participant's surviving spouse or Beneficiary who is a Designated Beneficiary	<i>Direct Rollover:</i> A payment by the Plan to an Eligible Retirement Plan (defined in 2.8) of a benefit payment that is an Eligible Rollover Distribution (defined in 2.9)
Same as for Direct Rollover	<i>Direct Rollover and Lump Sum:</i> A Direct Rollover of at least \$500 of the benefits and a lump sum of the rest of the benefits

7.5 **FORM OF PAYMENT.** Benefits will be paid to a Participant or Beneficiary (the payee) in such one of the forms available to the payee as the payee elects as provided in 7.6 (if 7.6 allows the payee to elect a form). Where required in 7.6, the Plan Administrator must first provide the payee the election form, the 402(f) Notice, and the written notice described in 7.6.b(2). If the payee does not elect an available form as provided in 7.6 (or if 7.6 does not allow the payee to elect a form), benefits will be paid to the payee in the following form:

a. In the form of a Direct Rollover if the benefit is paid to a Participant before the Participant attains Normal Retirement Age and the amount payable to the Participant is more than \$1,000 and is available in the form of a Direct Rollover.

b. In the form of a lump sum if 7.5.a does not apply.

7.6 **ELECTING FORM OF PAYMENT.** No less than 30 and no more than 180 days before the date benefit payments to a payee start, the Plan Administrator must, if required in this 7.6, provide the payee the election form, the 402(f) Notice, and the written notice described in 7.6.b(2).

a. **BENEFIT IS \$50,000 OR LESS AND NOT AVAILABLE IN A DIRECT ROLLOVER.** If the amount payable to the payee is \$50,000 or less and is not available in the form of a Direct Rollover:

(1) The Plan Administrator will not provide the payee the election form, the written notice, or (except as provided in 7.6.a(2)) the 402(f) Notice.

(2) The Plan Administrator must provide the payee the 402(f) Notice if the amount payable would be available in the form of a Direct Rollover but for 2.9.c (not allowing a Direct Rollover of a payment if all benefit payments under the Plan to the payee that are not required under IRC Section 401(a)(9) (regarding required payments) are reasonably expected to total less than \$200 during the payee's taxable year).

b. **BENEFIT EXCEEDS \$50,000 OR IS AVAILABLE IN A DIRECT ROLLOVER.** If the amount payable to the payee exceeds \$50,000 or is available in the form of a Direct Rollover, the Plan Administrator:

(1) Must provide the payee the election form required by 7.6.c and, if a Direct Rollover is available to the payee, the 402(f) Notice; and

(2) If the amount payable is available in the form of a Direct Rollover under 7.5.a, must also notify the Participant in writing (either separately or as part of the 402(f) Notice):

(a) That if the Participant does not elect an available form as provided in this 7.6 the Participant's benefit will be paid to the Participant in the form of a Direct Rollover under 7.5.a to an individual retirement plan described in IRC Section 7701(a)(37));

(b) Of the identity of the trustee or issuer of that individual retirement plan; and

(c) That the Participant may cause the Direct Rollover to be transferred from that individual retirement plan to another individual retirement plan.

c. ELECTION FORM. If the Plan Administrator must provide the payee the election form required by this 7.6.c, the Plan Administrator must provide the payee an election form that includes a general description of the forms of benefit payments available to the payee and, if the amount payable to the payee exceeds \$50,000, an explanation of the payee's right to elect the Ten Years Certain Annuity.

d. ELECTION OF FORM OF PAYMENT. A payee elects a form of payment as provided in this 7.6 only if, after receiving the election form required by 7.6.c (such election form) and, if provided to the payee, the 402(f) Notice and the written notice described in 7.6.b(2) and no more than 180 days before the date benefit payments start, the payee affirmatively elects a form of payment. If a payee elects a form of payment as provided in this 7.6, the benefit payments may start less than 30 days after such election form and, if provided to the payee, the 402(f) Notice and the written notice described in 7.6.b(2) were provided if:

(1) The 402(f) Notice, if provided to the payee, has clearly indicated to the payee that the payee has a right to at least 30 days after the 402(f) Notice is provided to consider the decision of whether to elect a Direct Rollover; and

(2) Such election form has clearly indicated to the payee that the payee has a right to at least 30 days after such election form is provided to consider whether to elect the Ten Years Certain Annuity.

## 7.7 TO WHOM PAYABLE.

a. PARTICIPANT'S BENEFITS. A Participant's benefits with respect to an amount of the Participant's vested Accrued Benefit will be paid to the Participant if the Participant is living at the beginning of the date as of which benefit payments with respect to such amount start to the Participant, and otherwise to the Participant's Beneficiary.

b. PAYMENT TO BENEFICIARY OR ESTATE. Payments required by 7.7.a to be paid to a Participant who has died will be paid to the Participant's Beneficiary. Payments required by this 7.7 to be paid to a Beneficiary who has died will be paid to the Beneficiary's estate. Payment to the estate of a Beneficiary who dies before the Beneficiary's Benefit Starting Date will be made to the Beneficiary's estate in a single sum payment (and not

as a Ten Years Certain Annuity or in a Direct Rollover or a Direct Rollover and lump sum as described in 7.4.b) as soon as administratively practicable after the Beneficiary's death, regardless of whether the Beneficiary has or has not elected an available form as provided in 7.6.

7.8 PARTICIPANT'S BENEFICIARY. A Participant's Beneficiary is the person or persons named in accordance with procedures established by the Plan Administrator to receive benefits payable under the Plan to the Participant's Beneficiary. If no person is so named with respect to an amount of the Participant's benefits, the Participant's Beneficiary with respect to such amount is, in the following order of preference, the Participant's spouse who survives the Participant, children who survive the Participant in equal shares, and estate.

7.9 REQUIRED PAYMENTS.

a. REQUIRED STARTING DATE. The entire interest of each Participant in the Plan:

(1) Will be distributed to the Participant no later than the Required Starting Date; or

(2) Will be distributed, starting not later than the Required Starting Date, in accordance with Treasury regulations, over the life of the Participant or over the lives of the Participant and a Designated Beneficiary (or over a period not extending beyond the life expectancy of the Participant or the life expectancy of the Participant and a Designated Beneficiary).

b. IF PAYMENT STARTS DURING PARTICIPANT'S LIFE. If the distribution of the Participant's interest has begun in accordance with 7.9.a(2) and the Participant dies before the Participant's entire interest has been distributed to the Participant, the remaining portion of the Participant's interest will be distributed at least as rapidly as under the method of distributions being made under 7.9.a(2) as of the date of the Participant's death.

c. IF PAYMENT DOES NOT START DURING PARTICIPANT'S LIFE. If the Participant dies before the distribution of the Participant's interest has begun in accordance with 7.9.a(2), the entire interest of the Participant will be distributed within five years after the death of the Participant. However, the five-year rule does not apply to any portion of the Participant's interest payable to (or for the benefit of) a Designated Beneficiary; and not later than one year after the date of the Participant's death or such later date as may be prescribed by Treasury regulations distributions (in accordance with Treasury regulations) of such portion will start over the life of the Designated Beneficiary (or over a period not extending beyond the life expectancy of the Designated Beneficiary).

d. SURVIVING SPOUSE. With respect to any part of the Participant's interest of which the Participant's surviving spouse is (under Treasury regulations) the sole Designated Beneficiary:

(1) The date on which the distributions are required to start for purposes of the exception to the five-year rule in 7.9.c will not be earlier than the date on which the Participant would have attained age 70½; and

(2) If the surviving spouse dies before the distributions to such spouse start, 7.9.b and 7.9.c will be applied as if the surviving spouse were the Participant.

e. INTERPRETATION. For purposes of this 7.9:

(1) "Required Starting Date" means April 1 of the calendar year following the later of (a) the calendar year in which the Participant attains age 70½ or (b) the calendar year in which the Participant retires.

(2) In accordance with Treasury regulations, any amount paid to a child will be treated as if it had been paid to the surviving spouse if such amount will become payable to the surviving spouse upon such child reaching majority (or other designated event permitted under Treasury regulations).

(3) Any distribution required under the incidental death benefit requirements of IRC Section 401(a) will be treated as a distribution required under this 7.9.

(1) Despite any contrary provision of the Plan, the Plan will apply the minimum distribution requirements of IRC Section 401(a)(9) in accordance with the Treasury regulations under IRC Section 401(a)(9), including the incidental death benefit requirements under IRC Section 401(a)(9)(G) and the provision in such regulations treating a governmental plan (within the meaning of IRC Section 414(d)) as having complied with IRC Section 401(a)(9) for all years to which IRC Section 401(a)(9) applies to the plan if the plan complies with a reasonable and good faith interpretation of IRC Section 401(a)(9).

f. APPLICATION. This 7.9 overrides any distribution options of the Plan inconsistent with IRC Section 401(a)(9).

7.10 SOURCE OF BENEFITS. All benefits payable under the Plan will be paid or provided for solely from the Trust, and Employer and the Participating Employers assume no liability or responsibility therefor.

7.11 ANNUITY CONTRACTS. A Ten Years Certain Annuity may be paid by distributing an annuity contract purchased on behalf of a Participant or Beneficiary (the payee) by the Trustee at the direction of the Plan Administrator.

a. Delivery of such contract will be in full satisfaction of the rights under the Plan of such payee and the payee's estate, and upon the delivery thereof such persons will have no further interest under the Plan or in the Trust with respect to the benefits to be paid under such contract and must look solely to the insurer issuing such contract for the payment of such benefits.

b. Any refund or credit under such contract (on account of dividends, earnings, or other experience rating credits, or surrender or cancellation credits) in excess of the Plan benefits to be paid under such contract, and any proceeds from demutualization of the issuer of such contract or the issuer's successor, will be paid to the Trust.

c. Such contract must be nontransferable and may not pay benefits that

exceed the limitations of 6.3 (regarding maximum benefit). The terms of the Plan control in the event of any conflict between the terms of the Plan and the terms of any such contract.

7.12 FACILITY OF PAYMENT. If any person to whom a Plan benefit is payable is a minor or (as determined in the Plan Administrator's discretion) incompetent by reason of physical or mental disability, the Plan Administrator may direct the Trustee to make the payments becoming due to such person to another for such person's benefit without responsibility for the Plan Administrator or the Trustee to see to the application of such payments, including without limitation to a custodian for the person, selected by the Trustee without liability for the selection made, under the Oregon Uniform Transfers to Minors Act or under any other comparable state law. Any payment made pursuant to such power will as to such payment operate as a complete discharge of the Plan Administrator and the Trustee.

7.13 ANTI-ALIENATION. No benefit under the Plan or Trust may be voluntarily or involuntarily or revocably or irrevocably alienated, transferred, assigned (either at law or in equity), anticipated, mortgaged, or otherwise encumbered, or be subject to garnishment, attachment, levy, seizure, execution, sequestration, or other legal or equitable process for the payment of debts, judgments, alimony, separate maintenance, or other amounts or claims, or be transferred by operation of law in the event of bankruptcy, insolvency, or otherwise. This 7.13 does not apply to the extent otherwise provided in federal or Oregon law.

## SECTION 8. PLAN ADMINISTRATOR

8.1 PLAN ADMINISTRATION AND DELEGATION. The fiduciary responsible for administrative oversight of the Plan will be the Plan Administrator or its delegate, which may include an administration committee appointed by Employer's board of trustees. The Plan Administrator will act through such persons it designates from time to time. Any one delegate may act for the Plan Administrator without the consent of the others.

8.2 DESIGNATING OTHER FIDUCIARIES. Employer may designate persons other than the Plan Administrator to carry out a specified part of their responsibilities, including the power to designate other persons to carry out a part of such designated responsibilities, if the designee acknowledges in writing that the designee is a fiduciary with respect to the Plan. With respect to the specified responsibilities, references in the Plan to the Plan Administrator include any such designee.

8.3 COMPENSATION AND EXPENSES. The Plan Administrator will receive no compensation for serving as Plan Administrator but will charge to the Trust and will be reimbursed from the Trust Fund for all the Plan Administrator's reasonable expenses of administering the Plan.

8.4 EXCLUSIVE PURPOSE. Except as provided in 3.2 and 10.3.d, the Plan Administrator will discharge the Plan Administrator's responsibilities solely in the interest of Participants and Beneficiaries and:

a. For the exclusive purpose of providing benefits to such persons and defraying reasonable expenses of administering the Plan;

b. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and

c. In accordance with the documents and instruments governing the Plan.

8.5 POWERS AND DUTIES. The Plan Administrator has final and binding authority to control and manage the operation and administration (but not the assets) of the Plan, and has all rights and powers necessary or helpful thereto.

a. The Plan Administrator has sole discretionary authority to grant or deny benefits under the Plan, to construe and interpret the Plan and all documents governing the Plan, and to decide all questions of fact and law under the Plan, including without limitation questions about (1) eligibility to participate in the Plan, (2) eligibility for benefits under the Plan, (3) the amount of any benefit under the Plan and (4) the manner and time for payment of benefits under the Plan. The decision of the Plan Administrator made in good faith is final and binding on all parties including Employer, Participating Employers, Participants, and Beneficiaries.

b. Without limitation and in addition to the other powers stated in the Plan, the Plan Administrator has the following additional express authorities:

(1) To prescribe procedures to apply for benefits.

(2) To prepare and distribute, in such manner as the Plan Administrator in the Plan Administrator's discretion determines appropriate, information explaining the Plan.

(3) To receive information necessary or helpful to administer the Plan.

(4) To provide Employer and, as applicable, the Participating Employers reasonable reports about the Plan.

(5) To maintain reports of the financial condition and transactions of the Trust.

(6) To recover from persons and their heirs, legatees, estates, successors, transferees, and assigns amounts paid as benefits or interest to them in excess of the amounts properly paid to them, plus reasonable interest (as determined by the Plan Administrator in its sole discretion in accordance with applicable Internal Revenue Service guidance) on such excess payments from the date of payment to the date of recovery. Such recoveries may be made by claim against them, by offsetting such excess payments and interest against future payments to them, by a combination of claim and offset, or by other means authorized by law, as the Plan Administrator deems appropriate in the particular case.

(7) Despite any contrary provision of the Plan, to administer the Plan in compliance with the Internal Revenue Service's Employee Plans Compliance Resolution System (as set forth in Revenue Procedure 2013-12), as such System is modified and renamed from time to time.

c. The Plan Administrator need not act on any matter until the Plan Administrator receives reasonable notice of the need to act.

d. Employer and, if applicable, the Participating Employers will notify the Plan Administrator of facts with respect to Employees and other matters that are necessary or helpful for the Plan Administrator to carry out the Plan Administrator's responsibilities.

e. The Plan Administrator may act solely in reliance upon such notifications, and need not determine their correctness, and may rely upon any document or signature believed by the Plan Administrator to be genuine, and is fully protected in so doing.

f. If the Plan Administrator is not the Trustee, the Plan Administrator will notify the Trustee of the Plan Administrator's actions and determinations affecting the Trustee's responsibilities and will provide the Trustee written directions as to benefit payments to the extent necessary or helpful for the Trustee to carry out the Trustee's responsibilities.

g. The Plan Administrator need not enforce payment of contributions to the Trust or determine whether contributions delivered to the Trustee comply with the Plan.

h. The Plan Administrator may act through agents, who may include employees of Employer or the Participating Employers.

i. The Plan Administrator may employ or consult with counsel, actuaries, accountants, physicians, and other advisors (who may be counsel, actuaries, accountants, physicians, or advisors of Employer or the Participating Employers) to advise about the Plan Administrator's responsibilities, and may rely on the opinion of such advisors, and is fully protected in so doing.

j. The Plan Administrator will take all action the Plan Administrator deems necessary or helpful to comply with laws and governmental regulations about maintaining records, notifying persons, filing matters with governmental agencies, and all other matters applicable to the Plan.

8.6 MULTIPLE PLAN ADMINISTRATORS; DELEGATION. If more than one person is Plan Administrator, a majority must agree to act, either at a meeting or in writing, but they may allocate their responsibilities among themselves by an instrument in writing signed by each of them. The Plan Administrator may delegate any of the Plan Administrator's responsibilities, by an instrument in writing signed by the Plan Administrator and the delegate, to a person or persons so designated to carry out any of such responsibilities, if the delegate acknowledges in writing that the delegate is a fiduciary with respect to the Plan. With respect to the delegated responsibilities, references in the Plan to the Plan Administrator include any such delegate.

8.7 RESIGNATION; REMOVAL; REPLACEMENT. A person acting as the Plan Administrator may resign by giving not less than 30 days' written notice thereof to Employer. Employer may, by written action of Employer (or its delegate), remove the Plan Administrator, or if more than one, any of them, by giving not less than 30 days' written notice thereof to the Plan Administrator. Employer may appoint a Plan Administrator by written action of Employer

(or its delegate), if the appointee acknowledges in writing that the appointee is a fiduciary with respect to the Plan, but need not replace a Plan Administrator who has resigned or been removed unless required for there to be a Plan Administrator.

8.8 COMPLETION AND RECEIPT OF FORMS. Any naming of a Beneficiary or election under Section 7 (regarding payment of benefits) is effective only if, during the life of the person naming the Beneficiary or making the election, the Plan Administrator receives the applicable beneficiary or election form authorized or provided by the Plan Administrator and such form has been signed and properly completed (as determined in the Plan Administrator's discretion) by or on behalf of the Participant or Beneficiary, as the case may be.

## SECTION 9. TRUST AND TRUSTEE

9.1 TRUSTEE DELEGATION. The Trustee will have fiduciary responsibility for and control over the investment of the Trust Fund. The Trustee may act through such other persons designated by the Trustee from time to time. Any one delegate may act for the Trustee without the consent of the others.

9.2 TRUST AND TRUST FUND. The Trustee will hold and administer in trust (the "Trust"), as a single fund (the "Trust Fund"), all contributions to the Trust and all other assets of the Plan and the Trust.

9.3 NAME OF TRUST. The name of the Trust is the OREGON PUBLIC UNIVERSITIES SUPPLEMENTAL RETIREMENT PLAN TRUST.

9.4 COMPENSATION AND EXPENSES. The Trustee will receive no compensation for serving as Trustee but will charge to the Trust and be reimbursed from the Trust Fund for all the Trustee's reasonable expenses of administering the Trust.

9.5 EXCLUSIVE PURPOSE. Except as provided in 3.2 and 10.3.d, the Trustee will discharge the Trustee's responsibilities solely in the interest of Participants and Beneficiaries and:

a. For the exclusive purpose of providing benefits to such persons and defraying reasonable expenses of administering the Plan;

b. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

c. By diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

d. In accordance with the documents and instruments governing the Plan.

9.6 POWERS AND DUTIES. The Trustee has final and binding authority to control and manage the assets of the Plan, and has all rights and powers necessary or helpful thereto.

a. Without limitation and in addition to the other powers stated in the Plan, the Trustee has the following express authorities:

(1) To receive information necessary or helpful to administer the Trust.

(2) To provide Employer, the Plan Administrator and, as applicable, the Participating Employers reasonable reports about the Trust.

(3) To compile and maintain reports of the financial condition and transactions of the Trust.

(4) To pay the Plan Administrator's and the Trustee's reasonable expenses of administering the Plan and the Trust.

(5) To exercise all the powers of an owner of property with respect to all assets of the Trust Fund, including without limitation:

(a) To invest the assets of the Trust Fund in bonds, stocks, notes, debentures, mortgages, and other securities or other real and personal property deemed suitable by the Trustee without regard to any state or local government law governing the legal investment of trust assets.

(b) To settle, submit to arbitration, compromise, contest, prosecute, or abandon claims and demands in favor of or against the Trust.

(6) To cause any securities or other property to be registered in the Trustee's name as Trustee or in the name of the Trust.

(7) To hold cash awaiting investment and keep such portion of the Trust Fund in cash or cash equivalents, without liability for interest, as the Trustee deems reasonable to meet obligations under the Plan or otherwise to be in the best interests of the Plan.

(8) To invest the assets of the Trust Fund in any common, collective, or commingled trust fund or custodial account maintained by a bank or other institution, and in any group annuity or guaranteed investment contract issued by an insurance company, if such trust fund, custodial account, or contract qualifies as a group trust (including a group custodial account or group contract that qualifies as a group trust) that meets the requirements of IRC Section 401(a) or is otherwise a permissible investment for the Trust. With respect to any such group trust, during the period of time that Trust assets are invested through such group trust, and to the extent of participation of the Trust in such group trust, the declaration of trust of such group trust (including the terms and conditions of such custodial account or contract) constitute a part of the Plan.

(9) To from time to time pool all or any part of the Trust Fund with assets of any other employee pension trust created by Employer and exempt from taxation under IRC Sections 401(a) and 501(a), and to commingle such assets and make joint or common investments and carry joint accounts on behalf of the Plan and such other trust or trusts,

allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests.

b. The Trustee need not act on any matter until the Trustee receives reasonable notice of the need to act.

c. The Trustee may rely upon any document or signature believed by the Trustee to be genuine, and is fully protected in so doing.

d. If the Trustee is not the Plan Administrator, the Trustee will pay benefits under the Plan only as directed in writing by the Plan Administrator, and the Trustee will follow proper such written directions if made in accordance with the terms of the Plan.

e. The Trustee need not enforce payment of contributions to the Trust or determine whether contributions delivered to the Trustee comply with the Plan.

f. The Trustee may act through agents, who may include employees of Employer.

g. The Trustee may employ or consult with counsel, actuaries, accountants, and other advisors (who may be counsel, actuaries, accountants, or advisors of Employer or the Participating Employers) to advise about the Trustee's responsibilities, and may rely on the opinion of such advisors, and is fully protected in so doing.

h. The Trustee will take all action the Trustee deems necessary or helpful to comply with laws and governmental regulations about maintaining records, notifying persons, filing matters with governmental agencies, and all other matters applicable to the Trust.

9.7 MULTIPLE TRUSTEES; DELEGATION; INVESTMENT MANAGER. If more than one person is Trustee, a majority must agree to act, either at a meeting or in writing, but they may allocate their responsibilities among themselves by an instrument in writing signed by each of them. Except to appoint an investment manager, the Trustee may not delegate any of the Trustee's responsibilities. The Trustee may appoint an investment manager or managers to manage (including acquire and dispose of) assets of the Trust Fund.

a. With respect to assets of the Trust Fund that are subject to the management of an investment manager, to the extent provided in the appointment the Trustee is under no obligation to invest or otherwise manage such assets and will follow the written directions of the investment manager regarding management of such assets and may accept oral directions for the purchase or sale of securities subject to written confirmation.

b. The Trustee is under no obligation to question or inquire as to any act or direction of any investment manager or any failure to give direction, review the securities held as a result of directions by the investment manager, or make any suggestions to the investment manager regarding managing assets of the Trust Fund.

c. The Trustee is not liable for any act or omission of any investment manager.

d. The Trustee is not liable for any loss from any act or failure to act, provided such act or failure to act is in accordance with directions of the investment manager or is by reason of inaction in the absence of written directions from the investment manager.

e. The Trustee will periodically review the performance of any investment manager.

9.8 RESIGNATION; REMOVAL; REPLACEMENT. The Trustee may resign by giving not less than 30 days' written notice thereof to Employer. Employer may remove the Trustee, or if more than one, any of them, by giving not less than 30 days' written notice thereof to the Trustee. Any such resignation or removal of the sole Trustee will be effective only when a successor Trustee has been appointed and has accepted the trust. Employer may appoint a Trustee by written action of Employer, if the appointee acknowledges in writing that the appointee is a fiduciary with respect to the Plan, but need not replace a Trustee who has resigned or been removed unless required for there to be a Trustee. If there is no Trustee, the Trust will not thereby terminate and Employer will immediately appoint a Trustee. Upon acceptance of the trust, all right, title, and interest in the Trust Fund vests in the successor Trustee. Nevertheless, the prior Trustee will execute such documents as are requested by the successor Trustee to document the transfer of, without warranty, the assets of the Trust Fund to the successor Trustee.

#### SECTION 10. EXCLUSIVE BENEFIT; AMENDMENT; TERMINATION

10.1 EXCLUSIVE BENEFIT. Except as provided in 3.2 and 10.3.d, no asset of the Plan or Trust may be used for or diverted to any purpose other than for the exclusive benefit of Participants or their beneficiaries and defraying reasonable expenses of administering the Plan and Trust; and no amendment or termination of the Plan, or merger or consolidation with, or transfer of assets or liabilities to, any other plan, will operate to allow any asset of the Plan or Trust to be used for or diverted to any such prohibited purpose.

10.2 AMENDMENT AND TERMINATION. Subject only to the requirements of this Section 10:

a. Employer reserves the right to amend the Plan at any time, to take effect retroactively or otherwise, in any manner Employer deems desirable including, without limitation, the right to change or modify benefits provided in the Plan, to change any provision regarding distribution or payment (or both) of assets of the Plan or Trust, and to amend the Plan retroactively as allowed by IRC Section 401(b), the Internal Revenue Service's Employee Plans Compliance Resolution System (identified in 8.5.b(7)), other Internal Revenue Service guidance, and acts of Congress.

b. Employer reserves the right to terminate the Plan at any time.

c. Neither a Participant nor a Participant's beneficiaries will acquire a right, contractual or otherwise, to the benefits provided by the Plan, and therefore Employer reserves the right to amend or terminate the Plan without restriction by the federal constitution or Oregon law, including without limitation the Oregon constitution and Oregon contract law.

d. Any amendment or termination of the Plan by Employer must be made by

written action of Employer's board of trustees.

10.3 TERMINATION. As provided in, and only to the extent required by, IRC Section 401(a)(7) as in effect on September 1, 1974 and Treasury Regulation Section 1.401-6, upon the termination of the Plan or upon the complete discontinuance of contributions under the Plan, the rights of each employee to benefits accrued to the date of such termination or discontinuance, to the extent then funded, or the rights of each employee to the amounts credited to the employee's account at such time, are nonforfeitable. In the event of the termination of the Plan:

a. After setting aside sufficient funds to provide for the payment of all expenses incurred in the administration of the Plan and the Trust to the extent not paid or provided for by Employer, the Plan Administrator will allocate the assets of the Plan (available to provide benefits) among the Participants and beneficiaries of the Plan, for distribution as provided in the Plan as amended to implement the termination, in the following three priority classes and in the following order of priority:

(1) First priority class: First, in the case of benefits payable as an annuity:

(a) In the case of the benefit of a Participant or Beneficiary that was in pay status as of the beginning of the three-year period ending on the termination date of the Plan, to each such benefit, based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least; and

(b) In the case of a Participant's or Beneficiary's benefit (other than a benefit described in 10.3.a(1)(a)) that would have been in pay status as of the beginning of such three-year period if the Participant had retired prior to the beginning of the three-year period and if the Participant's benefits had started (in the form of a Ten Years Certain Annuity) as of the beginning of such period, to each such benefit based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least.

For purposes of 10.3.a(1)(a), the lowest benefit in pay status during a three-year period will be considered the benefit in pay status for such period.

(2) Second priority class: Second, to all other nonforfeitable benefits under the Plan.

(3) Third priority class: Third, to all other benefits under the Plan.

b. For purposes of 10.3.a:

(1) The amount allocated under any of the above three priority classes with respect to any benefit will be properly adjusted for any allocation of assets with respect to that benefit under a higher priority class.

(2) If the assets available for allocation under the first priority class or

the third priority class are insufficient to satisfy in full the benefits of all individuals in that class, the assets will be allocated pro rata among such individuals on the basis of the present value (as of the termination date) of their respective benefits described in that class.

(3) This 10.3.b(3) applies if the assets available for allocation under the second priority class are not sufficient to satisfy in full the benefits of individuals described in the second priority class.

(a) If this 10.3.b(3) applies, except as provided in 10.3.b(3)(b), the assets will be allocated to the benefits of individuals described in the second priority class on the basis of the benefits of individuals that would have been described in the second priority class under the Plan as in effect at the beginning of the ten-year period ending on the date of termination of the Plan (and if the assets available for this allocation are insufficient to satisfy in full the benefits of such individuals, the assets will be allocated pro rata among such individuals on the basis of the present value (as of the termination date) of their respective benefits).

(b) If the assets available for allocation under 10.3.b(3)(a) are sufficient to satisfy in full the benefits described therein (without regard to this 10.3.b(3)(b)), then for purposes of 10.3.b(3)(a), benefits of individuals described in 10.3.b(3)(a) will be determined on the basis of the Plan as amended by the most recent Plan amendment effective during such ten-year period under which the assets available for allocation are sufficient to satisfy in full the benefits of individuals described in 10.3.b(3)(a) and any assets remaining to be allocated under 10.3.b(3)(a) will be allocated under 10.3.b(3)(a) on the basis of the Plan as amended by the next succeeding Plan amendment effective during such period.

c. Benefits payable upon and after the date of termination of the Plan will be paid only after the Commissioner of Internal Revenue determines that the Plan is qualified under the IRC upon such termination.

d. After all liabilities of the Plan to the Participants and Beneficiaries have been satisfied, any residual assets of the Plan arising from variations between actual requirements and expected actuarial requirements will be distributed to Employer and the Participating Employers (in proportion to their aggregate contributions to the Plan).

## SECTION 11. PARTICIPATING EMPLOYERS

11.1 ADOPTION OF PLAN. With Employer's consent, any Oregon public university may adopt the Plan (and all of the provisions hereof), and participate in the Plan and be known as a Participating Employer, by a properly executed document evidencing such intent of Employer and the Oregon public university.

11.2 RIGHTS AND DUTIES. Notwithstanding anything in the Plan to the contrary, for each Participating Employer, the following will apply:

a. Each Participating Employer will be required to use the same Trustee as provided in the Plan.

b. The Trustee will commingle, hold and invest as one fund all contributions

made by Employer and the Participating Employers, as well as increments thereon. All of the Plan assets will be available to pay benefits to Participants and their Beneficiaries.

c. The transfer of any Participant from or to a Participating Employer will not affect the Participant's rights under the Plan, and the Participant's Accrued Benefit as well as accumulated service with the transferor or predecessor, and length of participation in the Plan, will continue to the Participant's credit.

d. Any forfeitures arising under the Plan will be allocated to a forfeiture account and applied in accordance with 5.2.

e. Any expenses of the Plan or Trust that are to be paid by Employer or borne by the Trust Fund will be paid by each Participating Employer in such manner as agreed to in writing by Employer and the Participating Employers.

11.3 DESIGNATION OF AGENT. Each Participating Employer will be deemed to be a part of the Plan. However, with respect to all of its relations with the Trustee for the purpose of the Plan, each Participating Employer will be deemed to have irrevocably designated Employer as its agent.

11.4 CONTRIBUTIONS. All contributions made by a Participating Employer will be remitted promptly to Employer, or its designee, in such manner as agreed to in writing by Employer and the Participating Employer.

11.5 AMENDMENT OF PLAN. Amendment of the Plan by Employer at any time when there is a Participating Employer will require the written consent of each Participating Employer only where such consent is necessary in accordance with the Plan's terms and the writing between Employer and the Participating Employer.

11.6 REVOCATION OF PARTICIPATION. Any Participating Employer is permitted to discontinue or revoke its participation in the Plan. At the time of any such discontinuance or revocation, satisfactory evidence thereof and of any applicable conditions imposed will be delivered to Employer and the Trustee. On approval of Employer, the Trustee will transfer, deliver and assign Trust assets allocable to the Participants of such Participating Employer to the new trustee designated by such Participating Employer, if the Participating Employer has established a separate qualified plan for its employees. If no successor is designated, the Trustee will retain such assets for the employees of the Participating Employer and will make distributions pursuant to Section 7.

11.7 AUTHORITY. Employer will have authority to make any and all necessary rules or regulations, binding on all Participating Employers and all Participants, to effectuate the purpose of this Section 11.

## SECTION 12. MISCELLANEOUS

12.1 LIMITED EFFECT OF PLAN. The Plan is not a contract of employment between Employer or a Participating Employer and any Employee. Nothing in the Plan gives any Employee the right to be retained in the employ of Employer or any Participating Employer

or to interfere with the right of Employer or any Participating Employer to discharge any Employee at any time.

12.2 INTERPRETATION. The Plan will be construed according to the laws of the State of Oregon and will be interpreted and administered consistent with the requirements of the IRC for the Plan to be qualified under IRC Section 401(a) and for the Trust to be exempt under IRC Section 501(a).

a. Any provision of the Plan that is based on a provision of the IRC, including one not necessary for the Plan to be qualified or for the Trust to be exempt, will be interpreted and administered consistent with such provision of the IRC and the interpretive authorities thereunder.

b. The Plan includes provisions adopted in good faith to comply with the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Worker, Retiree, and Employer Recovery Act of 2008. Such provisions will be interpreted and administered consistent with Treasury regulations and Internal Revenue Service guidance regarding such acts, even where such regulations and guidance are inconsistent with the literal interpretation of such provisions.

c. Words used in the Plan in the singular or plural form will be construed as though they were also used in the other form in all cases where they would so apply.

d. The captions are for convenience only and have no substantive effect.

12.3 PROVIDING NOTICES AND FORMS. Unless otherwise specifically provided in the Plan, any notices or forms required or permitted to be provided under the Plan or by law must be in writing and may be given by personal delivery or first-class mail directed to the parties at the addresses shown on the Plan records, or such other address as a party may designate in writing prior to the time of providing such notice or form. Unless otherwise provided in the Plan, any notice or form provided will be effective upon the earlier of when actually received or, if provided by mail, 72 hours after the deposit of such notice or form in the United States mail with postage prepaid.

UNIVERSITY OF OREGON

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By: \_\_\_\_\_

Title: \_\_\_\_\_

**OREGON INSTITUTE OF TECHNOLOGY  
OMNIBUS RETIREMENT PLAN PARTICIPATION AGREEMENT**

This Agreement is entered into effective as of July 1, 2014, between the University of Oregon (“UO”) and Oregon Institute of Technology (“PE”, and, together with UO, each a “Party,” and collectively, the “Parties”) for the purpose of (i) documenting PE’s intent to participate in the Plans (as defined below) sponsored and administered by UO, (ii) the consent of UO to the adoption of the Plans by PE, and (iii) binding the Parties to certain actions with regard to the operation of the Plans. The following retirement plans are referred to herein collectively as the “Plans” and each singularly as a “Plan”: (a) the Oregon Public Universities Optional Retirement Plan (the “ORP”); (b) the Oregon Public Universities Tax-Deferred Investment 403(b) Plan (the “TDI”); and (c) the Oregon Public Universities Supplemental Retirement Plan (the “Presidents’ Cash Balance Plan”).

The ORP and the Presidents’ Cash Balance Plan (collectively, the “Qualified Plans”, and each a “Qualified Plan”) are each intended to be a qualified retirement plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”). The TDI (also referred to as the “403(b) Plan”) is intended to be a tax advantaged retirement plan under Code Section 403(b).

**1.0 Adoption of Plans.** UO has adopted the Plans for the benefit of its eligible employees. PE desires to become a participating employer under each Plan and agrees to be bound by the terms of this Agreement.

**2.0 Effective Date of Adoption.** PE hereby adopts the Plans effective as of July 1, 2014 and UO consents to such adoption of the Plans by PE. PE agrees to be bound by the terms of the Plans, and any respective trusts associated with the Qualified Plans (each such trust, referred to as a “Trust”), and all contracts and agreements relating to the operation of the Plans and investment of the Plans’ assets.

**3.0 Maintenance of Qualification/Tax Advantaged Status of Plans.** PE and UO each agree to take all necessary actions to maintain the qualification of the Qualified Plans and the tax advantaged status of the 403(b) Plan, as applicable. Further, the Parties intend to maintain each Trust associated with any Qualified Plan as a qualified trust under Code Section 501(a), and to refrain from taking any action that could potentially cause disqualification of the Qualified Plans or their respective Trusts under Code Sections 401(a) and 501(a) or the tax-advantaged status of the 403(b) Plan under Code Section 403(b). From time to time UO may, in its sole discretion (subject to applicable guidance issued by the Internal Revenue Service), apply for a determination letter from the Internal Revenue Service regarding the qualification of the Qualified Plans and Trusts under the Code and, if permitted by the Internal Revenue Service at a future time, the tax-advantaged status of the 403(b) Plan under the Code. PE will take any action or provide any information requested by UO in connection with any such application for a determination letter.

**4.0 Correction of Disqualification Failures.** If any event occurs that could potentially cause disqualification of any Qualified Plan or Trust under Code Sections 401(a) and 501(a) or the tax-advantaged status of the 403(b) Plan under Code Section 403(b), UO will have full authority to determine the appropriate corrective actions, if any, that will be taken to maintain the qualification of the Qualified Plan and the Trust under Code Sections 401(a) and 501(a) or tax-advantaged status of the 403(b) Plan under Code Section 403(b) and to implement such corrective actions. UO will make the final decision regarding corrective action after consultation with PE. PE will take any action or provide any information requested by UO in connection with such corrective actions.

**5.0 Designation of Agent.** PE irrevocably designates UO as its agent with respect to its relations with the Trustees (as defined in any Trust or Qualified Plan), the Fund Sponsors (as defined in any Plan) and any other service providers retained by UO or its designees to administer the Plans.

**6.0 Delegation of Administrative Authority.** PE understands that UO is the Plans' Administrator (as defined by the Plans), with all of the authority and duties set forth in the Plans and the attached Appendix, including such discretionary authority set forth in the Plans. Except as otherwise provided in this Agreement, PE agrees that UO will have full authority to take all administrative actions required by the Plans, including with respect to PE's employees, pursuant to its role as Administrator. UO will be responsible for maintaining the Plan in accordance with its terms and applicable law as set forth in Sections 3 and 4 hereof, including but not limited to the preparation and adoption of any necessary amendments and the preparation and distribution of any required forms or filings.

**7.0 Provision of Data.** PE agrees to provide, on a timely basis, relevant demographic, employment and payroll data, in the format required by UO or its delegates, to UO, the Trustees, the Fund Sponsors and any other service providers retained by UO or its delegates to administer the Plans. In addition, to the extent that PE receives communications or information from its employees impacting a Plan's administration (including but not limited to communications regarding claims for benefits under a Plan or domestic relations orders pertaining to the Plan), PE will promptly provide such communication or information to UO.

**8.0 Determination of Eligibility and Credited Service.** PE is responsible for determining whether a PE employee is eligible to participate in a Plan, in accordance with the respective Plan's terms and applicable law. PE will take all necessary actions to enroll eligible PE employees in the applicable Plan in accordance with the Plan's procedures and determining each PE employee's credited service, under the applicable Plan in accordance with such Plan's terms and applicable law. PE's determinations regarding eligibility and credited service shall be subject to final review and approval by UO. PE shall maintain all records necessary or appropriate to (i) support its determinations regarding each PE employee's eligibility and credited service under a Plan and (ii) evidence that each eligible PE employee was properly enrolled in such Plan, including employment files and payroll records. PE shall provide all required forms, documents and records to UO.

**9.0 Determination and Remittance of Elective Deferrals.** PE will take (or cause to be taken) all actions necessary to implement its employees' elections to make elective deferrals to a Plan (if applicable). PE will withhold (or cause to be withheld) such elective deferrals from its payroll and remit (or cause to be remitted) such elective deferrals to the Trust or other investment on a timely basis, but in no event later than the time required by the respective Plan's terms and applicable law. UO will have no responsibility to ensure that PE accurately implements (or causes to be implemented) deferral elections with respect to its employees and accurately withholds (or causes to be withheld) such elective deferrals from its payroll. In addition, UO has no responsibility to collect elective deferrals from PE, and each PE has an obligation to report to UO any failure to contribute the appropriate amount, and then work with UO, or its delegate, to follow established correction procedures to remedy the failure.

**10.0 Determination and Remittance of Employer Contributions.** PE will determine the amount of employer contributions that it must make (or cause to be made) to a Plan (if applicable) on behalf of its employees in accordance with the Plan's terms. PE will remit (or cause to be remitted) such employer contributions to the Trust or other investment on a timely basis, but in no event later than the time required by the Plan's terms and applicable law. UO has no responsibility to ensure the accuracy of PE's determination of its employer contributions or to collect employer contributions from PE. If permitted

by the Plan's terms and in accordance with the Plan's procedures, forfeitures under the Plan may be used to cover Plan administrative expenses and reduce PE's employer contributions.

#### 11.0 Budget, Expenses and Use of Forfeitures.

For the period from July 1, 2014, to June 30, 2015, UO shall develop an appropriately detailed budget. Thereafter, UO shall develop an appropriately detailed biennial budget of expenses for the Plans. The first biennial budget shall be for the period from July 1, 2015, to June 30, 2017. Each budget shall be submitted to PE and the University Shared Services Oversight Committee (the "Oversight Committee") for timely review and comment. If review and comment is not received by UO within 30 days of the budget's submission to PE and the Oversight Committee, the budget is deemed to be acceptable.

If the biennial budget is unacceptable to PE, then PE shall provide written notice to UO, who shall work with PE in good faith to develop a budget that is mutually acceptable, within 30 days of the notice. If a mutually acceptable budget is not agreed upon within such 30 day period, then either PE or UO may provide written notice to the other of its intention to terminate this Agreement without cause.

PE agrees to pay, on a timely basis, its portion of each applicable Plan's expenses, including any exceptional charges attributable to PE, as determined by UO pursuant to the terms of the Plan and Trust (or other related documentation). For other than exceptional charges attributable to PE, Plan expenses shall be charged based on the following formula, which will be calculated using participant and employee counts taken on December 31st of the Plan year immediately prior to the biennially updated expense allocations:

$$\frac{\text{Number of PE's current and former employees with account balances in the Plan}}{\text{Total number of current and former employees of all participating employers in the applicable Plan with account balances}} \times \text{Plan expenses}$$

The actual cost of exceptional charges attributable to PE shall be paid by PE.

PE acknowledges and understands that Plan expenses include all direct costs ("Direct Costs"), such as all sums paid to third parties related to UO's performance of its duties under this Agreement, including but not limited to outside legal services, consulting services, auditing and compliance services, insurance, travel, and training. Direct Costs do not include expenses for UO management time, space, utilities, internet access, email, printing, copying, janitorial services and general overhead.

Invoices shall be submitted to PE for payment no more often than monthly and no less often than annually. Invoiced amounts not paid by the applicable Plan (as set forth below) shall be paid by PE to UO within 30 days after PE's receipt of the invoice. Any dispute about an invoice shall be addressed pursuant to the dispute resolution provisions in this Agreement.

If permitted by a Plan's terms and in accordance with such Plan's procedures, UO will apply forfeitures under such Plan as follows: (i) to reinstate forfeitures of eligible reinstated participants; (ii) to reduce the aggregate amount of non-exceptional Plan expenses payable by all participating employers in such Plan (including, for this purpose, UO) to the extent such amounts are expenses that may properly be paid using plan assets under applicable law; and (iii) to reduce all participating employers' (including, for this purpose, UO) contributions to such Plan (if any), based on a pro-rata allocation of remaining forfeitures

that represents such PE's (or UO's, as applicable) percentage of total contributions for the Plan year immediately prior to the biennially updating of cost allocations, with the available forfeitures (if any) offsetting participating employers' contributions in May of each Plan year.

**12.0 Plan Amendments; Termination and Withdrawals.** UO has sole authority to amend or terminate any Plan in accordance with its terms and applicable law. If UO terminates a Plan, PE's participation under the Plan will terminate and the terms of the Plan will govern the disposition of participant accounts under such Plan. In the event a PE wishes to withdraw from participation in any or all Plans, the portion of the applicable Plan(s) benefiting such PE's participants will be spun out from the applicable Plan(s) and will, as of the date of such spin-out, no longer be the responsibility of UO.

**13.0 Indemnification.** PE agrees to indemnify UO, each Plan Trustee and their officers, directors, employees, agents and assigns for (i) acts or omissions caused by negligence or willful malfeasance of PE or its officers, directors, employees, agents or assigns and (ii) any expenses incurred as a result of any failure by PE to accurately or timely remit (or cause to be remitted) elective deferrals and employer contributions to the Trust (or other investment) in accordance with Sections 9.0 and 10.0. In addition, PE agrees to indemnify UO for any amounts UO pays as indemnification to a third party, including but not limited to a Fund Sponsor, resulting from actions by PE.

UO agrees to indemnify PE and its officers, directors, employees, agents and assigns for acts or omissions caused by negligence or willful malfeasance of UO or its officers, directors, employees, agents or assigns.

**14.0 Termination.** PE may terminate this Agreement without cause and thereby discontinue or revoke its participation in the Plans, in accordance with Section 12.0 hereof, effective June 30 of any plan year by providing written notice to UO no later than July 1 of the preceding plan year. UO may terminate this Agreement without cause and thereby discontinue or revoke PE's participation in the Plans, in accordance with Section 12.0 hereof, effective June 30 of any plan year by providing written notice to UO no later than July 1 of the preceding plan year. Notwithstanding the foregoing, no discontinuance or revocation of PE's participation in the Plans with respect to any plan year under this Section 14.0 will result in a decrease of any protected benefit under Code Section 411(d)(6). During the period from the date that written notice is provided through December 31 of the plan year, UO and PE shall each continue to perform its duties under this Agreement and the most recent budget shall continue to apply.

In the event that PE breaches this Agreement, then UO may discontinue or revoke PE's participation in the Plans, in accordance with Section 12.0 hereof, and thereby terminate this Agreement provided that (i) UO sends written notice to PE describing the breach in reasonable detail, (ii) PE does not cure the breach within 30 days (or such longer period reasonably needed to cure the breach, as determined by UO in its discretion) following receipt of such notice ("Notice Period"), and (iii) following the expiration of the Notice Period, UO sends a second written notice to PE indicating UO's election to terminate this Agreement.

If PE's participation in the Plans is discontinued or revoked, the Plans' terms will govern the distribution of the accounts under the Plans of PE's employees or the transfer of such employees' accounts to a successor plan established by PE or its designee.

Following any termination, UO shall promptly (i) provide all information necessary for the spin-off of the applicable Plan(s) and transfer of accounts to PE or designee, and (ii) shall return any confidential

information or property that relates solely to this Agreement, except that UO may keep a copy of any such confidential information to the extent required by law.

**15.0 Personnel and Contracting.** UO shall have the authority to: (i) employ and direct or otherwise arrange for necessary or appropriate personnel; (ii) provide or arrange for the provision of necessary or appropriate space, equipment and other support; and (iii) contract with third-parties where necessary or appropriate.

**16.0 Cooperation.** PE shall cooperate with UO in its performance of this Agreement. UO will prepare and furnish to PE and the Oversight Committee timely oral or written reports reasonably necessary to allow PE and the Oversight Committee to review and comment on issues of administration of the Plans that materially affect PE.

**17.0 Books and Records.** PE and UO shall each maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to reflect properly all costs incurred in the performance of this Agreement. PE and the Oversight Committee shall have reasonable access to such books and records, consistent with laws and regulations, which are directly pertinent to UO's performance of this Agreement. UO shall have reasonable access to such books and records, consistent with laws and regulations, which are directly pertinent to PE's and Oversight Committee's performance of this Agreement. Such books and records shall be maintained for the duration required by applicable law or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.

**18.0 Confidential Information.** UO shall maintain any confidential and proprietary information that it receives from PE in confidence and shall not make any use or disclosure of such confidential or proprietary information other than in furtherance of UO's performance of its duties under this Agreement or as required by law (or as otherwise permitted by PE). PE shall maintain any confidential and proprietary information that it receives from UO in confidence and shall not make any use or disclosure of such confidential or proprietary information other than in furtherance of PE's performance of its duties under this Agreement or as required by law.

**19.0 Dispute Resolution.** UO and PE shall attempt in good faith to resolve any disputes, claims, or controversies arising out of or relating to this Agreement promptly by negotiation. Either UO or PE may give the other written notice of any dispute not resolved in the normal course of business. Within 30 days after delivery of the notice, the receiving party shall submit a written response. The notice and response shall include with reasonable particularity a statement of each party's position and a summary of arguments supporting that position. Within 30 days after delivery of the written response, UO and PE shall meet at a mutually acceptable time and place, which may be by electronic means, to discuss and attempt to resolve the dispute, claim or controversy. If either party determines reasonably and in good faith that the dispute, claim or controversy materially affects either a Plan or other participating employers, the dispute, claim or controversy shall be discussed at a meeting of the Oversight Committee.

UO and PE agree that any disputes, claims or controversies not resolved by negotiation shall be submitted for mediation, and if the matter is not resolved through mediation, then the matter shall be submitted for final and binding arbitration.

Either UO or PE may commence mediation by providing to the other a written request for mediation, setting forth the subject of the dispute, claim, or controversy and the relief requested. UO and PE agree

that they will participate in the mediation in good faith and that they will share equally in its costs. UO and PE will cooperate with one another in selecting a mediator and in scheduling the mediation proceedings.

All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation, discussions with the Oversight Committee, or mediation by either UO or PE, their officers, directors, agents, employees, experts and attorneys, and by the mediator are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation, discussions or mediation.

Either UO or PE may initiate arbitration, by a single arbitrator, with respect to the matters submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session. Arbitration shall be held through the Arbitration Service of Portland, Inc., or any other arbitration service agreeable to UO and PE, with both sides bearing their own attorneys' fees, if any, and sharing equally the cost of the arbitration service. Mediation may continue after the commencement of arbitration if UO and PE each so desire.

**20.0 Notices.** All notices and other communications under this Agreement must be in writing and shall be deemed to have been given if delivered personally; sent by facsimile (with confirmation); mailed by certified mail, return receipt requested; delivered by a private courier service (with confirmation); or delivered electronically and actually received by the party at the following location (or at such other location as a party may designate by like notice to the other party):

UO: University of Oregon  
1283 University of Oregon  
Eugene, OR 97403-1283  
Attention: Vice President for Finance & Administration

PE: Oregon Institute of Technology  
3201 Campus Drive  
Klamath Falls, OR 97601  
Attention: Vice President for Finance & Administration

**21.0 Amendment.** This Agreement may be amended by the Parties only in a writing signed by the Parties.

**22.0 Legal Jeopardy.** In the event a Party determines in good faith, based on written advice of qualified legal counsel, that this Agreement or the transactions contemplated herein, or a Party's conduct or performance thereunder, poses a material risk of violating: (i) the US Constitution, the Oregon Constitution or federal or state laws, rules or regulations or the interpretation or application thereof as in effect from time to time or (ii) legal duties, including fiduciary duties of a Party or a Party's governing board or any other persons entrusted with responsibilities pursuant to this Agreement, the Plan or any other agreement referred to herein or the transactions contemplated herein (a "Legal Jeopardy"), such Party may elect to renegotiate this Agreement or any agreement referred to herein that poses the material risk by giving written notice thereof to the other Party.

As part of such notice, the Party giving notice shall indicate the basis upon which it has determined that such Legal Jeopardy exists. In any case where such notice is provided, the Parties shall negotiate in good

faith during the 30 day period after the date the written notice is given, in an effort to develop one or more revised agreements or modify the activities or operations of a Party, which, to the extent reasonably practicable, when implemented will adequately resolve and avoid the legal risk or non-compliance which constituted the basis for the exercise of this provision, in the reasonable discretion of the Party giving notice hereunder, with the intended purpose being to modify this Agreement or any other agreements referred to herein or the transactions contemplated herein as little as possible to overcome the Legal Jeopardy event. Upon request of the Party giving the notice set forth herein, the Parties shall immediately cease and desist any and all activities deemed to be the cause of the legal risk or non-compliance. In the event the parties are unable in good faith to develop one or more revised agreements, or to otherwise correct the offending conduct, upon expiration of the 30-day period described herein, this Agreement shall terminate.

Notwithstanding the foregoing, this Section 22.0 shall not apply to any event impacting the qualification (or tax-advantaged status) of any Plan or Trust under Code Sections 401(a), 403(b) and 501(a). Such events shall be resolved solely in accordance with Sections 3.0 and 4.0.

**23.0 Waiver.** A provision of this Agreement may be waived only by a written instrument executed by the Party waiving compliance. No waiver of any provision of this Agreement shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. A failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or any other provision.

**24.0 Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected. The Parties shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term or provision.

**25.0 Third Party Beneficiaries.** Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement. In the event that a Party to this Agreement is or becomes a university with a governing board, such university shall remain bound by the terms of this Agreement.

**26.0 Counterparts.** This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy so executed shall constitute an original.

**27.0 Survival of Provisions.** Expiration or termination of this Agreement shall not extinguish or prejudice any Party's right to enforce this Agreement with respect to any breach or default in the performance of the terms and conditions of this Agreement.

**28.0 Assignment.** This Agreement may not be assigned by either Party without the prior written consent of the other Party.

**29.0 Entire Agreement.** This Agreement, the Appendix hereto, and the other agreements and documents referenced herein contain the entire agreement between the Parties with respect to the

subject matter hereof and supersede all oral understandings, representations, prior discussions and preliminary agreements.

**30.0 Independent Contractor.** UO is an independent contractor in connection with respect to its performance under this Agreement, and nothing in this Agreement is intended to create or shall be construed as creating an employer-employee relationship or a partnership, agency, joint venture, or franchise.

SAMPLE

OREGON STATE BOARD OF HIGHER EDUCATION  
on behalf of OREGON INSTITUTE OF TECHNOLOGY

By: \_\_\_\_\_

Date: \_\_\_\_\_

UNIVERSITY OF OREGON

By: \_\_\_\_\_

Date: \_\_\_\_\_

SAMPLE

**APPENDIX  
RETIREMENT PLANS MANAGEMENT**

The Retirement Plans Management (RPM) unit of the UO, University Shared Services Enterprise (USSE) payroll, and the benefits/payroll officers of the Oregon Public Universities (OPURP) comprise a coordinated team of administrators that provide plan-, university- and participant-facing services. This summary describes the division of labor and responsibilities among RPM, USSE Payroll, and Participating Employer (PE) administrators.

**RPM Department of Plan Sponsor University of Oregon**

***RPM Responsibilities***

**I. Retirement Plans Management**

1. Compliance with Oregon Public Universities defined contribution plans, amendments, administrative interpretations.
2. Trustee and sponsor payments of plan expenses. Administration of forfeiture and revenue credit accounts, expenditures and annual valuation-date allocations of unexpended plan assets.
3. Management of vendor and service provider contracts and services.
4. Oversight of plan resources, materials, and services that support shared and decentralized administration. Maintains central access to records including enrollment, deferrals, vendor changes, account corrections, plan corrections under the Employee Plans Compliance Resolution System (EPCRS), loans, hardship withdrawals, and QDRO records of the ORP and TDI according to records retention requirements of the Internal Revenue Service (IRS), the Oregon Secretary of State, Oregon Insurance Division and UO.
5. Chairs the Retirement Plans Administration Committee and supports the Investment Committee of the open-architecture investment and services platforms of the ORP and TDI.
6. Serves as first point of contact for PE administrators, vendors, and stakeholders on pension questions and problems; escalates to counsel and sponsor.

**II. Administration and Processing**

1. For restricted and closed plans and annuity providers, including VALIC (ORP and TDI) and fifteen (15) discontinued 403(b) providers: provides all plan- and participant-facing transaction and administration services to vendors and participants.
2. For current, open ORP and TDI providers: provides participant-facing transaction and administration services to vendors and participants including loans, hardship distributions, divorce distributions, corrective distributions, and resolution of complex, plan-level fiduciary or technical issues.
3. Coordinates funding, payment, and clearing of plan expenses and accounts.
4. Serves as the designated, non-fiduciary administrator of a defined benefit 401(a) cash balance

Supplemental Retirement Plan for selected participants.

5. Processes corrections. Investigates provider and campus errors that impact participant accounts and transactions. Researches payroll and participant records to determine and implement appropriate correction processes in compliance with EPCRS.
6. RPM establishes vendor requirements to report excess contributions/deferrals to RPM and PE's, and coordinates corrections to be made by the vendors and PEs. Record-keepers and PEs are responsible for monitoring annual IRS contribution limit and annual compensation limits.

### **III. Process and Procedures Documentation**

1. Develops procedures and process workflows for internal RPM administration of the plans. Creates and updates internal operations desk manuals.
2. Develops and disseminates procedures and process workflows for decentralized (campus) administration of the plans to PEs.

### **IV. PE Training and Use of Administrative Systems**

1. RPM provides decentralized administration training and orientation to new personnel hired by PE to administer the plans and will provide just-in-time training as plans and procedures change.
2. RPM assigns access to ORP and TDI record-keepers' administration websites for one PE administrator designated by a PE's benefits manager in addition to each PE's benefits manager, subject to completion of orientation and training by RPM.
3. RPM will maintain an Oregon Public Universities administrators' website as a repository of procedures, job aids, communications, forms, and other retirement plans information. RPM will grant password protected access to designated administrators and others on request by a PE, with the understanding that these internal business rules and practices serve administrative staff and are not for distribution to participants.

### **V. Participant, Plan, and Provider Communications**

1. Develops and publishes online plan information for participants, providers, and advisors, including transaction procedures for the ORP and TDI, e.g., Distributions, Rehire, Retirement, Re-employment, and contact information of campus administrators and providers.
2. Maintains publicly accessible ORP and TDI retirement plans webpages for use by employees, former employees, potential employees, participants, vendors, and the public.
3. Relays updates and information from providers, Administration Committee and Investment Committee to participants through online and e-mail communications distributed by each campus administrator.
4. Develops model notices, plan updates, and plan sponsor messaging on critical issues for distribution to participants via campus administrators.
5. RPM provides one staff member to attend one Benefits Fair per year hosted by each PE.

## **VI. Provider Relations**

1. Reviews and approves provider communications and specialty outreach campaigns to ensure compliance with solicitation and cross-selling rules of the plans.
2. Communicates plan and procedure changes to providers for updates to their respective recordkeeping systems.
3. Maintains and updates a limited list of provider representatives who may work with university employees. Orients new vendor representatives and retirement consultants to plan details, and requires campus site visits in each location.
4. Reviews and works with providers to maintain and refresh co-branded websites serving the ORP and TDI.
5. Escalates provider problems identified by campuses for resolution by client representatives, relationship managers and account executives.
6. Researches, reports, and refers provider proposals to Administration or Investment Committees for discussion with trustees and Board's designee.

### ***RPM Additional Compensated Services to Participating Employers***

1. RPM may provide compensated temporary assistance in the case of absence or other loss of an authorized campus administrator of any PE.
2. Custom reports requested by PE may be provided as a fee-based service.

### **Payroll Services of the University Shared Serviced Enterprise**

#### ***University Shared Services Retirement Plan-Payroll Responsibilities***

1. Provides updates to payroll systems for contribution rate changes, retirement limits, new codes as required for plan changes.
  - a. Including new plans and tiers, new contribution rates, annual limit changes.
2. Aggregates monthly payroll data for all campuses to submit data files and remits retirement plan contributions to vendors.
3. Submits contribution files and remits payments to vendors in a timely manner (*typically using the ERISA standard, even though non-ERISA plan*).
4. Serves as lead contact with USSE programming staff on file format issues, data warehouse updates, or other issues requiring technical support and expertise.
5. Provides accounting and payroll support for contribution reduction related to annual ORP forfeiture fund clearance.
6. Works with UO Retirement Plans Management (RPM) on individual participant contribution corrections.

- a. Includes retro contributions, tier corrections, lost earnings calculations and individual contribution payments
- 7. Ensure that the UO Retirement Plans Management has access to Data Warehouse information and data elements needed for plan administration.
  - a. Plan limits, vesting information, hire/termination dates and “subject salary” data.
- 8. USSE will make monthly data (files and reports) available for individual campus reconciliations upon request.

***UO Responsibilities as a Participating Member Campus of the Oregon Public Universities Retirement Plans***

- 1. UO to provide data in prescribed coding for aggregation purposes. “Standards” for HR and Payroll codes and definitions to remain in place to permit generation of files, payments and reports.
- 2. UO will follow the USSE payroll calendar making data available on schedule.
- 3. UO will remit contribution dollars to USSE treasury account prior to vendor payments.
- 4. Retirement Plan contribution files/remittances will be processed once monthly in connection with the USSE Payroll Calendar.
- 5. UO will continue to send payroll data in current format until such time USSE Payroll and UO can jointly identify and unneeded data.

***UO RPM Responsibilities as Administrator of the Oregon Public Universities Retirement Plans***

- 1. Provide direction on contribution rates and plan changes.
- 2. Consult with USSE Payroll on system changes that may be required by plan changes.
  - a. Provide adequate programming/system update lead time
- 3. Serve as contact point for plan corrections for universities. Provide direction to USSE payroll for account corrections, adjustments, restorations.
  - a. Provide dollar amount and timing of remittances related to corrections.

**Participating Employers (PE) Responsibilities**

- 1. PE provides RPM staff access to its banner instance, to query and view selected forms that are required for administration of the retirement plans. RPM staff is responsible to restrict use of PE data to necessary operations and compliance processes of retirement plans management.
- 2. PE provides RPM staff the capability to electronically connect to PE’s HRIS and Payroll systems “on demand” to view a designated set of records in these systems required to administer the plans.

3. PE provides USSE Payroll Services a data file containing a designated set of records from their HRIS and Payroll systems in a format and schedule specified by RPM. This data file will be used to report/query data needed to administer the plans.
4. PE and provider/record-keepers are jointly responsible for monitoring annual IRS contribution limit and annual compensation limits. PEs load annual contribution limits into their payroll systems and are responsible to stop contributions/deferrals at the annual limits under Internal Revenue Codes.
5. PE administrators are responsible for ORP and TDI participant-facing transactions that require access to employment and enrollment detailed records and to ensure employees are given the opportunity to establish accounts.
6. Participant meetings with vendor's retirement counseling representatives are campus administrators' responsibility in addition to administrative functions, as are personal assistance to university employees seeking information about retirement options.
7. PE is responsible for reporting participant account corrections to RPM and providing necessary details to determine how to correct errors, to pay for cost to correct including money owed to participant, legal fees incurred, vendor's fees (if any), IRS fees and fines and RPM time and charges for complex corrections requiring more than 4 hours of work.

#### ***PE Decentralized Administration***

1. University retirement and payroll administrators are integral to the delivery of participant services, payroll, data processing and compliance with requirements of the university-sponsored retirement plans. Campus administrators are responsible for the following activities.
2. PE administrators refer all participant-facing services and administration of VALIC's ORP and TDI and 15 discontinued 403(b) providers to the RPM Retirement Plans Administrator.
3. Each campus has one authorized signer for Fidelity Investments and TIAA-CREF platforms of the ORP and TDI Plans' participant-initiated transactions and participant status confirmations, limited to:
  - a. Confirmations of enrollment status, including vendor selection/applications and completion of OUS enrollment processes.
  - b. Employment and eligibility status data entry into providers' online administration and recordkeeping systems.
  - c. Participant 403(b) Salary Reduction Agreements and Deferral Limits.
  - d. Distributions eligibility: withdrawals and rollovers from ORP and TDI and TDI in-service distributions based on age
  - e. ORP vesting status updates.
  - f. ORP qualifying position and initial qualifying position (effective July 1, 2014) determinations.

4. PE administrator determines and notifies new employees of eligibility for ORP, and provides prospective ORP eligibility notices to Fidelity and TIAA-CREF to initiate provider outreach to eligible employees. After ORP election HRIS data entry, PE submits ORP election forms to RPM repository for records retention.
5. PE processes TDI 403(b) Salary Reduction Agreements; after data entry, PE submits signed forms to RPM repository, using confidentiality-protected submittal methods and archival media suitable for permanent records retention.
6. Serves as primary retirement plan contacts for campus participants; refers complex or other issues not included in this list to RPM for administrative interpretation and assistance, after using all web-based administrator resources available to resolve questions and problems.
7. Monitors participation in early retirement incentive programs to ensure ORP contributions and distributions compliance.
8. Refers appeals and claims to the Retirement Plans Administration Committee for determination.
9. Enters termination dates into HRIS and administrators' online systems; participates in periodic RPM termination updates audits.
10. Relays plan sponsor, RPM and mandatory plan communications to participants via campus e-mail and mail systems.
11. PE performs the same duties and transactions for former employees with plan accounts as they do for current employees.