

May 31, 2018

TO: The Board of Trustees of the University of Oregon

FR: Angela Wilhelms, Secretary

RE: Notice of Finance and Facilities Committee Meeting

The Finance and Facilities Committee of the Board of Trustees of the University of Oregon will hold a public meeting on the date and at the location set forth below. Subjects of the meeting will include: quarterly finance and treasury reports, FY19 expenditure authorizations, capital plans for University Housing, an overview of the academic allocation model implementation, and proposed changes to retirement policy management plans (no changes to plans/benefits).

The meeting will occur as follows:

Thursday, June 7, 2018 at 1:30 p.m.

Ford Alumni Center, Giustina Ballroom

The meeting will be webcast, with a link available at www.trustees.uoregon.edu/meetings.

The Ford Alumni Center is located at 1720 East 13th Avenue, Eugene, Oregon. If special accommodations are required, please contact Jennifer La Belle at (541) 346-3166 at least 72 hours in advance.

Board of Trustees | Finance and Facilities Committee
Public Meeting | June 7, 2018, 1:30 p.m.
Ford Alumni Center | Giustina Ballroom

Convene

- Call to order, roll call
- Approval of March 2018 FFC minutes (Action)

- 1. Quarterly Financial Reports:** Jamie Moffitt, Vice President for Finance and Administration and CFO
- 2. FY19 Budget and Expenditure Authorization (Action):** Jamie Moffitt, Vice President for Finance and Administration and CFO
- 3. University Housing Capital Plan:** Roger Thompson, Vice President for Student Services and Enrollment Management; Michael Griffel, Director, University Housing
- 4. Academic Allocation Model Implementation:** Jayanth Banavar, Provost and Senior Vice President
- 5. Retirement Plan Management Annual Update and Policy Modifications (No Impact to Benefits/Plans) (Action):** Jamie Moffitt, Vice President for Finance and Administration and CFO; Craig Ashford, Assistant General Counsel; Gay Lynn Bath, Retirement Plans Management Director

Meeting Adjourns

Agenda Item #1

Quarterly Financial Reports



Finance Summary: Q3 FY2018

CFO's Key Takeaways

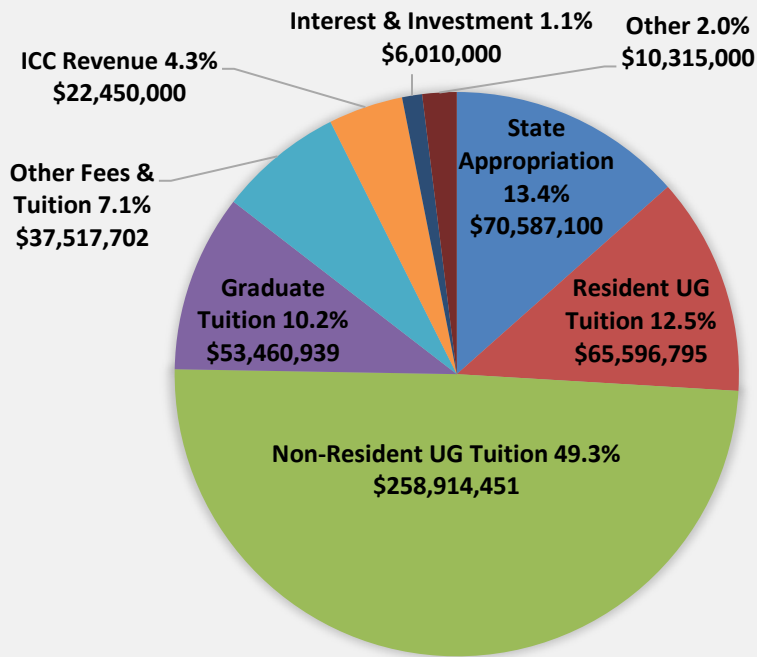
- Projected FY18 E&G Budget remains roughly balanced. Q3 projections show fund balance increasing from \$73.5M to \$74.3M.
- Tuition & Fees - Retention rates and carrying loads consistent with Q2 projection. Revenue projections on track.
- Adjustments made to several categories based on accounting changes and activity to date.
 - Revenue: ICC (\$150K), Interest and Investment (\$300K), Internal Sales (\$900K)
 - Expense: Supplies and Services (\$1.4M), Internal Sales Reimbursements (-\$500K), and Indirect Cost (-\$2.0M)

Education and General Fund - Q3 Projections vs Actuals

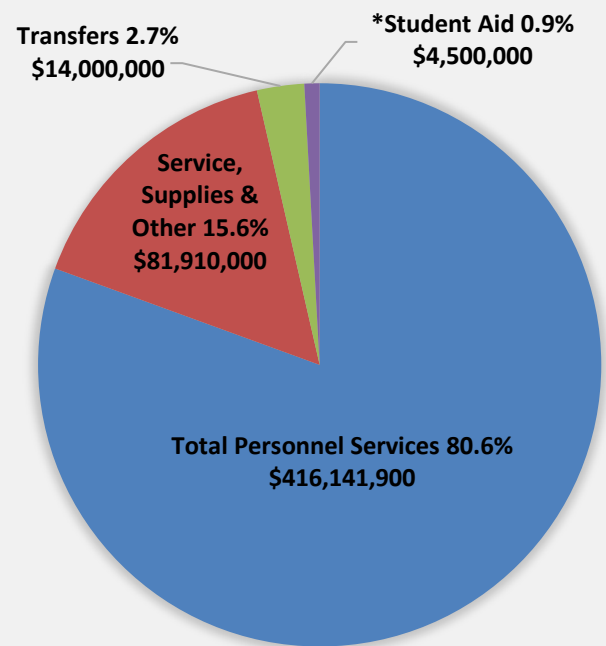
Category	FY18 Q2 Projection	FY18 Q3 Revised Projection	FY18 Q2 Proj vs FY17 Act	FY18 Q3 Actuals vs FY17 Q3	Status	Revised Q3 Proj vs FY17	Notes
State Appropriation	\$70,587,100	\$70,587,100	5.7%	5.8%	On Track	5.7%	• In line with projection
Tuition and Fees	\$415,489,886	\$415,489,886	3.5%	3.4%	On Track	3.5%	• In line with projection
ICC Revenue	\$22,300,000	\$22,450,000	1.8%	4.0%	Up	2.5%	• ICC revenue up due to increased grant activity. Q3 Projection increased by only \$150K due to variability of activity.
Personnel Services	\$416,141,900	\$416,141,900	5.1%	3.3%	On Track	5.1%	• Yr over Yr actuals not directly comparable due to Blended OPE. Current projection holding.
Supplies & Services	\$102,637,000	\$104,000,000	0.8%	2.6%	Slightly Up	2.2%	• Projection adjustment of \$1.4M based upon activity to date.
Indirect Costs	\$2,408,000	\$408,000	651.7%	-59.3%	Down	27.4%	• Accounting change. \$2.0M moved to Service & Supplies.

Education & General Funds - Total Dollars

FY18 E&G Q3 REVENUE PROJECTION

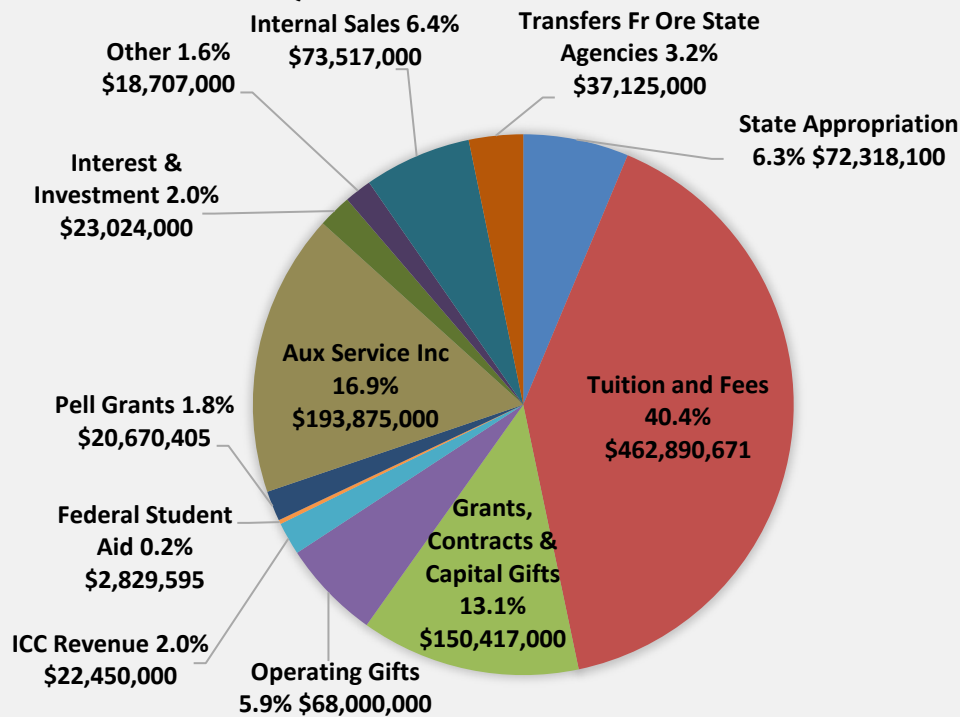


FY18 E&G Q3 EXPENSE PROJECTION

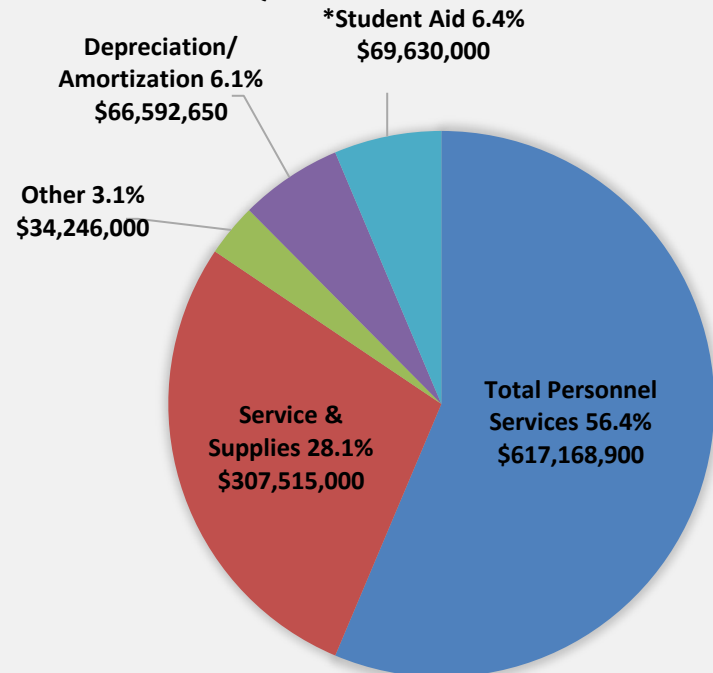


All Funds - Total Dollars

FY18 Q3 REVENUE PROJECTION



FY18 Q3 EXPENSE PROJECTION



* Student Aid does not include \$44.5M of fee remissions awarded to students as they are booked as negative revenue.
Capital Expense not included

FY17 Actuals Quarter 4 - FINAL

All Funds except Agency and Clearing Designated

	Education and				Restricted Gift		Plant Funds	Internal Bank	Total from Operations	Year-End Reporting Adj.	Total
	General	Ops and Service Center	Auxiliaries	Grant Funds	Funds	Other Funds					
State Appropriation	\$ 66,801,344	\$ 1,216,024	\$ 468,650	\$ 46,350	\$ -	\$ -	\$ -	\$ -	\$ 68,532,368		
Tuition and Fees	\$ 401,585,095	\$ 4,677,944	\$ 40,127,316	\$ -	\$ (71,837)	\$ -	\$ -	\$ 3,175,333	\$ 449,493,851		
Gifts Grants & Contracts	\$ 310,800	\$ 5,639,671	\$ 47,426	\$ 109,491,341	\$ 67,100,717	\$ -	\$ 60,580,398	\$ -	\$ 243,170,353		
ICC Revenue	\$ 21,895,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,895,847		
Federal Student Aid	\$ -	\$ -	\$ -	\$ 23,414,554	\$ -	\$ -	\$ -	\$ -	\$ 23,414,554		
Interest and Investment	\$ 5,184,658	\$ 12,262,087	\$ 509,687	\$ 11,458	\$ 247,643	\$ 495,095	\$ 468,984	\$ 1,019,042	\$ 20,198,653		
Internal Sales	\$ 1,568,535	\$ 34,848,326	\$ 24,439,689	\$ -	\$ 10,743	\$ -	\$ -	\$ 29,493,260	\$ 90,360,553		
Sales & Services	\$ 4,295,686	\$ 11,064,149	\$ 154,782,894	\$ 425,233	\$ 8,546	\$ -	\$ -	\$ -	\$ 170,576,509		
Other Revenues	\$ 10,386,884	\$ 2,203,122	\$ 4,774,243	\$ -	\$ (1,125)	\$ -	\$ 165,446	\$ -	\$ 17,528,569		
Transfers From Ore State Agencies	\$ 11,111	\$ -	\$ -	\$ 8,258,760	\$ -	\$ -	\$ 11,401,964	\$ -	\$ 19,671,835		
Total Revenue	\$ 512,039,960	\$ 71,911,322	\$ 225,149,904	\$ 141,647,696	\$ 67,294,687	\$ 495,095	\$ 72,616,791	\$ 33,687,635	\$ 1,124,843,090		
Salaries and Wages	\$ 256,363,605	\$ 19,440,085	\$ 57,691,645	\$ 40,515,758	\$ 16,408,594	\$ -	\$ -	\$ 222,243	\$ 390,641,929		
OPE Health Benefits	\$ 53,067,352	\$ 4,470,842	\$ 12,561,298	\$ 8,170,947	\$ 1,628,962	\$ -	\$ -	\$ 31,040	\$ 79,930,441		
OPE Retirement	\$ 43,685,075	\$ 3,491,533	\$ 7,743,892	\$ 6,083,162	\$ 2,085,679	\$ -	\$ -	\$ 34,793	\$ 63,124,133		
OPE Other	\$ 20,759,317	\$ 1,647,245	\$ 5,108,466	\$ 3,045,952	\$ 14,186,876	\$ -	\$ -	\$ 20,635	\$ 44,768,491		
OPE GTF Remissions	\$ 22,076,879	\$ 204,587	\$ 124,563	\$ 1,640,068	\$ 189,944	\$ -	\$ -	\$ -	\$ 24,236,040		
Total Personnel Services	\$ 395,952,228	\$ 29,254,291	\$ 83,229,863	\$ 59,455,887	\$ 34,500,054	\$ -	\$ -	\$ 308,711	\$ 602,701,034		
Service & Supplies	\$ 101,773,239	\$ 19,898,041	\$ 100,749,317	\$ 23,613,272	\$ 14,100,962	\$ (11,317)	\$ 4,446,629	\$ 24,032,991	\$ 288,603,134		
Merchandise-Resale/Redistribution	\$ 1,606	\$ 13,469,673	\$ 11,607,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,079,070		
Internal Sales Reimbursements	\$ (22,767,308)	\$ (205,865)	\$ (1,277,203)	\$ (24,780)	\$ (45,334)	\$ -	\$ -	\$ -	\$ (24,320,490)		
Indirect Costs	\$ 320,332	\$ 2,624,794	\$ 6,477,432	\$ 21,895,847	\$ -	\$ 271,268	\$ -	\$ -	\$ 31,589,673		
Depreciation/Amortization Expense	\$ -	\$ 4,357,290	\$ 29,191,247	\$ -	\$ -	\$ -	\$ 28,606,164	\$ -	\$ 62,154,700		
Student Aid	\$ 4,444,108	\$ 919,993	\$ 4,872,618	\$ 35,149,599	\$ 22,730,198	\$ 170,510	\$ -	\$ -	\$ 68,287,026		
Total General Expense	\$ 83,771,976	\$ 41,063,926	\$ 151,621,202	\$ 80,633,939	\$ 36,785,826	\$ 430,462	\$ 33,052,793	\$ 24,032,991	\$ 451,393,114		
Net Transfers Out/(In)	\$ 20,542,861	\$ 6,584,354	\$ 2,797,420	\$ 456,610	\$ (283,058)	\$ -	\$ (30,098,188)	\$ -	\$ -		
Total Expense	\$ 500,267,065	\$ 76,902,571	\$ 237,648,485	\$ 140,546,436	\$ 71,002,823	\$ 430,462	\$ 2,954,605	\$ 24,341,702	\$ 1,054,094,149		
Net before CapEx	\$ 11,772,896	\$ (4,991,249)	\$ (12,498,581)	\$ 1,101,260	\$ (3,708,136)	\$ 64,633	\$ 69,662,186	\$ 9,345,932	\$ 70,748,942		
Beginning Fund Balance	\$ 67,430,541	\$ 62,254,237	\$ 318,419,472	\$ 2,554,335	\$ 15,933,568	\$ 26,103,956	\$ 508,366,958	\$ (21,830,738)	\$ 979,232,330		
Capital Expenditures	\$ (7,437,754)	\$ (206,006)	\$ (17,045)	\$ (1,482,002)	\$ (1,219,814)	\$ -	\$ (121,418,772)	\$ (741)	\$ (131,782,133)		
Net (from above)	\$ 11,772,896	\$ (4,991,249)	\$ (12,498,581)	\$ 1,101,260	\$ (3,708,136)	\$ 64,633	\$ 69,662,186	\$ 9,345,932	\$ 70,748,942		
Fund Additions/Deductions*	\$ (50,000)	\$ (1,058,372)	\$ 37,650,081	\$ -	\$ -	\$ -	\$ 68,295,341	\$ 28,704,333	\$ 133,541,382	\$ (169,361,869)	
Ending Fund Balance	\$ 71,715,684	\$ 55,998,611	\$ 343,553,927	\$ 2,173,592	\$ 11,005,619	\$ 26,168,589	\$ 524,905,713	\$ 16,218,786	\$ 1,051,740,520	\$ (169,361,869)	\$ 882,378,651
Year-End Accounting Entries	\$ 1,818,584	\$ (162,639)	\$ (3,437,290)	\$ (2,597,056)	\$ 543,495	\$ 1	\$ 500,015	\$ (6,737,790)	\$ (10,072,680)	\$ -	\$ (10,072,680)
Net Capital Assets	\$ -	\$ 28,845,778	\$ 310,478,625	\$ -	\$ -	\$ -	\$ 456,410,998	\$ (7,765,650)	\$ 787,969,751	\$ -	\$ 787,969,751
Other Restricted Net Assets	\$ -	\$ -	\$ -	\$ (423,464)	\$ 11,549,114	\$ 26,168,590	\$ 43,185,388	\$ -	\$ 80,479,629	\$ (4,283,374)	\$ 76,196,254
Unrestricted Net Assets	\$ 73,534,267	\$ 26,990,194	\$ 29,638,011	\$ -	\$ -	\$ -	\$ 25,809,341	\$ 17,246,646	\$ 173,218,460	\$ (165,078,495)	\$ 8,139,965
Total Net Assets	\$ 73,534,267	\$ 55,835,972	\$ 340,116,636	\$ (423,464)	\$ 11,549,114	\$ 26,168,590	\$ 525,405,728	\$ 9,480,996	\$ 1,041,667,840	\$ (169,361,869)	\$ 872,305,971

* - Due to Capital Improvements and Debt Accounting entries

Column: Year-End Reporting Adjustments includes items such as Pension Liability (GASB68), OPEB (GASB45), Pollution Remediation Liability (GASB49), and SLGRP Pool Liability

FY18 Initial Projection - All Funds except Agency and Clearing

	Designated Ops				Restricted Gift					Total
	Education and General	and Service Center	Auxiliaries	Grant Funds	Funds	Other Funds	Plant Funds	Internal Bank		
State Appropriation	\$ 70,526,000	\$ 1,216,000	\$ 455,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,257,000
Tuition and Fees	\$ 422,541,000	\$ 4,073,500	\$ 41,568,500	\$ -	\$ -	\$ -	\$ -	\$ 3,110,000	\$ -	\$ 471,293,000
Gifts Grants & Contracts	\$ 315,000	\$ 5,000,000	\$ 100,000	\$ 110,000,000	\$ 67,000,000	\$ 2,000	\$ 41,200,000	\$ -	\$ -	\$ 223,617,000
ICC Revenue	\$ 22,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,000,000
Federal Student Aid	\$ -	\$ -	\$ -	\$ 23,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,500,000
Interest and Investment	\$ 5,710,000	\$ 12,216,000	\$ 50,000	\$ 14,000	\$ 546,000	\$ 503,000	\$ 200,000	\$ 110,000	\$ -	\$ 19,349,000
Internal Sales	\$ 3,000,000	\$ 35,686,000	\$ 24,299,000	\$ 13,000	\$ 18,000	\$ -	\$ -	\$ 33,300,000	\$ -	\$ 96,316,000
Sales & Services	\$ 4,400,000	\$ 9,894,000	\$ 154,613,000	\$ 1,350,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 170,267,000
Other Revenues	\$ 1,100,000	\$ 2,523,000	\$ 3,863,000	\$ -	\$ 387,000	\$ -	\$ 165,000	\$ -	\$ -	\$ 8,038,000
Transfers From Ore State Agencies	\$ -	\$ -	\$ -	\$ 8,250,000	\$ -	\$ -	\$ 28,875,000	\$ -	\$ -	\$ 37,125,000
Total Revenue	\$ 529,592,000	\$ 70,608,500	\$ 224,948,500	\$ 143,187,000	\$ 67,961,000	\$ 505,000	\$ 70,440,000	\$ 36,520,000	\$ -	\$ 1,143,762,000
Total Personnel Services	\$ 420,054,000	\$ 28,798,000	\$ 86,461,000	\$ 61,080,000	\$ 22,463,000	\$ -	\$ -	\$ 320,000	\$ -	\$ 619,176,000
Service & Supplies	\$ 103,637,000	\$ 20,200,000	\$ 96,000,000	\$ 23,500,000	\$ 21,000,000	\$ 100,000	\$ 5,000,000	\$ 32,055,000	\$ -	\$ 301,492,000
Merchandise-Resale/Redistribution	\$ 2,000	\$ 13,500,000	\$ 12,000,000	\$ 150,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 25,653,000
Internal Sales Reimbursements	\$ (23,000,000)	\$ (300,000)	\$ (1,400,000)	\$ (25,000)	\$ (115,000)	\$ -	\$ -	\$ -	\$ -	\$ (24,840,000)
Indirect Costs	\$ 2,408,000	\$ 2,800,000	\$ 7,000,000	\$ 22,000,000	\$ -	\$ 275,000	\$ -	\$ -	\$ -	\$ 34,483,000
Depreciation/Amortization Expense		\$ 4,310,741	\$ 31,444,847	\$ -	\$ -	\$ -	\$ 30,837,062	\$ -	\$ -	\$ 66,592,650
Student Aid	\$ 4,500,000	\$ 1,300,000	\$ 5,000,000	\$ 35,500,000	\$ 23,205,000	\$ 125,000	\$ -	\$ -	\$ -	\$ 69,630,000
Total General Expense	\$ 87,547,000	\$ 41,810,741	\$ 150,044,847	\$ 81,125,000	\$ 44,091,000	\$ 500,000	\$ 35,837,062	\$ 32,055,000	\$ -	\$ 473,010,650
Net Transfers Out(In)	\$ 14,000,000	\$ 2,350,000	\$ 8,000,000	\$ 500,000	\$ 425,000	\$ -	\$ (25,275,000)	\$ -	\$ -	\$ -
Total Expense	\$ 521,601,000	\$ 72,958,741	\$ 244,505,847	\$ 142,705,000	\$ 66,979,000	\$ 500,000	\$ 10,562,062	\$ 32,375,000	\$ -	\$ 1,092,186,650
Net before CapEx	\$ 7,991,000	\$ (2,350,241)	\$ (19,557,347)	\$ 482,000	\$ 982,000	\$ 5,000	\$ 59,877,938	\$ 4,145,000	\$ -	\$ 51,575,350
Beginning Fund Balance	\$ 73,534,267	\$ 55,835,972	\$ 340,116,636	\$ (423,464)	\$ 11,549,114	\$ 26,168,590	\$ 525,405,728	\$ 9,480,996	\$ -	\$ 1,041,667,840
Capital Expenditures	\$ (7,500,000)	\$ (100,000)	\$ (200,000)	\$ (1,500,000)	\$ (1,000,000)	\$ -	\$ (169,800,000)	\$ -	\$ -	\$ (180,100,000)
Net (from above)	\$ 7,991,000	\$ (2,350,241)	\$ (19,557,347)	\$ 482,000	\$ 982,000	\$ 5,000	\$ 59,877,938	\$ 4,145,000	\$ -	\$ 51,575,350
Fund Additions/Deductions*	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 139,106,600	\$ -	\$ -	\$ 140,106,600
Ending Fund Balance	\$ 74,025,267	\$ 53,385,731	\$ 321,359,289	\$ (1,441,464)	\$ 11,531,114	\$ 26,173,590	\$ 554,590,266	\$ 13,625,997	\$ -	\$ 1,053,249,790
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Total Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

* - Due to Capital Improvements and Debt Accounting entries

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

FY18 Actuals Quarter 3 Report

All Funds except Agency and Clearing

	Designated Ops				Restricted Gift			Internal Bank	Total
	Education and General	and Service Center	Auxiliaries	Grant Funds	Funds	Other Funds	Plant Funds		
State Appropriation	\$ 59,299,741	\$ 878,088	\$ 324,450	\$ 61,800	\$ -	\$ -	\$ -	\$ -	\$ 60,564,079
Tuition and Fees	\$ 408,735,081	\$ 3,098,417	\$ 40,252,612	\$ -	\$ -	\$ -	\$ -	\$ 3,037,861	\$ 455,123,972
Gifts Grants & Contracts	\$ 64,253	\$ 2,833,402	\$ 2,789	\$ 87,754,117	\$ 49,043,597	\$ -	\$ 23,534,640	\$ -	\$ 163,232,797
ICC Revenue	\$ 16,886,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,886,651
Federal Student Aid	\$ -	\$ -	\$ -	\$ 16,653,426	\$ -	\$ -	\$ -	\$ -	\$ 16,653,426
Interest and Investment	\$ 4,692,239	\$ 10,442,209	\$ 35,333	\$ (9,513)	\$ 168,150	\$ 380,565	\$ 235,230	\$ 2,631,654	\$ 18,575,867
Internal Sales	\$ 3,564,606	\$ 25,926,925	\$ 17,426,457	\$ (462)	\$ 17,856	\$ -	\$ -	\$ 22,557,568	\$ 69,492,951
Sales & Services	\$ 3,054,510	\$ 8,299,869	\$ 121,218,537	\$ 150,782	\$ 7,593	\$ -	\$ -	\$ -	\$ 132,731,291
Other Revenues	\$ 981,616	\$ 1,909,114	\$ 5,117,831	\$ -	\$ 83	\$ -	\$ 21,415	\$ -	\$ 8,030,060
Transfers From Ore State Agencies	\$ -	\$ -	\$ -	\$ 5,957,741	\$ -	\$ -	\$ 1,729,232	\$ -	\$ 7,686,973
Total Revenue	\$ 497,278,696	\$ 53,388,025	\$ 184,378,010	\$ 110,567,891	\$ 49,237,280	\$ 380,565	\$ 25,520,517	\$ 28,227,083	\$ 948,978,067
Total Personnel Services	\$ 302,056,841	\$ 21,200,282	\$ 64,324,159	\$ 46,994,930	\$ 15,732,504	\$ -	\$ -	\$ 248,036	\$ 450,556,751
Service & Supplies	\$ 73,014,813	\$ 14,016,638	\$ 75,292,129	\$ 19,219,668	\$ 10,898,622	\$ 64,347	\$ 4,853,584	\$ 13,772,561	\$ 211,132,362
Merchandise-Resale/Redistribution	\$ 1,022	\$ 8,719,672	\$ 8,548,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,268,758
Internal Sales Reimbursements	\$ (14,188,275)	\$ (18,865)	\$ (1,286,300)	\$ (26,265)	\$ (3,783)	\$ -	\$ -	\$ -	\$ (15,523,488)
Indirect Costs	\$ 99,147	\$ 2,053,000	\$ 5,133,577	\$ 16,886,651	\$ -	\$ -	\$ -	\$ -	\$ 24,172,375
Depreciation/Amortization Expense	\$ -	\$ 3,234,769	\$ 23,209,448	\$ -	\$ -	\$ -	\$ 22,269,825	\$ -	\$ 48,714,043
Student Aid	\$ 4,576,693	\$ 259,040	\$ 2,287,099	\$ 34,057,326	\$ 23,893,067	\$ 84,140	\$ -	\$ -	\$ 65,157,364
Total General Expense	\$ 63,503,401	\$ 28,264,254	\$ 113,184,017	\$ 70,137,380	\$ 34,787,905	\$ 148,487	\$ 27,123,409	\$ 13,772,561	\$ 350,921,413
Net Transfers Out/(In)	\$ 5,211,199	\$ (493,381)	\$ (3,246,347)	\$ 235,044	\$ 7,146,906	\$ 3,175	\$ (9,960,117)	\$ 1,103,521	\$ 0.00
Total Expense	\$ 370,771,441	\$ 48,971,155	\$ 174,261,828	\$ 117,367,354	\$ 57,667,315	\$ 151,663	\$ 17,163,292	\$ 15,124,118	\$ 801,478,164
Net before CapEx	\$ 126,507,255	\$ 4,416,870	\$ 10,116,182	\$ (6,799,463)	\$ (8,430,035)	\$ 228,903	\$ 8,357,225	\$ 13,102,966	\$ 147,499,902
Beginning Fund Balance	\$ 73,534,267	\$ 55,835,972	\$ 340,116,636	\$ (423,464)	\$ 11,549,114	\$ 26,168,590	\$ 525,405,728	\$ 9,480,996	\$ 1,041,667,840
Capital Expenditures	\$ (4,177,681)	\$ (1,049,542)	\$ (14,520)	\$ (1,582,964)	\$ (1,091,470)	0	\$ (57,308,037)	0	\$ (65,224,213)
Net (from above)	\$ 126,507,255	\$ 4,416,870	\$ 10,116,182	\$ (6,799,463)	\$ (8,430,035)	\$ 228,903	\$ 8,357,225	\$ 13,102,966	\$ 147,499,902
Fund Additions/Deductions*	\$ -	\$ 1,546,382	\$ 114,589	\$ -	\$ -	\$ -	\$ 15,267,182	\$ -	\$ 16,928,153
Ending Fund Balance	\$ 195,863,842	\$ 60,749,682	\$ 350,332,888	\$ (8,805,890)	\$ 2,027,609	\$ 26,397,493	\$ 491,722,098	\$ 22,583,962	\$ 1,140,871,683
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Total Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

* - Due to Capital Improvements and Debt Accounting entries, Includes Elimination of State Paid Debt from UO Books

** - Year-End Accounting - e.g. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

FY18 Actuals Quarter 3 Report
Education and General

	FY18 Updated		FY18 Q3 Actual as %		FY18 Q3 inc/(dec) from FY17		FY18 Q2 Proj vs FY17 Total as %		FY18 Updated Proj vs FY17 Total as %	
	Projection Q2	FY18 Actual Q3	of Proj	FY17 Actual Q3	Q3	FY17 Total Actual	Proj vs FY17 Total as %	FY18 Updated Projection Q3	vs FY17 Total as %	
State Appropriation	\$ 70,587,100	\$ 59,299,741	84.0%	\$ 56,041,010	5.8%	\$ 66,801,344	5.7%	\$ 70,587,100	5.7%	
Tuition and Fees	\$ 415,489,886	\$ 408,735,081	98.4%	\$ 395,476,133	3.4%	\$ 401,585,095	3.5%	\$ 415,489,886	3.5%	
Gifts Grants & Contracts	\$ 315,000	\$ 64,253	20.4%	\$ 32,657	96.8%	\$ 310,800	1.4%	\$ 315,000	1.4%	
ICC Revenue	\$ 22,300,000	\$ 16,886,651	75.7%	\$ 16,243,756	4.0%	\$ 21,895,847	1.8%	\$ 22,450,000	2.5%	
Federal Student Aid	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	-	
Interest and Investment	\$ 5,710,000	\$ 4,692,239	82.2%	\$ 3,879,368	21.0%	\$ 5,184,658	10.1%	\$ 6,010,000	15.9%	
Internal Sales	\$ 3,600,000	\$ 3,564,606	99.0%	\$ 170,280	1993.4%	\$ 1,568,535	129.5%	\$ 4,500,000	186.9%	
Sales & Services	\$ 4,400,000	\$ 3,054,510	69.4%	\$ 3,150,412	-3.0%	\$ 4,295,686	2.4%	\$ 4,400,000	2.4%	
Other Revenues	\$ 1,100,000	\$ 981,616	89.2%	\$ 6,078,372	-83.9%	\$ 10,386,884	-89.4%	\$ 1,100,000	-89.4%	
Transfers From Ore State Agencies	\$ -	\$ -	-	\$ 11,111	-100.0%	\$ 11,111	-100.0%	\$ -	-100.0%	
Total Revenue	\$ 523,501,986	\$ 497,278,696	95.0%	\$ 481,083,100	3.4%	\$ 512,039,960	2.2%	\$ 524,851,986	2.5%	
Total Personnel Services	\$ 416,141,900	\$ 302,056,841	72.6%	\$ 292,371,455	3.3%	\$ 395,952,228	5.1%	\$ 416,141,900	5.1%	
Service & Supplies	\$ 102,637,000	\$ 73,014,813	71.1%	\$ 71,137,293	2.6%	\$ 101,773,239	0.8%	\$ 104,000,000	2.2%	
Merchandise-Resale/Redistribution	\$ 2,000	\$ 1,022	51.1%	\$ 16	6289.4%	\$ 1,606	24.5%	\$ 2,000	24.5%	
Internal Sales Reimbursements	\$ (23,000,000)	\$ (14,188,275)	61.7%	\$ (16,099,677)	-11.9%	\$ (22,767,308)	1.0%	\$ (22,500,000)	-1.2%	
Indirect Costs	\$ 2,408,000	\$ 99,147	4.1%	\$ 243,670	-59.3%	\$ 320,332	651.7%	\$ 408,000	27.4%	
Depreciation/Amortization Expense	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	-	
Student Aid	\$ 4,500,000	\$ 4,576,693	101.7%	\$ 3,918,216	16.8%	\$ 4,444,108	1.3%	\$ 4,500,000	1.3%	
Total General Expense	\$ 86,547,000	\$ 63,503,401	73.4%	\$ 59,199,519	7.3%	\$ 83,771,976	3.3%	\$ 86,410,000	3.1%	
Net Transfers Out(In)	\$ 14,000,000	\$ 5,211,199	37.2%	\$ 9,323,329	-44.1%	\$ 20,542,861	-31.8%	\$ 14,000,000	-31.8%	
								\$ -		
Total Expense	\$ 516,688,900	\$ 370,771,441	71.8%	\$ 360,894,303	2.7%	\$ 500,267,065	3.3%	\$ 516,551,900	3.3%	
Net before CapEx	\$ 6,813,086	\$ 126,507,255	1856.8%	\$ 120,188,797	5.3%	\$ 11,772,896	-42.1%	\$ 8,300,086	-29.5%	
Beginning Fund Balance	\$ 73,534,267	\$ 73,534,267	100.0%	\$ 67,430,541	9.1%	\$ 67,430,541	9.1%	\$ 73,534,267	9.1%	
Capital Expenditures	\$ (7,500,000)	\$ (4,177,681)	55.7%	\$ (6,279,140)	-33.5%	\$ (7,437,754)	0.8%	\$ (7,500,000)	0.8%	
Net (from above)	\$ 6,813,086	\$ 126,507,255	1856.8%	\$ 120,188,797	5.3%	\$ 11,772,896	-42.1%	\$ 8,300,086	-29.5%	
Fund Additions/Deductions*	\$ -	\$ -	-	\$ -	-	\$ (50,000)	-100.0%	\$ -	-100.0%	
Ending Fund Balance	\$ 72,847,353	\$ 195,863,842	268.9%	\$ 181,340,198	8.0%	\$ 71,715,684	1.6%	\$ 74,334,353	3.7%	
								\$ 800,086		
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Total Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
						\$ 4,285,142		\$ 800,086		

* - Due to Capital Improvements and Debt Accounting entries

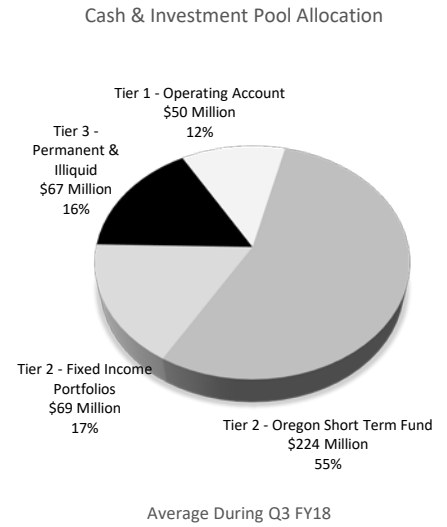
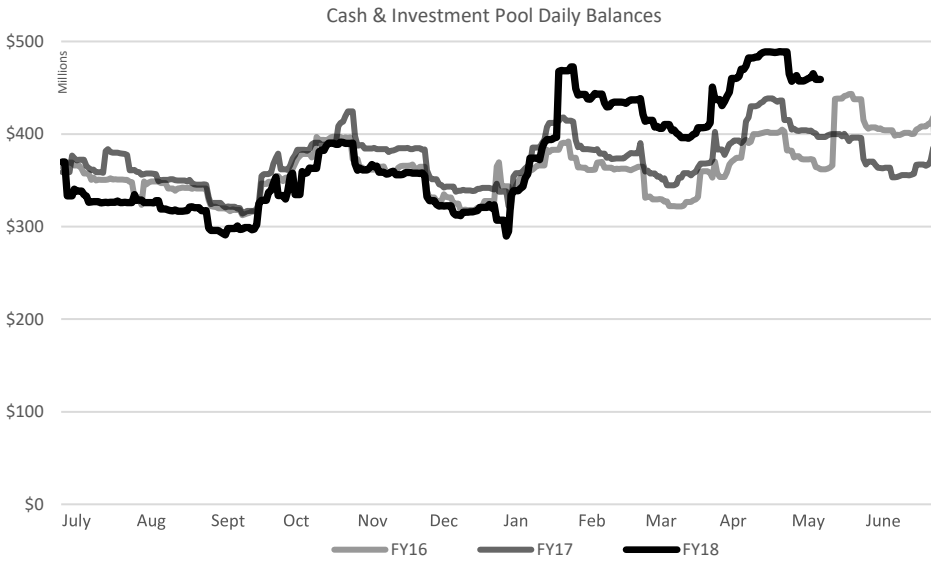
** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

FY18 Actuals Quarter 3 Report
Total All Fund Groups

Personnel Services	Total Dollars			Benefits as a % of Total Salary & Leave	
	FY2017	FY2018	Yr/Yr % Inc	FY2017	FY2018
Salary & Wages	\$273,491,604	\$281,094,552	2.8%		
Other Payroll Expense(OPE) and Leave					
Personnel Leave	\$16,496,585	\$18,043,544	9.4%	5.7%	6.0%
Medical Insurance	\$53,531,561	\$55,255,482	3.2%	18.5%	18.5%
Retirement	\$46,651,311	\$55,018,994	17.9%	16.1%	18.4%
Other OPE	\$21,596,769	\$21,428,131	-0.8%	7.4%	7.2%
Total OPE & Leave	\$138,276,226	\$149,746,150	8.3%	47.7%	50.1%
*Total Personnel Services	\$411,767,830	\$430,840,702	4.6%		

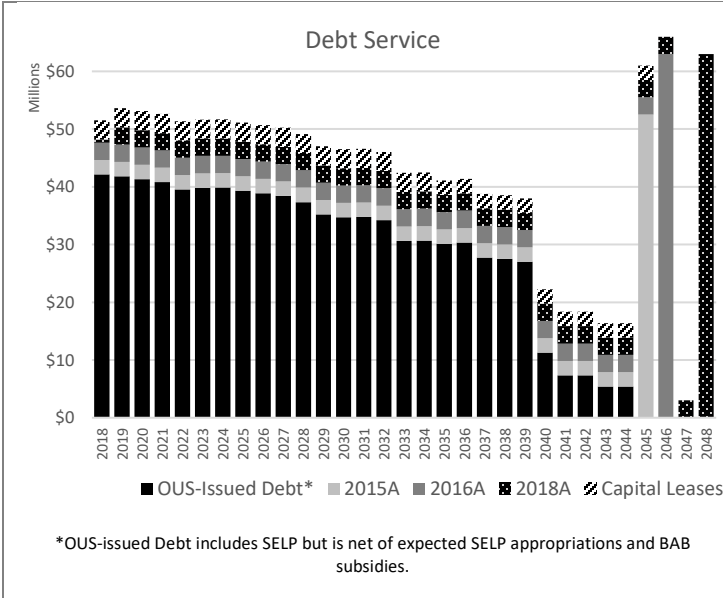
* Data excludes OPE GE Remissions (Tuition, Fee & Benefits), Benefit Compensation & LTD Bus Pass charge

Cash & Investment Pool



- The cash and investment pool averaged \$410 million during Q3 FY18, which is \$37 million more than Q3 FY17. The difference is largely due to proceeds of the 2018A revenue bond sale (January 2018) that have not yet been spent.
- Estimated average accounting yield for Q3 FY18 was 1.64% and is 1.62% year-to-date FY18.

Debt Activities



Significant Projects Funded Using Debt & Capital Leases

UO 2018A

- Bean Hall
- Oregon Hall

UO 2016A

- Kalapuya Ilihi Hall
- Pacific Hall
- Klamath Hall, 3rd Floor

UO 2015A

- Erb Memorial Union

Capital Leases

- White Stag (Portland)
- 1600 Millrace

OUS-Issued Debt

- Autzen Stadium
- Central Power Station
- Erb Memorial Union
- Family Housing Projects
- Ford Alumni Center
- Global Scholars Hall
- Knight Law Center
- Living Learning Center
- Parking Projects
- Student Rec Center
- Matthew Knight Arena
- Williams Bakery Land

- The current principal balance of outstanding debt, including capital leases, is approximately \$735 million.
- 2015A/2016A/2018A bond proceeds are loaned internally for capital projects but all associated loans repay their borrowings prior to the bullet payments, ensuring the Internal Bank will have sufficient cash for the bullet payments due in 2045, 2046, and 2048.

T3 Portfolio

STRATEGY SUMMARY

The University of Oregon Board of Trustees has fiduciary responsibility for university fund management and has delegated oversight to the Treasurer's office. Funds are currently divided into three separate tranches with distinct purposes for each. The portion of funds deemed unnecessary for current needs and so available for riskier, long-term investment to earn a higher rate of return is designated Tier-3 (T3). The long-term objective is to try to generate at least a 4% real net return over rolling five-year periods using a prudent level of risk. It is understood that these funds will be subject to short-term market volatility and risk of loss in pursuit of long-term appreciation. The UO currently employs the UO Foundation, who is not charging a fee for its services, for management of its T3 Funds.

FUND RETURN SUMMARY

PORTFOLIO VALUE	\$64.2 MM
INVESTED CAPITAL	\$62.1 MM
CASH (FOR DIST. AND CALLS)	\$2.1 MM
DISTRIBUTIONS FYTD	\$932 K

RELATIVE PERFORMANCE

	QTR	FYTD*	1 YR*	3 YR	5 YR	10 YR	STD. DEV.	SHARPE
T3 INVESTED CAPITAL	1.2%	8.2%	11.9%	N/A	N/A	N/A	N/A	N/A
60/40 STOCK/BOND BENCHMARK	-1.4%	4.3%	9.3%	5.5%	6.3%	5.2%	N/A	N/A
CPI-U + D% + 1% BENCHMARK	1.5%	2.6%	3.4%	N/A	N/A	N/A	N/A	N/A

PORTFOLIO COMMENTARY

During the quarter, best performing managers for the Fund were small-cap European and small-cap US equity growth managers. They were followed by a US large-cap core manager as well as an international manager investing in high quality, long-term growth companies. The two credit managers lagged as the US raised interest rates aggressively. We remain favorably disposed to the current cohort of managers who we think can add real value during these times of high valuations. Asset allocation is in line with UO Board required targets. Performance has matched our expectations, though too short to draw any conclusions just yet.

**For clarification, T3 performance is calculated using invested capital amounts, weighted to reflect the phasing in of equity investments during 2017; 1/3 equity invested April 1st, 2/3 invested July 1st, and 100% as of October 1st. Fixed Income was fully invested from inception.*

T3 Portfolio



ESTIMATED PORTFOLIO DETAILS

POLICY WEIGHTS

	TARGET	RANGE	ACTUAL
EQUITY	70%	50-75%	71%
FIXED INCOME	30%	25-50%	29%

SECTOR — NET EXPOSURE

CONSUMER	15%
POWER	7%
FINANCIALS	9%
HEALTHCARE	5%
INDUSTRIALS	13%
INFO TECH & TELECOM	27%
REAL ESTATE	2%
SOVEREIGN DEBT	2%
OTHER	0%

COMMITMENT SCHEDULE

COMMITMENT	CAPITAL CALLED	DISTRIBUTIONS	MARKET VALUE
\$4,000,000	\$1,000,000	\$0	\$936,502

SECURITY TYPE — T3 PORTFOLIO

	LONG	SHORT	GROSS	NET
GLOBAL EQUITY	66%	-5%	71%	61%
<i>LONG ONLY</i>	40%	0%	40%	40%
<i>LONG SHORT</i>	26%	-5%	31%	21%
DEBT	23%	-4%	27%	19%
<i>SOVEREIGN</i>	2%	0%	2%	2%
<i>CORPORATE</i>	21%	-4%	25%	17%
TOTAL T3 PORTFOLIO	89%	-9%	98%	80%

GEOGRAPHY — NET EXPOSURE

UNITED STATES	34%
DEVELOPED, NON-US	34%
EMERGING MARKETS	9%
FRONTIER MARKETS	3%

MARKET CAP — NET EXPOSURE*

LARGE	27%
MID	18%
SMALL	16%

*Excludes debt

Agenda Item #2

FY19 Budget and Expenditure Authorization

The Board of Trustees has the responsibility of approving a budget and related expenditure authorizations for each fiscal year. The 2019 fiscal year (FY19) begins July 1, 2018 and runs through June 30, 2019. Attached is a resolution proposed by President Schill and Vice President for Finance and Administration/CFO Moffitt for capital and operating expenditure limitations for FY19. Below are key takeaways for the FY19 Expenditure Authorization Report as identified by the CFO:

- The University is requesting that the Board approve the following expenditure budgets for FY19:
 - Operating budget: \$1,070,762,000
 - Capital budget: \$182,700,000
- Due to expected organizational restructuring (new Campus Planning and Facilities Management Service Center) and accounting adjustments (in Business School), the report includes two sets of figures for FY19:
 - Standard Projections (in white) – show on an apples-to-apples (directly comparable) basis how projected expenditures and revenues are expected to grow between FY18 and FY19
 - “Adjusted” Projections (shaded in gray) – show how the projections will be affected by the restructuring and accounting adjustments
- On an apples-to-apples basis, FY19 operating expenditures in the E&G fund are expected to increase 3.7%. Total institutional FY19 operating expenditures are projected to increase 3.6%.
- Once the projections are adjusted for expected restructuring and accounting adjustments, however, E&G fund operating expenditures are projected to increase 3.3% with total institutional operating expenditures increasing 5.0%. The increased projected operating expenditures for the total institution is due to the creation of a new facilities service center. It is important to note that the increased projected operating expenditures (due to inter-fund transactions) will be matched by increased projected revenue (also due to inter-fund transactions).
- Expected revenue for the entire institution is projected to cover expected expenditures. However, it is still very early in the process to accurately project fall enrollment. Given current advance-tuition deposit activity we are expecting significant enrollment growth. However, given the expected residency mix of students, we are currently projecting an E&G fund gap between expected revenue

and expected expenditures of around \$2.4 million. This number could increase or decrease depending upon actual enrollment in the fall.

- In the E&G fund, major cost drivers, analyzed on an apples-to-apples basis for FY19 include:
 - Salary and OPE (benefits) up \$17.6 million (4.2%). This is due to labor/salary increase packages for faculty and staff, projected increases in health insurance, new positions related to cluster hires, strategic initiative hires, and new tenure-track faculty. Please note that while there is no PERS rate increase next year (FY19), we expect a significant PERS rate increase in FY20.
 - Supplies and services (S&S) up \$1.7 million (2.0%). This is due to increases in institutional expenses (debt, leases, assessments, utilities) and general departmental expenses.
 - Capitalized equipment, student aid (which is only a very small portion of the total scholarships, fee remissions, and student aid awarded), and net transfer expenditures are all projected to be flat (no increase / decrease from FY18)
- In the E&G fund, major FY19 incremental revenue includes:
 - State appropriation up \$2.3 million (3.3%). This is due to the normal increase expected in the second year of the biennium. State funds are generally distributed 49% in the first year and 51% in the second year.
 - Tuition and fee revenue up \$12.7 million (3.1%). This is due to the FY19 undergraduate tuition increase which generated approximately \$8.0 million, as well as projected growth in student enrollment, increases in graduate tuition and the new business school differential tuition.
 - ICC Revenue (the amount the University is able to charge federal granting agencies for facilities and administrative investments) is projected to increase by \$0.9 million (4.0%) based on recent grant award and expenditure activity.
 - Interest and Investment revenue projected to increase by \$0.2 million (3.0%) due to slight variations in credited cash balances.
 - There are no significant changes projected in any other revenue streams.
- Total FY19 capital expenditures are projected to be \$182.7 million. Please note that the figures on the report represent the expenditures expected during FY19, not the total budget for that project.

**Finance and Facilities Committee
Board of Trustees of the University of Oregon**

Resolution: FY2019 Budget and Expenditure Authorizations

Whereas, ORS 352.087(1)(a) 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, ORS 352.087(1)(i) provides that the Board of Trustees may, subject to limitations set forth in that section, spend all available moneys without appropriation or expenditure limitation approval from the Legislative Assembly;

Whereas, ORS 352.102(1) provides that 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, 352.087(3) 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, ORS 352.087(2) 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, the Board of Trustees wishes to approve a budget and related expenditure authorizations for fiscal year 2019; and,

Whereas, the Policy on Committees authorizes the Finance and Facilities Committee to refer matters to the full Board of Trustees as a seconded motion.

NOW THEREFORE, the Finance and Facilities Committee of the Board of Trustees of the University of Oregon refers the following actions to the Board as a second motion, recommending adoption:

1. An operating budget in the sum of \$1,002,990,158 is adopted for fiscal year 2019 (FY19). During FY19, 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 \$182,700,000 is adopted for FY19. During FY19, 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
Bragdon		
Colas		
Gonyea III		
Kari		
Murary		
Schill		

Date: _____ Recorded: _____



FY19 Projected Operating Budget Expenditures

Adjusted to reflect Campus Planning & Facilities Management as a new Service Center & Lundquist College of Business Accounting Adjustment

FY19 Projected Expenditures Adjusted	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)*	\$423,320,000	1.7%	\$221,383,000	10.3%	\$644,703,000	4.5%
Supplies and Services * **	\$91,774,000	12.0%	\$231,034,000	5.3%	\$322,808,000	7.1%
Capitalized Equipment	\$7,500,000	0.0%	\$3,000,000	7.1%	\$10,500,000	1.9%
Student Aid	\$4,500,000	0.0%	\$66,276,000	1.8%	\$70,776,000	1.6%
Net Transfers	\$14,000,000	0.0%	\$7,975,000	0.0%	\$21,975,000	0.0%
Total	\$541,094,000	3.3%	\$529,668,000	6.8%	\$1,070,762,000	5.0%

FY19 Projected Expenditures	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$433,720,000	4.2%	\$209,483,000	4.4%	\$643,203,000	4.3%
Supplies and Services	\$83,574,000	2.0%	\$227,034,000	3.4%	\$310,608,000	3.1%
Capitalized Equipment	\$7,500,000	0.0%	\$3,000,000	7.1%	\$10,500,000	1.9%
Student Aid	\$4,500,000	0.0%	\$66,276,000	1.8%	\$70,776,000	1.6%
Net Transfers	\$14,000,000	0.0%	\$7,975,000	0.0%	\$21,975,000	0.0%
Total	\$543,294,000	3.7%	\$513,768,000	3.6%	\$1,057,062,000	3.6%

FY18 Projected Q3 Expenditures	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$416,142,000	5.1%	\$200,702,000	-2.8%	\$616,844,000	2.4%
Supplies and Services	\$81,910,000	3.3%	\$219,471,000	3.3%	\$301,381,000	3.3%
Capitalized Equipment	\$7,500,000	0.8%	\$2,800,000	-4.3%	\$10,300,000	-0.6%
Student Aid	\$4,500,000	1.3%	\$65,130,000	2.0%	\$69,630,000	2.0%
Net Transfers	\$14,000,000	-31.8%	\$7,975,000	-16.5%	\$21,975,000	-27.0%
Total	\$524,052,000	3.2%	\$496,078,000	0.2%	\$1,020,130,000	1.7%

FY17 Actual Expenditures	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$395,952,228	1.3%	\$206,440,096	11.2%	\$602,392,324	7.6%
Supplies and Services	\$79,327,868	3.9%	\$212,521,657	12.6%	\$291,850,000	8.6%
Capitalized Equipment	\$7,437,754	17.6%	\$2,924,867	-55.7%	\$10,362,620	2.1%
Student Aid	\$4,444,108	21.5%	\$63,842,919	-1.7%	\$68,287,026	2.6%
Net Transfers	\$20,542,861	88.3%	\$9,555,327	976.5%	\$30,098,188	178.7%
Total	\$507,704,818	4.0%	\$495,284,865	10.9%	\$1,002,990,158	9.5%

*-Campus Planning and Facilities Management to be established as a Service Center in FY19. To make this transition the following changes have occurred:

E&G - decrease in Salary & OPE of \$10.4M, increase in Supplies & Service Expense of \$10.4M; Other Funds - increase in Supplies & Service Expense of \$4.0M & increase in Salary & OPE of \$11.9M (Offset by increase to Internal Sales in Other Funds by \$15.9M).

** -E&G Fund: Lundquist College of Business change of accounting \$2.2M reduction in Internal Sales.

FY19 Projected Operating Revenue

**Adjusted to reflect Campus Planning & Facilities Management as a new Service Center & Lundquist College of Business
Accounting Adjustment**

FY19 Projected Revenue Adjusted	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
State Appropriation	\$72,887,000	3.3%	\$1,741,000	0.6%	\$74,628,000	3.2%
Tuition and Fees	\$428,200,000	3.1%	\$45,000,000	1.4%	\$473,200,000	2.9%
Gifts Grants & Contracts	\$315,000	0.0%	\$191,602,000	1.9%	\$191,917,000	1.9%
ICC Revenue	\$23,348,000	4.0%	\$0	0.0%	\$23,348,000	4.0%
Federal Student Aid	\$0	0.0%	\$23,500,000	0.0%	\$23,500,000	0.0%
Interest and Investment	\$6,190,000	3.0%	\$13,168,000	0.9%	\$19,358,000	1.5%
Internal Sales* **	\$2,300,000	-48.9%	\$74,925,000	24.8%	\$77,225,000	19.7%
Sales & Services	\$4,400,000	0.0%	\$177,327,000	2.9%	\$181,727,000	2.8%
Other Revenues	\$1,100,000	0.0%	\$5,945,000	-42.3%	\$7,045,000	-38.2%
Transfers From Ore State Agencies	\$0	0.0%	\$8,250,000	0.0%	\$8,250,000	0.0%
Total	\$538,740,000	2.6%	\$541,458,000	3.8%	\$1,080,198,000	3.2%

FY19 Projected Revenue	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
State Appropriation	\$72,887,000	3.3%	\$1,741,000	0.6%	\$74,628,000	3.2%
Tuition and Fees	\$428,200,000	3.1%	\$45,000,000	1.4%	\$473,200,000	2.9%
Gifts Grants & Contracts	\$315,000	0.0%	\$191,602,000	1.9%	\$191,917,000	1.9%
ICC Revenue	\$23,348,000	4.0%	\$0	0.0%	\$23,348,000	4.0%
Federal Student Aid	\$0	0.0%	\$23,500,000	0.0%	\$23,500,000	0.0%
Interest and Investment	\$6,190,000	3.0%	\$13,168,000	0.9%	\$19,358,000	1.5%
Internal Sales	\$4,500,000	0.0%	\$59,025,000	-1.7%	\$63,525,000	-1.5%
Sales & Services	\$4,400,000	0.0%	\$177,327,000	2.9%	\$181,727,000	2.8%
Other Revenues	\$1,100,000	0.0%	\$5,945,000	-42.3%	\$7,045,000	-38.2%
Transfers From Ore State Agencies	\$0	0.0%	\$8,250,000	0.0%	\$8,250,000	0.0%
Total	\$540,940,000	3.1%	\$525,558,000	0.7%	\$1,066,498,000	1.9%

FY18 Projected Q3 Revenue	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
State Appropriation	\$70,587,000	5.7%	\$1,731,000	0.0%	\$72,318,000	5.5%
Tuition and Fees	\$415,490,000	3.5%	\$44,396,000	-0.8%	\$459,886,000	3.0%
Gifts Grants & Contracts	\$315,000	1.4%	\$188,102,000	3.2%	\$188,417,000	3.2%
ICC Revenue	\$22,450,000	2.5%	\$0	0.0%	\$22,450,000	2.5%
Federal Student Aid	\$0	0.0%	\$23,500,000	0.4%	\$23,500,000	0.4%
Interest and Investment	\$6,010,000	15.9%	\$13,054,000	-3.5%	\$19,064,000	1.9%
Internal Sales	\$4,500,000	186.9%	\$60,016,000	1.2%	\$64,516,000	6.0%
Sales & Services	\$4,400,000	2.4%	\$172,317,000	3.6%	\$176,717,000	3.6%
Other Revenues	\$1,100,000	-89.4%	\$10,301,000	47.7%	\$11,401,000	-34.3%
Transfers From Ore State Agencies	\$0	0.0%	\$8,250,000	-0.1%	\$8,250,000	-0.2%
Total	\$524,852,000	2.5%	\$521,667,000	3.0%	\$1,046,519,000	2.7%

FY17 Actual Revenue	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
State Appropriation	\$66,801,344	3.0%	\$1,731,024	0.0%	\$68,532,368	3.0%
Tuition and Fees	\$401,585,095	1.7%	\$44,733,423	-4.7%	\$446,318,518	1.0%
Gifts Grants & Contracts	\$310,800	-33.1%	\$182,279,154	6.1%	\$182,589,954	6.0%
ICC Revenue	\$21,895,847	7.0%	\$0	0.0%	\$21,895,847	7.0%
Federal Student Aid	\$0	0.0%	\$23,414,554	-1.3%	\$23,414,554	-1.3%
Interest and Investment	\$5,184,658	4.8%	\$13,525,970	-6.2%	\$18,710,628	-3.4%
Internal Sales	\$1,568,535	1007.9%	\$59,298,758	20.8%	\$60,867,293	23.6%
Sales & Services	\$4,295,686	78.5%	\$166,280,822	19.6%	\$170,576,509	20.6%
Other Revenues	\$10,386,884	842.8%	\$6,976,240	-65.7%	\$17,363,123	-19.0%
Transfers From Ore State Agencies	\$11,111	0.0%	\$8,258,760	0.7%	\$8,269,871	0.8%
Total	\$512,039,960	4.7%	\$506,498,704	6.6%	\$1,018,538,665	5.6%

*-Campus Planning and Facilities Management to be established as a Service Center in FY19. To make this transition the following changes have occurred:

Other Funds - increase in Internal Revenue of \$15.9M

** -E&G Fund: Lundquist College of Business change of accounting \$2.2M reduction in Internal Sales.

**FY19 Capital Project Expenditure Budgets**

Project	FY19 Budget*	Expected Primary Source of Total Project Funds
Knight Campus	\$ 77,000,000	Gifts/State Bonds
Tykeson Hall	\$ 20,000,000	Gifts/State Bonds/UO Bonds
Bean Hall	\$ 18,000,000	UO Bonds/Departmental Funds
Klamath Hall 3rd Floor	\$ 17,000,000	Gifts/State Bonds/UO Bonds
University Health Expansion	\$ 12,500,000	UO Bonds/Departmental Funds
Pacific Hall CMER Labs	\$ 6,000,000	Gifts/State Bonds/UO Bonds
Oregon Hall	\$ 3,000,000	UO Bonds/State Bonds/Departmental Funds
Hamilton	\$ 3,000,000	UO Bonds
510 Oak Street Renovation	\$ 2,000,000	UO Bonds
Black Cultural Center	\$ 1,500,000	Gifts
Classroom Building	\$ 1,500,000	Gifts/UO Bonds
Misc Capital Repair	\$ 7,000,000	State Bonds/Departmental Funds
Misc. Departmental Projects	\$ 14,200,000	Department Funds/Gifts
	<u>\$ 182,700,000</u>	

*These figures represent the FY19 expenditure budget amounts, not the full budget for each project.

Agenda Item #3

University Housing Capital Plan: Updated Proposal



Transformation Plan

Bean, Hamilton, and Walton Residence Halls



Presented to UO Board of Trustees, June 2018

Need for Residence Hall Transformation

Dynamic and attractive communities are needed now to help drive and support student recruitment and retention in a very competitive environment.

Students who live on campus in the UO's high-quality, learning-centered residential communities have higher grades, retention and graduation rates, and graduate faster than students who live off campus.

Living on campus at the UO facilitates diverse and inclusive communal engagement, contributes to students' exploring purpose and meaning, and facilitates students making long-term social connections.

Need for Residence Hall Transformation

- **Grow from 4,700 to 5,100 beds**
- **Increase student recruitment and retention**
- **Prepare for conferences and high profile events**

Bean Hall

Bean West opens fall 2018, Bean East opens fall 2019

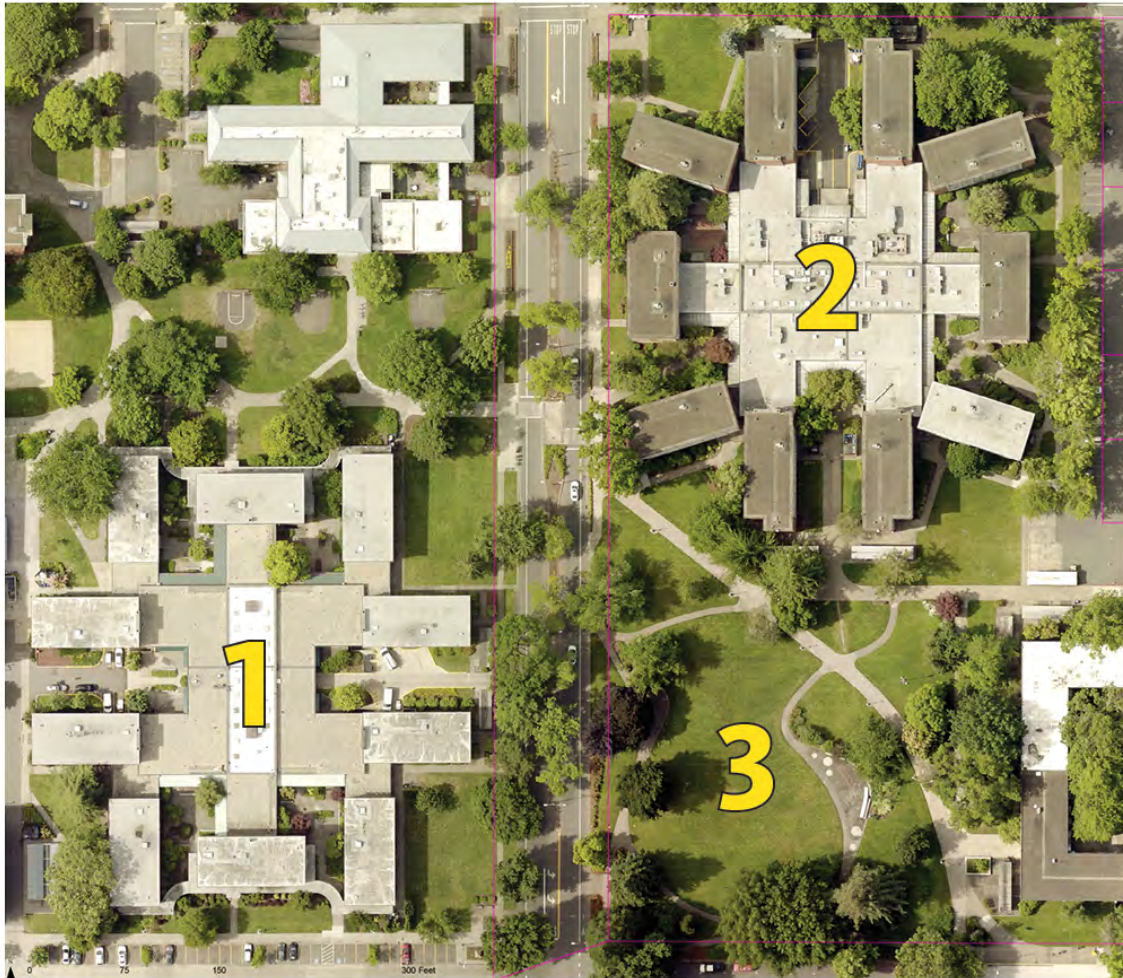


Hamilton Hall



Walton Hall





- 1 Walton**
- 2 Hamilton**
- 3 Humpy
Lumpy
Lawn**

Current Status, Hamilton Hall

- **800 beds, primarily traditional doubles with community bathrooms**
- **4 dining venues (16,600 square feet)**
- **Housing Service Center and mailroom**

Current Status, Walton Hall

- **600 beds, primarily traditional doubles with community bathrooms**
- **University Housing administration offices**

Proposed Transformation

- **Replace Hamilton and Walton Halls with two–three buildings**
- **Build on portions of the current Hamilton, Walton, and humpy lumpy lawn sites**
- **Create new humpy lumpy lawn/green space**
- **Expand to 1,800+ beds in a variety of room types**
- **Expand dining venues to 20,000 square feet**
- **Develop a dedicated visitors center to enhance student recruitment**
- **\$205–215 million anticipated cost**

Proposed Timeline

- **RFP and negotiations: June–November 2018**
- **Design: October 2018–September 2019**
- **Construction phase I: October 2019–December 2020**
- **Construction phase II: January 2021–June 2022**
- **Construction phase III: June 2022–November 2023**

Financing and Funding

- **Extensively and intensively explored various funding and delivery development options over a year. Included UO stakeholders**
 - **Private equity**
 - **Traditional financing**
- **Engaged consulting firm to explore viability of the various funding options**
- **Thorough vetting and analysis resulted in the decision to pursue traditional self-financed approach**
 - **Better financial performance over the life of the debt (bond)**
 - **Institutional control and efficiencies with capital and operations**
 - **Enhanced ability to provide residents with experience consistent with UO values and academic support**

Questions and Discussion

Agenda Item #4

Academic Allocation Model: First Year Implementation Review

Academic Allocation Model

Effective July 1, 2018, the University of Oregon will provide general fund allocations to all academic units through a new Academic Allocation Model. The new model replaces the previous Oregon Budget Model, an activity-based budget model primarily driven by student activity such as student credit hours, the location of enrolled majors and graduate students, and earned degrees.

In contrast, the new Academic Allocation Model provides each academic unit with a funding allocation calibrated to prior year as well as projected expenses, and opportunities for strategic investment dollars. It is designed to create financial stability for UO schools and colleges.

Under the new Academic Allocation Model, each school or college will be given a single operating allocation for the fiscal year, funded through the components outlined below. The schools and colleges will be responsible for creating an internal, balanced budget based on this operating allocation. The deans and chief financial officers will work closely with the Office of the Provost (OtP) and the executive vice provost for academic operations to track and project expenditures.

Operating Allocation

The operating allocation is intended to fund all basic school and college operations. It is the sum of the following:

- *Tenure-Track Faculty (TTF) Base Allocation*: total base salary and OPE of all tenure-related faculty in the unit. This allocation is tied to the Institutional Hiring Plan (<https://provost.uoregon.edu/ay2018-19-institutional-hiring-plan>)
- *Graduate Employee (GE) Base Allocation*: salary, insurance and fees for a specified number of graduate employee appointments (by academic year term). The number of graduate employees will continue to be determined annually through a collaborative process between the Graduate School, OtP, and each school and college.
- *Graduate/Differential Tuition Allocation*: 100% of any academic year graduate tuition or undergraduate differential tuition generated by the unit, less a fixed Tuition Holdback. The Tuition Holdback is a lump sum that grows each year based on salary inflation, shared expenses related to graduate programs, and conversations between the provost and individual deans.

- *Summer Session Allocation:* summer session revenue based on undergraduate and graduate student credit hours, in a manner similar to that of the old Oregon Budget Model.
- *General Operations Allocation:* a lump sum amount determined by OtP based on understanding of the operations of the school or college and conversations with the dean. Across all schools and colleges, this allocation represents roughly 16% of the total allocation.
- *Short-term Program Investment Allocation:* a sum to seed new programs, build strength in programs, or help units through difficult, short-term adverse market or financial conditions. Program investments are tied directly to conversations between the dean and the provost.

A more detailed “Academic Allocation Model Handbook” is available at the link below. It is 28 pages, just long enough that we did not reproduce it in this packet to save space, but not so long that one cannot get through it easily.

LINK: <https://provost.uoregon.edu/academic-allocation-model> (see bottom of page); available as a PDF via email upon request.

Academic Allocation Model

School and College Allocations and Finances

- As of FY19, we have a new fully formed Budget Allocation System for our Schools and Colleges.
- As importantly, we have established new tools for tracking and forecasting both expenditures and allocations.
- We have established expectations for collaboration between the Deans and the Provost on financial matters.
- We have shifted the emphasis of key financial decisions and allocations closer to the mission of the institution through:
 - The Institutional Hiring Plan
 - Annual GE allocations based on student success metrics
 - Well-planned growth of new and existing graduate programs

Incentives for Deans

- Collaboration with each other and with the Provost
- Long-term programmatic and financial planning
- Tenure Track Faculty
- Incentivizing external research support
- Fundraising for faculty salaries and support
- Realigning graduate student support towards successful programs and PhD students

Challenges in the first few years

- Acculturating to collaboration with each other and with the Provost
- Acculturating to long-term programmatic and financial planning
- Learning to use and trust new financial tools that focus primarily on personnel levels

Strategic Planning for Deans and the Provost

Academic strategic planning revolves almost entirely around:

- Faculty
 - The allocation model automatically links to faculty funding.
 - The IHP implies that Deans must collaborate with the Provost on this strategy.
- Program Development
 - The model directly funds graduate program development through tuition.
 - Undergraduate program development must be coordinated with the Provost, thus avoiding some of the pitfalls of our previous budgeting model.
- Student Success planning
 - This is tougher. We have metrics that roughly measure local student success and in the long term those metrics will provide evidence for increased investment or disinvestment.
 - That said, Student Success is clearly a high priority for the institution and there is nothing in the allocation model to get in the way of pursuing the goal.

Academic Allocation Components	General Description The Item(s) Allocated	of	FY19 % of Total	FY19 \$ Total = \$280M	Annual Change Process (Primary Decision Maker)
Tenure-Track Faculty (TTF) BASE	Salaries and OPE for all TTF, including deans		51.2%	\$143M	Institutional Hiring Plan (Provost); inflation is automatic
Graduate Employee (GE) BASE	Salary, insurance, and fees for a specific number of GE terms		9.9%	\$28M	Annual analysis of Graduate School metrics (Provost and Grad School Dean) + conversations with school/college deans
Graduate and Differential Tuition less fixed tuition holdback ¹	All graduate tuition and differential tuition paid for a specific program or school/college, less a fixed holdback		17.7%	\$50M <i>(\$70M less \$20M)</i>	Activity- and tuition-based (dean); the holdback increases with salary increases + negotiated deltas (Provost and deans)
Summer Tuition	Tuition revenue per student credit hour (SCH) for summer instruction		4.4%	\$12M	Activity- and tuition-based (Dean)
General Operating Allocation (GOA)	Lump sum allocation to schools/colleges		15.9%	\$44.5M	Increases with general inflation +/- adjustments based on Provost's discretion and negotiations (Provost)
Program Investments	Specific short-term investments in new programs or short term financial issues		0.9%	\$2.5M	Annual conversations between deans and Provost (Provost)

¹Tuition Holdback: A lump sum reduction of graduate/differential tuition used to pay for increased central costs associated with program growth, possibly including new faculty.

Finally, a Work in Progress: On-line education

- We have not established the financial paradigm for on-line education.
- Based on past experience, this must be done carefully.
- But once we know what our particular on-line goals are – it should not be difficult to bolt on an on-line financial structure that is overall beneficial for the institution.

Agenda Item #5

Retirement Plan Management Policy Modifications (No Impact to Plans/Benefits)



As you may recall, the University of Oregon serves as administrator for Oregon's public universities within the context of retirement plan management. Not surprisingly, there are a number of policies that govern the administration and management of the various retirement programs available to employees of these public universities.

To help ensure fiduciary responsibility, the Retirement Plans Management Office will provide the Board with an annual report each June. The first such report is attached immediately following this cover page/overview.

Within that report is an articulation of changes proposed by the Office, counsel, and the CFO. Below is a summary of documents included in this packet. There are several, and a two of the redlined policies in particular are quite lengthy. For this reason, we have only included redline versions. If you would like a clean version of any policy (post-redline or current) please ask the board office.

Provided Documents:

- This overview
- Memo with annual report and proposed changes (beginning with section III on page 4)
- Resolution
- Retirement Plans Committee Charter – REDLINE (begins page 52 of the packet)
- Trustee Agreement – REDLINE (begins page 61 of the packet)
- ORP Restatement – REDLINE (begins page 80 of the packet)
- TDI Plan Restatement – REDLINE (begins page 140 of the packet)

MEMORANDUM

To: University of Oregon Board of Trustees
Fr: Retirement Plans Management Office
Date: June 7, 2018
Re: This memo provides an overview and update to the Board related to the structure and activities of the Oregon Public University Retirement Plans (OPURP).

Plans Currently Administered by OPURP

OPURP, through its Retirement Plans Management office, operates the Optional Retirement Plan (ORP), the Tax-Deferred Investment 403(b) Plan (TDI), and the remaining assets of two legacy plans (Legacy Plans). The Supplemental Retirement Plan, also known as the "SRP" was terminated effective September 8, 2017.

Optional Retirement Plan

The ORP is an optional alternative to the PERS retirement system. Academic and administrative employees have six months from their date of hire to elect to participate in the ORP in lieu of PERS. If an employee does not make a choice, they are assigned by default to participate in PERS. All contributions to the ORP are paid by the universities for the benefit of their employees.

Employees who participate in the ORP are assigned to one of five separate tiers depending on their date of hire. For employees in the ORP's first three tiers, the universities make contributions equal to the percentage of the employee's salary the universities would otherwise contribute to PERS if the employee participated in PERS. The universities' statutorily required ORP contribution rates for these employees increase and decrease depending on the contribution rates periodically announced by PERS. As a result, OPURP cannot predict the ORP contribution rates for the employees assigned to the first three tiers of the ORP.

Currently, employees assigned to tiers one and two receive contributions to the ORP equal to 23.68% of their salary, plus an additional 6% contribution to the ORP that is treated as an employee contribution. This amounts to contributions equal to 29.68% of their salary. Employees assigned to tier three of the ORP receive contributions to the ORP equal to 9.29% of their salary, plus an additional 6% contribution that is treated as an employee contribution. This amounts to contributions equal to 15.29% of their salary.

Employees assigned to the fourth and fifth tiers of the ORP receive contributions equal to a fixed percentage of their compensation. Employees assigned to tier four, those hired on or after July 1, 2014, receive an amount equal to 8% of their salary, plus an additional amount that matches the employee's own elective contributions to the TDI up to a maximum of 4% of the employee's salary. The matching contributions to the ORP are treated as employee contributions.

Post-doctoral scholar employees hired on or after January 1, 2018 are assigned to tier five of the ORP. They receive contributions to the ORP that matches the employee's own elective contributions to the TDI up to a maximum of 4% of the employee's salary. These contributions to the ORP are treated as employee contributions.

Contributions to the ORP vest on the same schedule regardless of the tier to which the employee belongs. The standard contributions have a five-year vesting period, and the amounts treated as employee contributions vest immediately upon contribution to the plan.

Tax-Deferred Investment 403(b) Plan

The TDI elective deferral retirement plan is a plan to which employees can contribute regardless of whether they participate in PERS or the ORP. Employees can choose an amount that their university employer will withhold from their paycheck on a pre-tax or after-tax (Roth) basis to contribute to the TDI. All contributions to the TDI are made from the employees' own money and are not paid by the universities.

Employees are eligible to contribute to the TDI immediately after they are hired. All contributions to the TDI vest immediately.

Legacy Plans

OPURP continues to administer the 403(b) and 401(a) Legacy Plan retirement accounts. Employees who joined the 401(a) Legacy Plan when they were hired are still allowed to receive contributions to this plan instead of the ORP, but no new employees may join the plan. The 403(b) Legacy Plan cannot receive any new contributions and new employees may not join the plan.

OPURP administers 14 retirement contracts that are related to the 403(b) Legacy Plan. These retirement contracts have been closed to contributions since 2007.

I. OPURP Structure

UO has implemented best practices throughout its retirement plans management structure to ensure that the public universities' plans are operated with skill, care, and diligence.

OPURP Management

UO, through its Board of Trustees and employees, is the plan sponsor and fiduciary of the OPURP retirement plans. Gay Lynn Bath serves as the primary administrator of OPURP, the Retirement Plans Management office, and each of the retirement plans. Ms. Bath directs the plans' daily management, strategy, and initiatives in cooperation with the OPURP's Retirement Plans Committee and UO's executive leadership. As Director of Retirement Plans Management, Ms. Bath manages a streamlined staff that includes a benefits coordinator, a part-time benefits analyst, and an administrative assistant.

Ms. Bath serves under the executive management and direction of Jamie Moffitt, UO's Vice President for Finance and Administration and CFO, and Nancy Resnick, UO's Associate Vice President and Chief Human Resources Officer. Due to the complex legal requirements associated with sponsoring and managing retirement plans, Ms. Bath works closely with Craig Ashford, UO's Assistant General Counsel, and Iris Tilley, outside counsel from Barren Liebman in Portland.

Retirement Plans Committee

As a fiduciary steward UO has adopted best practices to manage the retirement plans' assets. This includes the formation of a Retirement Plans Committee that considers a wide range of administrative and investment matters for the plans. The Retirement Plans Committee is composed of two separate

subcommittees: the Retirement Plans Investment Committee and the Retirement Plans Administration Committee.

Retirement Plans Investment Committee

The Retirement Plans Investment Committee is charged with making all decisions regarding investments available to OPURP plan participants. This includes monitoring overall investment performance and determining which investment options should be made available to employee plan participants. This committee is comprised of faculty and staff from UO, Oregon State University, Portland State University, the Oregon Institute of Technology, and the University Shared Services Enterprise.

Participants’ retirement assets are invested through one of three investment companies: TIAA, Fidelity Investments, and VALIC. These companies, referred to as recordkeepers, offer a list of funds in which plan participants may invest their retirement funds. They also offer investment counseling and advisory services to plan participants. Newly hired employees are allowed to invest through TIAA and Fidelity. New employees have not been permitted to invest through VALIC since 2007.

This Investment Committee meets quarterly with the Retirement Plans Management staff, each recordkeeper’s relationship manager, and an independent investment advisory firm, SageView Advisory, to review the plans’ investments. The Investment Committee reviews the performance of investment funds offered by each recordkeeper to ensure the funds perform and operate within the Committee’s previously adopted investment policy standards.

Retirement Plans Administration Committee

The Retirement Plans Administration Committee is charged with advising on common ministerial matters. This includes meeting quarterly to interpret the plan documents, determine the eligibility of potential participants, review Retirement Plans Management’s management decisions and benefit determinations, and other matters. The Administration Committee is made up of benefit managers from UO, OSU, PSU, and Western Oregon University as well as the payroll director at USSE.

The Administration Committee has historically had limited discretionary decision-making authority for the plans. However, with the changes presented today for proposed new plan documents and charter, it is proposed that the committee serve strictly in an advisory role in the future. ORP administrative oversight duties will now be delegated to Jamie Moffitt and Gay Lynn Bath under the Board of Trustees’ authority.

Current Plan Assets

Below is a breakdown of the assets and participants in the plans.

Vendor	Assets as of 12/31/2017	# of Participants
Fidelity ORP	\$213,416,666	2155
Fidelity TDI	\$240,966,856	3446
TIAA ORP	\$577,263,949	3944
TIAA TDI	\$366,926,534	3669
TIAA Legacy 401(a)	\$ 47,935,282	322
TIAA Legacy 403(b)	\$ 34,166,589	359
VALIC TDI	\$167,676,649	1040
VALIC ORP	\$119,413,456	1450
Discontinued 403(b) Plans	\$ 85,107,033	2514
Total	\$1,852,972,914	18,899

The recordkeepers for each plan offer a variety of investment funds. For ease of management, the recordkeepers offer the same investment funds for both the ORP and the TDI. TIAA and VALIC offer annuities, but Fidelity does not. The 403(b) Legacy Plan accounts are currently limited to mutual funds and annuities.

II. **Prior Improvements to Management and Oversight of Retirement Plans**

1. ***New, more cost-effective fee structures.*** Since 2015, OPURP has negotiated new fee agreements with all three record keepers to keep fees as low as possible for participants and also ensure an equitable structure for supporting OPURP's plan costs. OPURP's will continue restructuring the recordkeeping and administration fees in each plan to be as equitable and consistent as possible for each participant.

Fidelity now charges an annual fee of \$62 per person for recordkeeping and a \$20 fee to cover OPURP administration costs. OPURP is working with TIAA to move toward an 8-basis point annual fee for recordkeeping. TIAA participants pay OPURP's administrative fees through revenue share fees. These are fees collected by TIAA that are shared with OPURP. Any excess fees are returned to participants. OPURP is working with TIAA to charge to a per person fee model in 2018 instead of a revenue share model. VALIC charges an annual fee of 17 basis points per person; 14 for recordkeeping and 3 for OPURP's administrative costs.

2. ***Enhanced Investment Oversight.*** In 2015, the Investment Committee started meeting on a quarterly basis to oversee investments offered by Fidelity for the ORP and TDI. A subcommittee was then added to oversee investments offered by TIAA and VALIC. OPURP also increased Sage Advisory's role to provide guidance for the TIAA and VALIC investments in addition to the Fidelity investments.
3. ***Expanded Mutual Fund Options (VALIC).*** In 2017, we added mutual funds to the list of investment options for participants invested through VALIC. Participants can now move into those funds from their annuity funds. All new contributions go into the mutual funds, which have lower fees than the annuity funds.

III. **Proposed Changes to Management and Oversight of Retirement Plans**

Gay Lynn Bath and UO legal counsel have drafted proposed updates to the OPURP plan documents and the plans' structures. Legal counsel recommends changes to the duties of the ORP Trustees, Administration Committee, and Investment Committee. The proposed changes would reduce unnecessary administrative cost, time, and redundancy. The proposed changes to the fiduciary structures of the plans has been presented to the Vice Presidents for Finance and Administration for all of Oregon's public universities for consideration and comment. The VPFA's of the universities support the proposed changes.

A list of the proposed changes is included below.

1. **Reallocating Administrative Responsibilities.** The Oregon University System (OUS) created a divided decision-making structure for the plans. This included assigning the Administration Committee with a complex mix of advisory and decision-making functions for the ORP and TDI. The Administration Committee's responsibilities also partially overlap with responsibilities assigned to the Retirement Plans Management office and the Investment Committee. These divided, overlapping, and mixed authorities can cause confusion, unnecessary duplicative action, and uncertain authority in the administration of the plans. Despite these challenges, the Administration Committee has done outstanding work.

The Administration Committee serves an indispensable consultative role in managing administrative pitfalls before they become problems. OPURP and UO legal counsel propose to transition the Administration Committee to a purely advisory role for all administrative matters. All final decisions regarding the operation and administration of the plans would be made by Gay Lynn Bath or Jamie Moffitt, the regular administrators of the plans, in consultation with the Administration Committee and legal counsel. The Administration Committee's recommendations would remain critical to UO's ability to fulfill its fiduciary obligations to plan participants to make carefully considered decisions.

2. **Elimination of the ORP Trustee Roles.** By law, the ORP is a trust that requires a person or group to prudently manage of the plan. This role is traditionally called the "trustee." The University has charged Gay Lynn Bath, the Director of Retirement Plans Management, and the Investment Committee to perform nearly all of these traditional "trustee" fiduciary duties for the plan.

The University also appointed a separate group of three individuals to serve as "trustees" for the ORP. Their title implies that they have fiduciary responsibility for all plan assets. However, their charge was limited to administration and investment oversight of a small, separate pool of plan assets that are not deposited in participant accounts. This includes funds from revenue sharing fees, administration fees, and forfeited funds from participants who left employment before vesting. The trustees also performed a periodic limited review of total plan assets.

UO legal counsel has recommended that the University eliminate the ORP's trustee positions and divide their duties among UO's administrators and the Investment Committee. The trustees' investment duties can be absorbed by the Investment Committee with little additional burden due to the small size of this pool of funds. The Investment Committee, with the assistance of an outside investment advisor, Sage Advisory, already performs oversight of all other plan assets in both the ORP and TDI plans. The trustees' administrative duties will be assigned to Jamie Moffitt, and will largely be delegated to Gay Lynn Bath.

3. **Additional Miscellaneous Changes.** Gay Lynn Bath and UO legal counsel have also recommended additional miscellaneous changes to the ORP and TDI that are consistent with the plans' structure and operation approved by the Board in 2014. This includes aligning the ORP's and the TDI's definition of compensation, dissolving the Investment Committee's recordkeeper subcommittee, and eliminating repetitious and confusing language and typographical errors in the plan documents.

**Finance and Facilities Committee
Board of Trustees of the University of Oregon**

Resolution: Retirement Plan Management Changes

Whereas, pursuant to Section 5.4.1 of a Shared Services Agreement (SSA) among University of Oregon (the "University") and signing public universities in the State of Oregon, the University has adopted and administers the Oregon Public Universities Optional Retirement Plan ("ORP") and the Oregon Public Universities Tax-Deferred Investment 403(b) plan ("TDI") (together, the "Plans") on behalf of all of the Participating Employers, 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 individual Participating Employer (each, a "Participation Agreement");

Whereas, the ORP is a qualified plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), under which a trust has been established (the "ORP Trust"), in connection with which exists certain service provider and related agreements (the ORP plan document, Trust Agreement, and related documentation, collectively the "ORP Documents");

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, collectively the "TDI Documents");

Whereas, the TDI and ORP have been restated for continued legal compliance and to make certain administrative amendments;

Whereas, the ORP Trust Agreement has been amended to change the designated Trustee to the University;

Whereas, the Retirement Plans Committee Charter has been amended to adjust certain duties and term limits to comport with the restated Plans and restated ORP Trust Agreement; and,

Whereas, the Policy on Committees authorizes the Finance and Facilities Committee to refer matters to the full Board of Trustees as a seconded motion.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Section 11.1 of the ORP, Section 12.1 of the TDI, Section 5 of the ORP Trust Agreement, and the University's authority over the Retirement Plans Committee Charter, the restated ORP, TDI, ORP Trust Agreement, and Retirement Plans Committee Charter be, and hereby are, adopted and approved. The ORP and TDI are adopted and approved in their restated forms and in the forms presented to the Board and attached hereto as Exhibits A, B, C, and D. The President of the University, or his delegate, hereby is authorized and directed to execute and deliver documents substantially similar to the attached, as applicable, and any ancillary documents and 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.

VOTE RECORDED ON THE FOLLOWING PAGE

Moved: _____ Seconded: _____

Trustee	Yes	No
Bragdon		
Colas		
Gonyea III		
Kari		
Murary		
Schill		

Date: _____ Recorded: _____

Retirement Plans Committee Charter

REDLINE

**Oregon Public Universities
Retirement Plans Committee Charter**

Amended and Restated Effective as of January 1, ~~2017~~2018

1) Purpose

The University of Oregon (“UO”) sponsors the Oregon Public Universities Tax-Deferred Investment 403(b) Plan (the “TDI”) and the Oregon Public Universities Optional Retirement Plan (the “ORP”, and, together with the TDI, the “Plans”). The University of Oregon is the plan administrator (“Administrator”) of the Plans. The Plans are each single-employer plans serving those public universities in the State of Oregon who formally adopt the ORP, the TDI, or both Plans. To assist UO in facilitate the efficient management of the Plans, in accordance with the TDI and the ORP plan documents, ~~the UO, through its Board of Trustees of UO (the “Board”))~~, has established and delegated certain responsibilities to the Retirement Plans Committee (the “Committee”). ~~The Board”) and two subcommittees thereunder: the Retirement Plans Administration Committee (the “Administration Committee”) and the Retirement Plans Investment Committee (the “Investment Committee”).~~ UO is the Administrator of ~~the Plans and shall be the~~ fiduciary responsible for ~~administration of~~ the Plans. Therefore, ~~the Board~~ UO retains responsibility for oversight of the ~~Committee’s administration of~~ Committees’ ~~administrative assistance to~~ the Plans and investment of Plan assets. ~~The Board may delegate any or all of its~~ UO, through its Board, has delegated to ~~the Committee, the Administration Committee, and the Investment Committee those~~ fiduciary rights and obligations described in this Charter. _

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2) Committee Composition

The Committee shall be comprised of two standing subcommittees, the ~~Retirement Plans~~ Investment Committee and the ~~Retirement Plans~~ Administration Committee. ~~The Retirement Plans Administration Committee is the administration committee for the ORP and the TDI. The Retirement Plans Investment subcommittee~~ Committee is charged with specific functions related to selection and monitoring of investments for the Oregon Public Universities Retirement Plans’ open-architecture investment menu as well as the investment of unallocated assets, and the ~~Retirement Plans~~ Administration Committee is charged with specific functions related to administration and operations of the Plans. Together, the members of these committees constitute the Committee.

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The Committee shall consist of an odd number of persons on each of the ~~Retirement Plans~~ Investment Committee ~~and Retirement Plans~~, Administration Committee, and all subcommittees appointed by the Board, or its delegate, who shall serve at the pleasure of the Board.

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- The ~~Retirement Plans~~ Investment Committee shall consist of members broadly representative of faculty, administrative staff, and classified employees, including at least one faculty employee, one classified employee, and one administrative employee, ~~and the number of members of this committee shall not exceed seven.~~

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~~The Investment Recordkeeper Subcommittee of the Retirement Plans Investment Committee will be established and shall consist of at least three members and shall not exceed seven members. Members of the Alternate Investment Recordkeeper Subcommittee are not required to be members of the Retirement Plans Investment Committee.~~

~~The Retirement Plans~~

- ~~The Administration Committee shall consist of three or more members, including two UO employees and one or more campus retirement plan administrator/administrators. The Retirement Plans Administration Committee will serve as the administration committee with responsibility for ORP administration and TDI administration to the extent delegated by the Administrator.~~

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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. ~~Retirement Plans Investment Committee appointments shall generally be three years' duration.~~

Committee nominees are required to agree to and pass a criminal background check, pursuant to UO policy ~~580, Division 23~~, to finalize their appointments to the Committee.

~~In connection with becoming a~~ Each Committee member, each member is responsible for reading and understanding each Plan document, the Investment Policy Statement, and other material instruments governing the Plans as identified with the assistance of the Administrator. In addition, each Committee member is responsible for understanding the Committee's role, rights, obligations, and authority under the Plans and federal and state laws.

- ~~A) A) Officers. The full Committee and each subcommittee will have a Chair and a Secretary appointed by the Board or its duly authorized delegate. The Chair of the Retirement Plans Investment Committee or the Chair of the Retirement Plans Administration Committee may serve as Chair of the full Committee. The Retirement Plans 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 but cannot be 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. The Secretary(ies) shall also have custody of all documents, the preservation of which shall be necessary or convenient to the efficient functioning of committees and which shall be in accordance with other requirements of law.~~

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- ~~B) B) Execution. An instrument of the Committee must be signed by at least one member of the Retirement Plans 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.~~

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~~C)~~ ~~E)~~ **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.

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~~D)~~ ~~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.

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~~E)~~ ~~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, the Administration Committee, the Investment Committee, any subcommittees, and all Committee members~~ harmless against liability incurred in the administration of the Plans, to the full extent permitted by law. ~~This section~~ UO 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, including, but not limited to, embezzlement or diversion of Plan funds for personal benefit.

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~~F)~~ ~~F)~~ **Subcommittees.** The Committee may form ad hoc subcommittees in addition to those described in this Charter and advisory committees to review and research particular matters and make recommendations to the Committee for decision. In addition, the Committee may delegate its authority to decide particular matters to a subcommittee. Subcommittees that are delegated the authority to make decisions must follow the same processes and abide by the same requirements described in this Charter with respect to the Committee, the ~~Retirement Plans~~ Administration Committee, and the ~~Retirement Plans~~ Investment Committee. Any subcommittee ~~established by this Charter~~ may be dissolved by the Administrator without any amendment to this Charter.

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~~G)~~ ~~G)~~ **Termination.** A member's service to the Committee may end upon (1) request of the Board or its delegate, (2) the member's delivery of 60 days' notice of intent to resign from the Committee, or (3) expiration of the member's period of appointment.

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3) Meetings & Documentation

A) **Frequency.** The Committee will meet at least ~~two times each year~~ quarterly with the authority to convene additional meetings as circumstances require. ~~The Retirement Plans Investment Committee will meet four times per year as follows: once between August 1 and October 31, once between November 1 and January 31, once between February 1 and April 30, and once between May 1 and July 31.~~ The Retirement Plans The Investment Committee and the ~~Retirement Plans~~ Administration Committee may also meet on an as-needed basis when full Committee participation is not required, as determined by the ~~Retirement Plans~~ Administration Committee and ~~Retirement Plans~~ Investment Committee Chairs. Recommendations and reports of the Committee, ~~Retirement Plans~~ Investment Committee, and the

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~~Retirement Plans~~ Administration Committee shall be made to the Board's delegate. ~~The Committee, the Retirement Plans Administration Committee, and the Retirement Plans Investment Committee will, to the extent applicable, hold meetings in accordance with the requirements of Oregon Public Records Law, as described in ORS 192.610 through 192.690.~~

B) Process. Meetings will be held pursuant to the requirements of Oregon ~~Public Records Law~~ public records law, to the extent applicable. 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 ~~Retirement Plans~~ 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 and shall be made available to the public within a reasonable time after the meeting.

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 or its delegate as soon as practicable after it is prepared.

5) Committee Actions

A) Quorum. A quorum will be a simple majority of Committee or, as applicable, subcommittee members for all meetings. A majority vote of the members participating at the meeting is required ~~for Committee to approve~~ any 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 subject to the requirements of Oregon ~~Public Meetings Law~~ public meetings law, to the extent applicable.

B) Action without a Meeting. Subject to the requirements of Oregon ~~Public Meetings Law~~ public meetings law, to the extent applicable, any action required or permitted to be taken at any meeting of the Committee or a subcommittee 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 ~~Retirement Plans~~ Investment Committee and ~~Retirement Plans~~ Administration ~~Committees~~ Committee, include:

A) ~~Retirement Plans~~ Administration and ~~Retirement Plans~~ Investment Committees combined:

- To review, at least annually, budgeted and actual expenses incurred by or on behalf of any Plan or 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~~ To recommend the appointment and termination of 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~~ To 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 or its delegate 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

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- improve the cost-effectiveness of benefits provided.

B) ~~Retirement Plans~~ Administration Committee

- ~~To consider~~ To advise on administration of the Plans in a non-discriminatory manner for the exclusive benefit of the Plans' participants, beneficiaries, and alternative payees.
 - To advise on Employee interests and recommend to the Employer, if applicable, Plan amendments and administrative procedures that serve those interests.
 - ~~This includes the ability to make recommendations that would 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.~~
- To ~~interpret~~ advise on proper interpretation of the provisions of the ~~Plan~~Plans and determine any question arising under the ~~Plan~~Plans, or in connection with the administration or operation thereof, including any question of fact.
- To ~~review~~advise on, except with respect to investment matters, ~~Fund Sponsor~~fund sponsor proposals, programs, obligations, responsibilities, and services for acceptable content, performance and utility to ~~Employees~~employees of the ~~Employer and Participating Employers~~participating universities.
 - This includes ~~the ability to review~~advise on proposals to create (and as appropriate, merge, terminate, or otherwise modify) trusts, custodial arrangements, and separate accounts for Plan assets that do not relate to investment decisions properly belonging to the ~~Retirement Plans~~Investment Committee.
- To ~~delegate~~advise on the delegation and ~~allocate~~allocation of specific obligations, responsibilities, and duties ~~imposed~~required by the ~~Plan~~Plans to one or more ~~Employees~~employees, officers, ~~Fund Sponsor(s)~~fund sponsors or ~~such~~other persons ~~subject to the approval of the Administrator.~~
- To ~~determine~~advise on the eligibility of any ~~Employee to be or become a Participant.~~
- ~~To assist~~employee to participate in the ~~Plans.~~
- To advise on the resolution of any dispute described in Section 8.52(a) of the ORP and Section 9.42 of the TDI and ~~determine~~advise on the outcome of any appeal pursuant to Section 8.52(b), (c), and (d) of the ORP and Sections 9.2, 9.3, 9.4, and 9.45 of the TDI.

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- To provide periodic stewardship reports to the ~~Board's~~Board, or its delegate, regarding the operation and administration activities of the ~~Retirement Plans~~-Administration Committee.

C) ~~Retirement Plans~~-Investment Committee

- ~~Drafting~~To draft and ~~maintaining~~maintain an Investment Policy Statement for the Plans, as appropriate, including establishing guidelines for 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 for the ~~Oregon Public Universities Retirement Plans'~~ open-architecture ~~investment menu~~investments maintained by Fidelity Investments, TIAA, and VALIC.

- To select the default investment options, as needed, under the ORP and the TDI for the Oregon Public Universities Retirement Plans' open-architecture ~~investment menu~~investments maintained by Fidelity Investments, TIAA, and VALIC.

- ~~The Investment Recordkeeper Subcommittee of the Retirement Plans Investment Committee~~

- ~~To fulfill the responsibilities of the Retirement Plans Investment Committee assigned by the Investment Policy Statement and the Plan documents of the ORP and TDI for the Oregon Public Universities Retirement Plans' investment menus maintained by managers other than Fidelity Investments.~~

- ~~To select default investment options, as needed, under the ORP and the TDI for the Oregon Public Universities Retirement Plans' investment menus maintained by managers other than Fidelity Investments.~~

- To designate the investment allocation of any ORP assets that are not deposited with a fund sponsor, including assets allocated to the Forfeiture Account.

7) Authority

The Administrator delegates all powers necessary or appropriate to the Committee, the Administration Committee, the Investment Committee, all subcommittees, and their members to carry out their duties to the extent set forth in this Charter. Any interpretation of or action by the Committee with respect to the authority and duties delegated to the Committee related to the Plan and its administration and investments to the extent set forth in this Charter shall be conclusive and binding

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upon any and all parties and persons affected hereby, subject to appeals rights within the Plans.

UO causes this amended and restated Retirement Plans Committee Charter to be adopted and duly executed on this _____ day of _____, ~~2017~~2018.

UNIVERSITY OF OREGON

Jamie H. Moffitt, Vice President for Finance ~~&~~and Administration / CFO

Trustee Agreement

REDLINE

OREGON PUBLIC UNIVERSITIES

OPTIONAL RETIREMENT PLAN
TRUST AGREEMENT

AMENDED AND RESTATED
JANUARY 1, 2015

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TABLE OF CONTENTS

SECTION I - DEFINITIONS.....2

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1.1 Administrator2
1.2 Agreement2
1.3 Board2
1.4 Code2
1.5 Effective Date2
1.6 Employer2
1.7 Fund Sponsors2
1.8 Funding Vehicles2
1.9 ORP Administration Committee2
1.10 Participant3
1.11 Participating Employers3
1.12 Plan3
1.13 Trustee3
1.14 Trust3

SECTION II - TRUST FUND2

2.1 Payments to Trustee2
2.2 Trust Fund2
2.3 Qualification2

SECTION III - INVESTMENT AND ADMINISTRATION3

3.1 Administering the Plan3
3.2 Managing the Trust3
3.3 Deposit with Fund Sponsors3
3.4 Directed Investments3
3.5 Investment Duties of Trustee3
3.6 Powers of Trustee3
3.8 Distributions5
3.9 Domestic Relations Orders and Levies5
3.10 Expenses and Fees5

SECTION IV - RECORDS6

4.1 Records6
4.2 Yearly Accounting6

SECTION V - REPLACING THE TRUSTEE7

5.1 Resignation or Removal7
5.2 Appointment of Successor7
5.3 Rights and Powers of Successor Trustee7

5.4— Duties of Outgoing Trustee7
5.5— Effect on Plan or Trust7
SECTION VI— AMENDMENT AND TERMINATION8
6.1— Amendment8
6.2— Termination8
SECTION VII— GENERAL PROVISIONS9
7.1— Applicable Law9
7.2— Agreement Binding on All Parties9
7.3— Notices and Directions9
7.4— No Implied Duties9
7.5— Nondiscrimination9
7.6— Exclusive Benefit of Participants9
SIGNATURE PAGE10

OREGON PUBLIC UNIVERSITIES

**Oregon Public Universities
Optional Retirement Plan
Trust Agreement**

Amended and Restated Effective January 1, 2018

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”) assumed sponsorship and fiduciary authority for the Plan. Also effective July 1, 2014, the name of the Plan changed to the Oregon Public Universities Optional Retirement Plan. This Agreement was 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”).

Effective January 1, 2015, this Agreement ~~is hereby was~~ amended and restated to reflect the change in Participating Employers and to conform this Agreement to the definitions, duties, and authorities of Plan officers to those set forth in the 2015 restatement of the Plan.

~~Effective January 1, 2018, the Agreement was again amended and restated to reflect a change in Trust governance from a separate trustee to the Employer as well as to confirm this Agreement to the definitions, duties, and authorities of Plan officers to those set forth in the 2018 restatement of the Plan.~~

The Employer ~~and the undersigned trustee (“Trustee”) intend~~ intends 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~~ and pursuant to resolution of the Board adopts this amended and restated Agreement on the following terms:

**SECTION I
DEFINITIONS**

1) 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

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meaning is plainly required by the context. Capitalized terms are used throughout the text for terms defined by this and other sections.

1.1 Administrator

1.1.1. “Administrator” means the University of Oregon and its delegates.

1.2. Agreement. “Agreement” means this Oregon Public Universities Optional Retirement Plan Trust Agreement, as now or hereafter in effect.

1.3 Board

1.3. “Board” means the Board of Trustees of the University of Oregon.

1.4 Code

1.4. “Code” means the Internal Revenue Code of 1986, as amended, and including all regulations promulgated pursuant thereto.

1.5 Effective Date

1.5. This amended and restated Trust shall be effective January 1, ~~2015~~2018. The original Effective Date of the Trust was April 1, 1996.

1.6 Employer

1.6. “Employer” means the University of Oregon.

1.7 Fund Sponsors

1.7. “Fund Sponsors” means companies or other entities which provide Funding Vehicles to Participants under the Plan.

1.8 Funding Vehicles

1.8. “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.

1.9 ORP Administration Committee

“ORP Administration Committee” means the committee as from time to time constituted and appointed by the Board or its delegate responsible for administration of the Plan to the extent set forth in Section 8 of the Plan.

1.10 Participant

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~~1.9.~~ “Participant” means an individual who is participating in the Plan.

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~~1.11~~ **Participating Employers**

~~1.10.~~ “Participating Employers” means:

- ~~(a)~~a. Oregon State University,
- ~~(b)~~b. Portland State University,
- ~~(c)~~c. Eastern Oregon University,
- ~~(d)~~d. Western Oregon University,
- ~~(e)~~e. Southern Oregon University, and
- ~~(f)~~f. Oregon Institute of Technology, and.

~~(g)~~ Chancellor’s Office of the Oregon University System until July 1, 2015, at which time the Chancellor’s Office of the Oregon University System shall cease operations and shall no longer be a Participating Employer.

~~1.12~~ **Plan**

~~1.11.~~ “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. Retirement Plans Administration Committee.~~ “Retirement Plans Administration Committee” means the committee as from time to time constituted and appointed by the Board or its delegate responsible for administration of the Plan to the extent set forth in the Oregon Public Universities Retirement Plans Committee Charter.

~~1.13. Retirement Plans Investment Committee.~~ “Retirement Plans Investment Committee” means the committee as from time to time constituted and appointed by the Board or its delegate responsible for investment-related decisions of the Plan to the extent set forth in the Oregon Public Universities Retirement Plans Committee Charter.

~~1.13~~ **Trustee**

~~1.14.~~ “Trustee” means the trustee or trustees designated by the Board or its delegate to hold and maintain assets of the Plan, prior to January 1, 2018 and University of Oregon, effective January 1, 2018.

~~1.14~~ **Trust**

“Trust” means this Oregon Public Universities Optional Retirement Plan Trust.

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**SECTION II
TRUST FUND**

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2.1 Payments to Trustee

1.15.

2) Trust Fund

The Employer and each Participating Employer shall pay to the ~~Trustee~~Administrator 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.

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2.2 Trust Fund

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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.

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2.3 Qualification

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If the Commissioner of the Internal Revenue Service rules that this Trust is not exempt from tax under Section ~~501~~401(a) of the Code, the Employer and Trustee may retroactively or prospectively amend this Trust so as to qualify.

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SECTION III
INVESTMENT AND ADMINISTRATION

3) Investment and Administration

3.13.1. Administering the Plan

The fiduciary responsible for administering the Plan shall be the Administrator, ~~including with advisory guidance from 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.~~ Retirement Plans Administration Committee. The Administrator may, at its discretion, delegate authority and duties as necessary.

3.23.2. Managing the Trust

~~Except as provided otherwise in the Plan and this Agreement~~

~~Except as otherwise provided in this Agreement and the Oregon Public Universities Retirement Plans Committee Charter, or separate delegation~~ With the advisory guidance from the Retirement Plans Investment Committee, 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 held for the benefit of a Participant that are not so directed, shall be invested in accordance with the Plan. ~~The investment allocation of any Plan assets that are not deposited with a Fund Sponsor, including assets allocated to the Forfeiture Account, shall be the responsibility of the Trustee.~~

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3.3. Deposit with Fund Sponsors

~~3.3~~

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

~~3.4~~

As provided in the Plan, the Fund Sponsor shall be directed, as provided in the Plan by a Participant or, when the Participant has not otherwise directed, by the Administrator, except as delegated in the Oregon Public Universities Retirement Plans Committee Charter or separate delegation, 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

~~3.5~~

Except as delegated in the Oregon Public Universities Retirement Plans Committee Charter or separate delegation, 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

~~3.6~~

Subject to the investment authority allocated to the Fund Sponsors, Participants, Retirement Plans Investment Committee, and the Administrator pursuant to the Plan and this Trust Agreement, the Trustee shall have all necessary powers to discharge its duties under this Trust, including, without limitation, the power to do the following:

~~(a)~~

- 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. ~~(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. ~~(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. ~~(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

~~3.7~~

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~~

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~~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 Administrator. The Administrator 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

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4.14) Records

The Fund Sponsors shall keep records of amounts held for each Participant and shall provide periodic reports to the Trustee ~~and Administrator~~ of all receipts, disbursements, and other transactions. ~~The Administrator or its delegate shall maintain copies of periodic reports provided by the Fund Sponsors and shall make such reports available to the~~ The Trustee ~~as requested. The Administrator, on behalf of 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 Administrator and 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.~~

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SECTION V
REPLACING THE TRUSTEE

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5.1 — Resignation or Removal

~~The Trustee may resign at any time by giving 60 days' written notice to the Board or its delegate. The Board or its delegate 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 Board or its delegate 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 Administrator 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

6.15) Amendment and Termination

Subject to any advance notice or other requirements of law, the Board or its delegate shall have the right to amend this Trust or designate a different Trustee at any time.

6.2 Termination

(a) Right to Terminate

The Board or its delegate 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 Board or its delegate 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 Administrator among Participants, beneficiaries and, if permissible, to the Employer in accordance with the Plan.

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**SECTION VII
GENERAL PROVISIONS**

Applicable Law

6) General Provisions

7.1

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 Lane County in Eugene, Oregon.

7.26.1. Agreement Binding on All Parties

This Agreement shall be binding upon the successors and assigns of any and all present and future parties.

6.2. Notices and Directions

7.3

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.~~

7.56.3. Nondiscrimination

The Employer, the Administrator, the ~~ORP~~ Retirement Plans Administration Committee, and the Trustee shall to the fullest extent possible treat all persons similarly situated alike under this Trust.

7.66.4. 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.

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~~IN WITNESS WHEREOF, the Employer and Trustee cause this amended and restated Trust~~

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~~Agreement to be duly executed on this _____ day of _____, 2015.~~

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**Employer:
University of Oregon**

Jamie H. Moffitt _____ date
Vice President for Finance and Administration

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Trustee:

Kelly B. Wolf _____ date
Associate Vice President for Business Affairs and Controller, University of Oregon

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Alan T. Finn _____ date
Associate Vice President for Budget and Finance, Portland State University

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Michael J. Green _____ date
Associate Vice President, Oregon State University

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UO causes this amended and restated Trust Agreement to be adopted and duly executed on this
_____ day of _____, 2018.

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UNIVERSITY OF OREGON

Jamie H. Moffitt, Vice President for Finance and Administration / CFO

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ORP Restatement

REDLINE

**Oregon Public Universities
Optional Retirement Plan**

**Amended and Restated
Effective January 1, 2015**

2018

TABLE OF CONTENTS

PREAMBLE	11
SECTION 1 DEFINITIONS	33
1.1 Administrator.....	33
1.2 Annuity Starting Date.....	33
1.3 Beneficiary.....	33
1.4 Board.....	33
1.5 Code.....	33
1.6 Commissioned Police Officer	3
1.7 Compensation.....	3
1. 87 Deemed Cash-Out.....	44
1. 98 Disabled.....	4
1. 109 Effective Date.....	4
1. 110 Eligible Employee.....	44
1. 121 Employee.....	55
1.12 Employer.....	6
1.13 Employer.....	6
1.14 Employer Contribution Account.....	6
1.14 Employer Contributions.....	6
1.15 Employer Contributions.....	6
1.16 Employer Contribution Tier.....	6
1. 1716 Employment Date or Reemployment Date.....	77
1. 1817 Forfeiture Account.....	77
1. 1918 Fund Sponsor.....	77
1. 2019 Funding Vehicles.....	77
1.21 Limitation Year.....	8
1.22 1.20 Normal Retirement Age	8
1. 2321 ORP Employer Match Account.....	8
1. 2422 Participant.....	8
1. 2523 Participant Contribution Account.....	9
1. 2624 Participant Contributions.....	9
1. 2725 Participating Employer.....	9
1. 2826 Plan.....	99
1. 2927 Plan Year.....	99
1.28 Post-Doctoral Scholar.....	10
1.3029 Qualifying Position.....	1010
1.31 Retirement Plans Administration Committee.....	11
1.32 1.30 Rollover Account and Post-Tax Transfer Account	11
1.33 Trustee.....	11
1.34 1.31 Valuation Date	11
1. 3532 Year of Service.....	11

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SECTION 2 PARTICIPATION..... 1212

- 2.1 Initial Eligibility for Participation..... 1212
- 2.2 Sabbatical and Special Leave 1212
- 2.3 Reemployment after Termination 1313
- 2.4 Cessation of Participation..... 1414
- 2.5 Qualified Military Service..... 1414

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SECTION 3 PLAN CONTRIBUTIONS..... 1616

- 3.1 Participant Contributions..... 1616
- 3.2 Employer Contributions 1616
- 3.3 Participant Rollovers and OPERS Transfers 20
- 3.4 Payment..... 21
- 3.5 No Reversion..... 21
- 3.6 Maximum Contribution..... 22

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SECTION 4 ACCOUNT ADMINISTRATION 25

- 4.1 Types of Participant Accounts..... 25
- 4.2 Forfeiture Account..... 25
- 4.3 Funding Vehicles 25
- 4.4 Changing Investments of Future Contributions..... 26
- 4.5 Changing Investments of Existing Balances Between Fund Sponsors 26
- 4.6 Changing Investments of Existing Balances Between Funding Vehicles of a Fund Sponsor..... 26
- 4.7 Transfers from Restricted or Discontinued Funding Vehicles 27
- 4.8 Valuation of the Trust Fund 27
- 4.9 Allocation of Forfeitures 27
- 4.10 Account Statements 27

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SECTION 5 BENEFITS AND FORMS OF PAYMENT 28

- 5.1 Eligibility for Benefits 28
- 5.2 Benefit Commencement..... 28
- 5.3 Amount of Payment 29
- 5.4 Form of Payment 29
- 5.5 Payment of Benefits..... 30
- 5.6 Minimum Required Distribution 30
- 5.7 Death Benefits 31
- 5.8 Direct Rollovers..... 33
- 5.9 Loans..... 36

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SECTION 6 VESTING 37

- 6.1 Vesting 37
- 6.2 Forfeitures 37
- 6.3 Vesting on Reemployment 38

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SECTION 7 DOMESTIC RELATIONS ORDERS 39

- 7.1 Requirements for Qualification 39
- 7.2 Commencement of Payment..... 39
- 7.3 Determination of Status of Order..... 39
- 7.4 Rights of Alternate Payees 40

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7.5 Same-Sex Domestic Partners 40

SECTION 8 ADMINISTRATION OF THE PLAN 41

8.1 Administrator 41

8.2 Retirement Plans Administration Committee 41

~~8.3 Organization and Procedures 41~~

~~8.4 Authority and Duties 42~~

~~8.5 Determination and Appeal Procedure 41~~

8.63 Trust Fund 44

8.74 Miscellaneous 44

SECTION 9 AMENDMENT AND TERMINATION 48

9.1 Amendment 48

9.2 Limitation 48

9.3 Plan Qualification 48

9.4 Termination of the Plan 49

9.5 Vested Accounts on Plan Termination 49

SECTION 10 FIDUCIARIES 50

10.1 Limitation of Liability of the Employer and Others 50

10.2 Indemnification of Fiduciaries 50

10.3 Scope of Indemnification 50

SECTION 11 PARTICIPATING EMPLOYERS 52

11.1 Adoption of Plan 52

11.2 Rights and Duties 52

11.3 Designation of Agent 52

11.4 Contributions 52

11.5 Revocation of Participation 53

11.6 Authority 53

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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 January 1, 2018, 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, the Plan was restated effective July 1, 2014 (the "2014 Restatement"), and amended in Amendment No. 1 executed on December 30, 2014 and again restated effective January 1, 2015 (the "2015 Restatement") and last amended in Amendment No. 1 executed on June 21, 2017; and

WHEREAS, the Employer assumed 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 adopted the Plan as Participating Employers, effective July 1, 2014; and

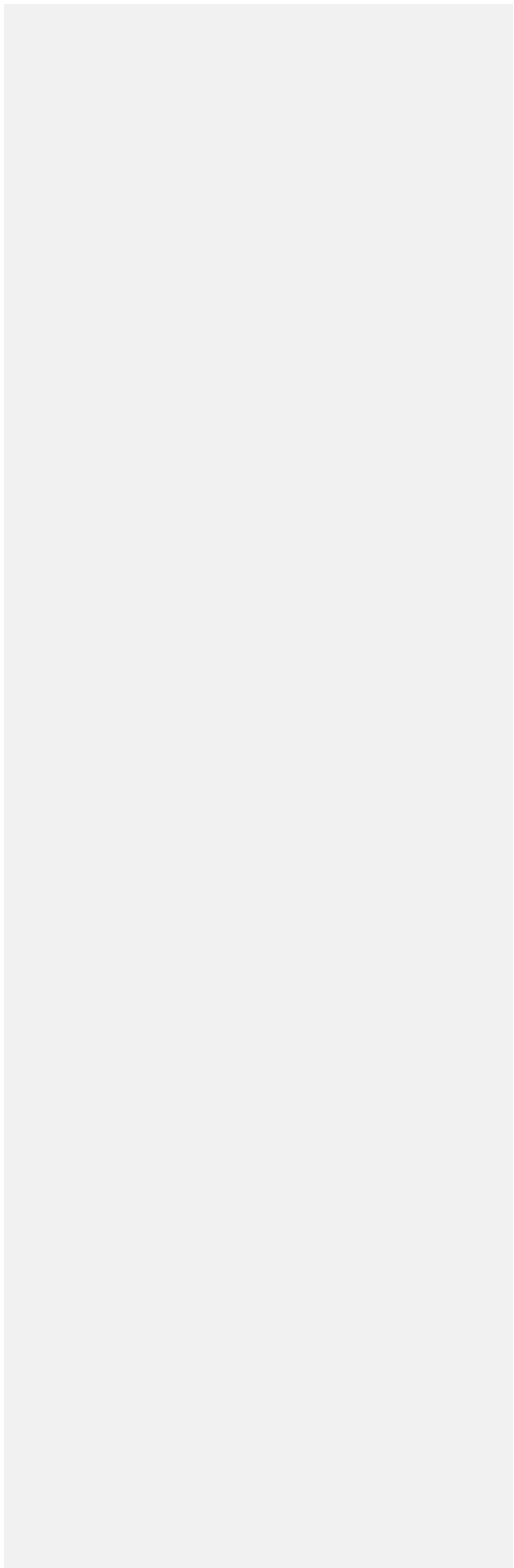
WHEREAS, the Employer desires to amend and restate the Plan to clarify the operation and administration of the Plan; and

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 January 1, 2018, 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 and its delegates.

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” means 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. “Compensation” excludes 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. For Participants who became Eligible Employees on or after July 1, 2014, the definition

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of "Compensation" includes payments received for instructional overload, vacation payouts, and paid compensatory time. -For purposes of achieving the matched contribution required under ORS 243.800(10)(b), for Participants hired on or after July 1, 2014, the definition of "Compensation" in this Section 1.76 shall be construed to be consistent with the definition of "Compensation" as set forth in Section 1.9 of the Oregon Public Universities Tax-Deferred Investment 403(b) Plan, as amended and restated from time to time.

Notwithstanding the foregoing, annual Compensation in excess of ~~\$265,000, or any higher~~ dollar limitation permitted by the Secretary of the Treasury in accordance with Code Section 401(a)(17)(B) shall be disregarded.

1.87 Deemed Cash-Out

Forfeiture of non-vested funds in a Participant's Employer Contribution Account is a "deemed cash-out."

1.98 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.

1.409 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 January 1, 2018, except as otherwise specified herein, and except that any change required by federal law, 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.

1.4410 Eligible Employee

~~(a) Elections Effective before November 1, 2013~~

~~(a)~~

~~"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 1.11, "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~~iii) Persons employed by the Employer or a Participating Employer and defined by such employer as a student employee;
- (~~v~~iv) Aliens on training or educational (F-1) visas and visiting scholar (J-1) visas who are working for the Employer or any Participating Employer;
- (~~v~~v) Employees classified by the Employer or a Participating Employer as temporary workers; and
- (~~v~~vi) 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.

1.4211 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~~ 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.

1.4312 Employer

“Employer” means the University of Oregon. ~~Prior to July 1, 2014, Employer was Oregon University System.~~

1.4413 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).

1.4514 Employer Contributions

“Employer Contributions” means:

- ~~(a) The 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 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); and~~
- ~~(b) The Employer’s or a Participating 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 1.25(a)~~24~~ 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.

1.4615 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 between August 29, 2003 and June 30, 2014.~~
- (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 on

or after ~~June 30~~July 1, 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.

A Tier Four Participant will not be treated as a Tier One, Tier Two, or Tier Three Active Participant.

- (c) An Eligible Employee with an Employment Date or Reemployment Date before July 1, 2014, who has previously established and has not lost OPERS membership is assigned an Employer Contribution Tier that is equivalent to the applicable OPERS or OPSRP tier that would be assigned if the employee had not elected to enroll in the Plan. An Eligible Employee with an Employment Date or Reemployment Date on or after July 1, 2014, who has established OPERS membership prior to his or her Employment Date or Reemployment Date and has not lost OPERS membership as of his or her Employment Date or Reemployment Date, is assigned to an Employer Contribution Tier that is equivalent to the applicable OPERS or OPSRP tier that would be assigned if the employee had not elected to enroll in the Plan. Any other Eligible Employee with an Employment Date or Reemployment Date on or after July 1, 2014, will be a Tier Four Participant.

- (d) ~~1.17~~Post-Doctoral Scholars shall participate in a separate tier from other Active Participants as set out in Section 1.28 below.

1.16 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

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the Fund Sponsor makes available for investment by qualified retirement plans. The Administrator 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.~~

1.221.20 Normal Retirement Age

“Normal Retirement Age” means the first day of the month coinciding with or immediately preceding the Participant’s fifty-~~eight (58th)~~five (55th) birthday.

1.2321 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).

1.2422 Participant

“Participant” means any Eligible Employee or former Eligible 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. A Participant’s status is “Active” if the Participant is currently employed by the Employer or a Participating Employer in a Qualifying Position. -An Active Participant excludes an Employee described in Section 1.11(~~d~~)(b)(ii), (iii), (iv), ~~(v)~~ or ~~(vii)~~.
- (b) Inactive. A Participant’s status is “Inactive” if the Participant is (i) not currently employed by the Employer or a Participating Employer in a Qualifying Position, (ii) Disabled, or (iii) terminated, and the Participant has not received a full disbursement of vested benefits. -An Inactive Participant includes an Employee described in Section 1.11(~~d~~)(b)(ii), (iii), (iv), ~~(v)~~ or ~~(vii)~~ who previously made a valid election under Section 2.1 while employed as an Eligible Employee.
- (c) Retired if:
 - (i) The Participant (1) terminated employment with the Employer and all Participating Employers, (2) reached the Normal Retirement Age, and (3) 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.

1.2523 Participant Contribution Account

“Participant Contribution Account” means an account established and maintained by the Administrator or Trustee to receive Participant Contributions to the Plan.

1.2624 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)24~~ 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.

1.2725 Participating Employer

“Participating Employer” means any public university in the State of Oregon that formally adopts the Plan as provided in Section 11. The Participating Employers are:

- Oregon State University;
- Portland State University;
- Eastern Oregon University;
- Western Oregon University;
- Southern Oregon University; and
- Oregon Institute of Technology; and
- ~~Chancellor’s Office of the Oregon University System until July 1, 2015, at which time the Chancellor’s Office of the Oregon University System shall cease operations and shall no longer be a Participating Employer.~~

~~1.28 Plan~~

1.26 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.~~

1.2927 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.~~

1.3028 Post-Doctoral Scholar

“Post-Doctoral Scholar” means a person employed in a position designated by the Employer or a Participating Employer as a post-doctoral scholar position, which requires a doctoral or equivalent degree, provides a temporary and defined period of employment with the Employer or Participating Employer and provides clinical or academic research training under formal mentorship. For this purpose, “formal mentorship” means a training and mentoring program that is set forth in writing, is directed by a faculty member of the Employer or Participating Employer and teaches professional research skills needed to pursue the Post-Doctoral Scholar’s anticipated career path in accordance with the requirements necessary for funding of sponsored research projects, including for Post-Doctoral Scholars.

-Post-Doctoral Scholars shall be eligible to participate in the Plan on the latest of the following dates:

- (i) January 1, 2018; or
- (ii) The first day of the month following the date of the Post-Doctoral Scholar’s enrollment in the Oregon Public Universities Tax-Deferred Investment 403(b) Plan, as amended and restated from time to time; or
- (ii) The first day of the month following the Post-Doctoral Scholar’s completion of six hundred (600) hours of service and six months of employment that is not interrupted by more than 30 consecutive working days.

1.3429 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, or the equivalent of such as set forth below. 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.

In the event an Employee who is not appointed to a 9-month 0.4 FTE or 12-month 0.3 FTE does not work a full 50 hours due to an Employer's or a Participating Employer's temporary closure, the hours that the Eligible Employee would have worked but for the closure are counted as time served.

In the event an Employee's first six (6) calendar months of employment are interrupted by a summer break, and if the Employee has been given a "Notice of Assurance" that the employee will be offered a position working at least 50 hours per month during the fall term, the Employee's hours of service during the June preceding the summer break and the September following the summer break shall be combined as if those two months were a single month for purposes of the 50-hour threshold and the six-month waiting period, the summer break shall not be considered a break in service for purposes of Initial Eligibility, and the Employee may commence participation on the first of the month after satisfying both the six-month waiting period and the requirement above to work at least 50 hours per month in six months.

~~1.32 Retirement Plans Administration Committee~~

~~"Retirement Plans Administration Committee" means the committee as from time to time constituted and appointed by the Board or its delegate responsible for administration of the Plan to the extent set forth in Section 8 hereof.~~

~~1.331.30 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.~~

~~1.34 Trustee~~

~~"Trustee" means the trustee or trustees designated by the Board, or its delegate, to hold and maintain the assets of the Plan.~~

~~1.3531 Valuation Date~~

~~"Valuation Date" means the last business day in December and any other day which the Administrator may designate from time to time.~~

~~1.3632 Year of Service~~

~~"Year of Service" for a Participant means each Plan Year for which Employer 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 17, 1996 may irrevocably elect, on an election form timely provided by the Employer or a Participating Employer, to participate in the Plan, in lieu of active membership in the OPERS, within the first six (6) months after their Employment Date as an Eligible Employee with the Employer or a Participating Employer.

- (a) An election under this Section 2.1 shall be effective on the first day of the month following the completion of six (6) full calendar months of employment with the Employer or a Participating Employer as an Eligible Employee while in a Qualifying Position, during which employment is not interrupted by more than thirty (30) consecutive working days.
- (b) The required six-month waiting period is six full calendar months of service with the Employer or Participating Employer of the Plan. Absence from service during periods that the Employer or Participating Employer is not in full session, such as summer break, does not constitute interruption of the waiting period. -The waiting period shall be extended by the length of the period that the Employer or Participating Employer is not in full session.- In the event that an Employee is on an official, approved leave of absence, such as but not limited to, family medical leave, a leave of absence of 30 days or more shall not constitute an interruption of the waiting period, and the waiting period shall be extended by the length of the approved leave of absence.
- (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.
- (d) 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 immediately after the Reemployment Date, 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 Date; 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 1.2524(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 Date 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 Employer as described in Section 1.2422(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 1.4615(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, the 2014 Restatement, the 2015 Restatement or herein, any person who dies, retires, or otherwise terminates employment with the Employer or a Participating Employer, 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).

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(b) No Benefit Accrual By Reason of Death or Disability

~~However, effective for deaths and disabilities occurring on or after January 1, 2007,~~
~~the~~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 Active Participant in an amount determined below.

(a) For Tier One, Tier Two, and Tier Three Active ~~Participant in an amount~~Participants, the Employer contribution rate shall be 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. OPERS employer contribution rates and Benefit Formula for Tier One, Tier Two, and Tier Three Employees are generally the following:

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~~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. (i) 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. (ii) 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. (iii) 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 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)

- (iv) 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.

- (v) This Plan's Employer Contribution rates for Tier Three Active Participants in this Plan are the following percentages of the Participant's Compensation:

- (A) -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.

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- (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 (b) The Employer or a Participating Employer shall make a monthly Employer contribution on behalf of the each Tier Four Active Participant as an employer contribution at the rates provided below.~~

(i) Employer Contributions for Tier Four Active Participants at the rate provided in Section 3.2(b)(ii)(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)(ii)(B) (the applicable period matching Employer Contributions) shall be credited to the Participant's ORP Employer Match Account.

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~~(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.

~~(ivc)~~ The Plan's employer contribution rate for Post-Doctoral Scholars in this Plan shall be the percentage of the Participant's Compensation contributed by the

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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)(Bc) 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)(Bc) for a ~~Tier Four Active~~ Post-Doctoral Scholar Participant is zero percent (0%) for any pay period unless the Participant:

- (4i) 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
- (2ii) 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.

~~(d)~~ 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.

(e) 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 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 IRA;
- (b) A rollover of any type of property other than cash will not be accepted;
- (c) ~~(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~~ 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

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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 Arrangement -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 Administrator 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 Administrator, or to the Fund Sponsor designated by the Administrator 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 Board or its delegate. 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, 2017, calendar year~~ will not exceed the lesser of ~~\$54,000~~~~the dollar limit in Code Section 415(c)(1)(A), as adjusted in accordance with Code Section 415(d),~~ or 100% of the Participant's 415 Compensation for the year. ~~The \$54,000 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.~~

~~(c) 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.

(ed) “415 Compensation” Defined

This Section 3.6(ed) 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~~calendar 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~~ calendar 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 ~~\$270,000, or any higher~~ dollar limitation permitted by the Secretary of the Treasury in accordance with Code Section 401(a)(17)(B)~~2~~ shall be disregarded.

~~(fe)~~ 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 Administrator 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 Retirement Plans Committee, the Retirement Plans Administration Committee, the Retirement Plans Investment Committee~~ a third party, 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 Administrator -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 Administrator may limit, restrict, or require such transfers when, in the opinion of the Administrator, 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 Administrator or its delegate 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 Administrator, 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 Administrator (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 Administrator'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 Administrator or its delegate, 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 Retirement Plans Committee, the Retirement Plans Administration Committee, the Retirement Plans Investment Committee~~ a third party, 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.

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.

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 Retirement Plans 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.~~

If a participant is still employed when they reach age 70 ½, they are not required to take a minimum required distribution.

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 Administrator 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 codified at ORS 106.340) 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 Administrator, 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 Administrator 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 Administrator 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.

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(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 Administrator 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~~Before September 1, 2018, a Participant may apply to a Fund Sponsor for a loan from his or her vested Accounts. ~~After August 31, 2018, no new loans from this Plan shall be permitted.~~ A Fund Sponsor may, but need not, offer such loans unless required to do so by 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 Administrator and the Trustee may periodically review the Fund Sponsors' loan procedures and the status of outstanding loans for such matters as the ~~Committee~~Administrator 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 Administrator, 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 Administrator 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 Administrator, 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 Administrator, Trustee, 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 Administrator 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, whom the Oregon Family Fairness Act (codified at ORS 106.340) requires be treated the same as the Participant's spouse.

SECTION 8 ADMINISTRATION OF THE PLAN

8.1 Administrator

The Administrator shall be the trustee and fiduciary responsible for administration of the Plan. The Administrator holds all powers and authority related to the administration of the Plan other than those powers given to the Trustee delegated pursuant to a Charter allocating fiduciary and administrative authority. The Administrator has discretionary authority in exercising, or deciding not to exercise, each of its functions under the Plan. 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. Any interpretation of or action by the Administrator with respect to the Plan and its administration shall be conclusive and binding upon any and all parties and persons affected thereby, subject to the appeal procedure set forth in Section 8.5 ~~herein and any authority given to the Trustee. The Administrator may, at its discretion, delegate authority and duties as necessary. The Retirement Plans Administration Committee acts as a delegate of the Administrator to the extent and with respect to those duties set forth in this Section 8 and any other delegation of authority of the Administrator;2 herein and any authority given to the Trustee.~~

~~8.2 Retirement Plans Administration Committee~~

~~The Board or its delegate shall appoint a Retirement Plans Administration Committee composed of three or more persons which shall carry out the administration of the Plan on behalf of the Employer or a Participating Employer to the extent provided in this document. No member of the Retirement Plans Administration Committee who is an Employee shall receive additional compensation with respect to service on the Committee. Any member of the Retirement Plans Administration Committee may resign by delivering written resignation to the Board and to the Retirement Plans Administration Committee. The Board may remove or replace any member of the Retirement Plans Administration Committee at any time and for any reason.~~

~~8.3 Organization and Procedures~~

~~(a) Chairperson~~

~~The Board or its delegate shall designate a committee chair from the members of the Retirement Plans 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 Retirement Plans Administration Committee.~~

~~(b) Secretary~~

~~The Board or its delegate shall appoint a Retirement Plans Administration Committee secretary, who may or may not be a member of the Retirement Plans~~

~~Administration Committee. The secretary shall have the primary responsibility for keeping a record of all meetings and acts of the Retirement Plans Administration Committee and shall have custody of all documents, the preservation of which shall be necessary or convenient to the efficient functioning of the Retirement Plans Administration Committee and which shall be in accordance with other requirements of law.~~

~~(c) Bylaws and Procedures~~

~~The Retirement Plans Administration Committee shall adopt such bylaws and procedures as it deems desirable for the conduct of its affairs subject to the approval of the Administrator.~~

8.4 — Authority and Duties

~~(a) Authority~~

~~The Administrator delegates all powers necessary or appropriate to the Retirement Plans Administration Committee to carry out its duties to the extent set forth in this Section 8. Any interpretation of or action by the Retirement Plans Administration Committee with respect to the authority and duties delegated to the Retirement Plans Administration Committee related 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 8.5 herein.~~

~~(b) Duties~~

~~The Retirement Plans Administration Committee shall administer the Plan in a non-discriminatory manner for the exclusive benefit of the Plan's Participants, Beneficiaries, and alternate payees to the extent delegated under this Section 8. The Administrator delegates its authority to the Retirement Plans Administration Committee to supervise the administration of the Plan and to control its operation with respect to the following:~~

- ~~(i) — consider Employee interests and recommend to the Employer, if applicable, Plan amendments and administrative procedures that serve those interests;~~
- ~~(ii) — interpret the provisions of the Plan and determine any question arising under the Plan, or in connection with the administration or operation thereof, including any question of fact;~~
- ~~(iii) — review, except with respect to investment matters, Fund Sponsor proposals, programs, obligations, responsibilities, and services for acceptable content, performance and utility to Employees of the Employer and Participating Employers;~~
- ~~(iv) — delegate and allocate specific obligations, responsibilities, and duties imposed by the Plan to one or more Employees, officers, Fund Sponsor(s) or such other persons subject to the approval of the Administrator;~~
- ~~(v) — determine the eligibility of any Employee to be or become a Participant; and~~

~~(vi) assist in the resolution of any dispute described in Section 8.5(a) and determine the outcome of any appeal pursuant to Section 8.5(b), (c), and (d).~~

8.58.2 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 ~~Retirement Plans Administration Committee Administrator's delegate~~, the individual (hereinafter "Claimant") may submit a claim for determination to the ~~benefits office of the Employer or Participating Employer institution where the Participant is employed (or, if there is not a benefits office, to the Administrator) or the Administrator's delegate~~. The Claimant shall be notified of the ~~benefits office's (or Administrator's) or delegate'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 Claimant who has received an adverse determination shall have the right to appeal the ~~benefits office's~~ determination to the ~~Retirement Plans Administration Committee Administrator~~. 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 ~~Retirement Plans Administration Committee Administrator~~.

(c) Consideration of Appeal

The ~~Retirement Plans Administration Committee Administrator or the Administrator's delegate~~ shall consider appeals received under Section 8.52(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 Retirement Plans 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 ~~Retirement Plans Administration Committee Administrator or its delegate~~ 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 Lane County in Eugene, Oregon. ~~The Retirement Plans Administration Committee~~The Administrator or delegate will inform a Claimant of the right to appeal to the Oregon District or Circuit Court of Lane County in Eugene, Oregon.

8.63 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 in accordance with the Oregon Public Universities Optional Retirement Plan Trust Agreement. -The Trustee shall serve pursuant to and in accordance with the Oregon Public Universities Optional Retirement Plan Trust Agreement. Unless another Trustee is currently serving as a co-trustee with the Trustee that is being removed, 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.

8.74 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~~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, ~~the Retirement Plans Committee, the Retirement Plans Investment Committee, or the Retirement Plans Administration Committee, or any other person or entity~~ 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 Lane County in Eugene, 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 Administrator 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 Administrator to be *de minimis* in amount may be waived at the discretion of the Administrator, 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 Administrator 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 codified at ORS 106.340) 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, ~~the Retirement Plans Committee, the Retirement Plans Investment Committee, and the Retirement Plans Administration Committee~~ and all other persons 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 Administrator 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 Retirement Plans Committee, the Retirement Plans Investment Committee, the Retirement Plans Administration Committee~~ and all other persons and entities, 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 or such other means as the ~~Retirement Plans Administration Committee~~ Administrator deems appropriate.

Notwithstanding the above, to the extent the provisions of this Section 8.74(n) conflict with the provisions of a Funding Vehicle and its related contract, the provisions of the Funding Vehicle shall control.

SECTION 9 AMENDMENT AND TERMINATION

9.1 Amendment

Subject to any advance notice or other requirements of law, the Board or its delegate 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 Administrator and submitted to the Board or the Board's delegate 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 Administrator 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 ~~Retirement Plans Committee, the Retirement Plans Investment Committee, the Retirement Plans 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 ~~Retirement Plans Committee, the Retirement Plans Investment Committee, the Retirement Plans 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 Retirement Plans Investment Committee~~ Administrator and its delegates, 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 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.

11.6 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 _____, ~~2015~~2018.

FOR THE UNIVERSITY OF OREGON

Jamie H. Moffitt, Vice President for Finance & Administration / CFO

TDI Plan Restatement

REDLINE

OREGON PUBLIC UNIVERSITIES
TAX-DEFERRED INVESTMENT 403(b) PLAN

Amended and Restated
Effective January 1, 2018

OREGON PUBLIC UNIVERSITIES
TAX-DEFERRED INVESTMENT 403(b) PLAN

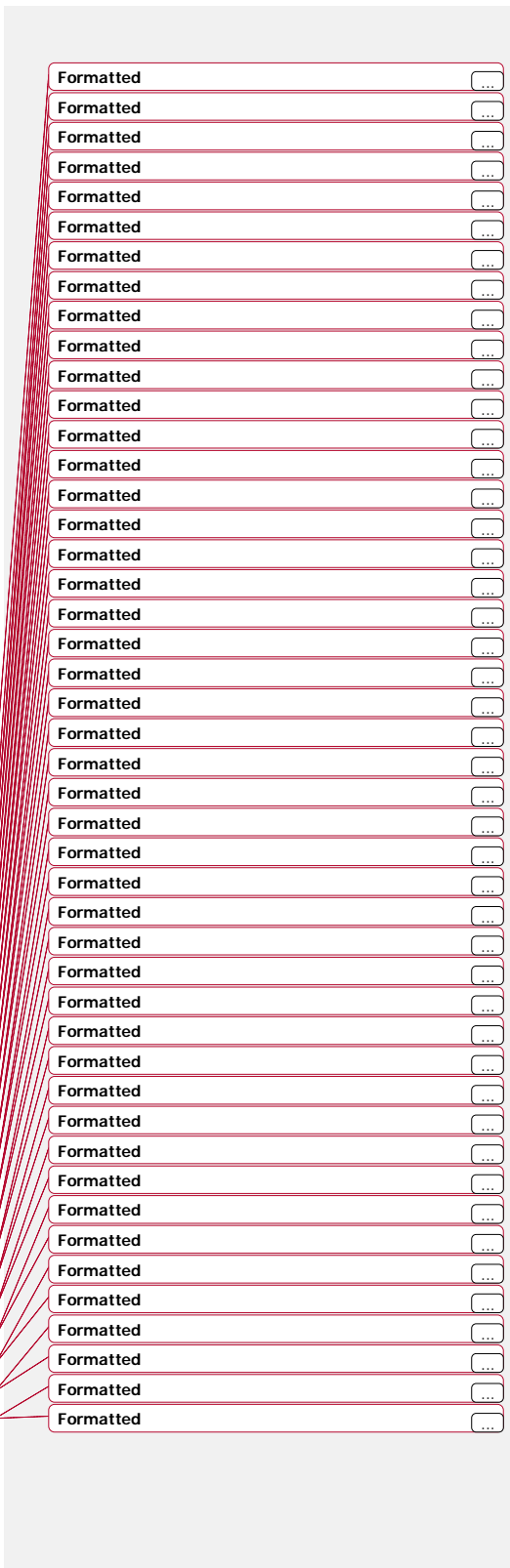
Table of Contents

Preamble	1
Section 1 Definition of Terms Used	2
1.1 "Account"	2
1.2 "Account Balance"	2
1.3 "Administrator"	2
1.4 "Alternate Payee"	3
1.5 "Annuity Contract"	3
1.6 "Beneficiary"	3
1.7 "Board"	3
1.8 "Code"	3
1.9 "Compensation"	3
1.10 "Contract Exchange"	4
1.11 "Custodial Account"	4
1.12 "Elective Deferral"	4
1.13 "Employee"	4
1.14 "Employer"	4
1.15 "Funding Vehicles"	5
1.16 "Includible Compensation"	6
1.17 "Indemnified Persons"	6
1.18 "Individual Agreement"	6
1.19 "ORS"	6
1.20 "Participant"	6
1.21 "Participating Employer"	6
1.22 "Plan"	7
1.23 "Related Employer"	7
1.24 "Roth Elective Deferral"	7
1.25 "Severance from Employment"	8
1.26 "Source"	8
1.27 "Transfer"	8
1.28 "Vendor"	8
1.29 "Valuation Date"	8
Section 2 Participation and Contributions	9
2.1 Eligibility	9
2.2 Salary Reduction Agreement	9
2.3 Roth Elective Deferrals	10
2.4 Maintenance of Source Accounts	10
2.5 Information Provided by the Employee	11
2.6 Change in Elective Deferrals Election	11
2.7 Change in Vendor	11

2.8	Contributions of Elective Deferrals Made Promptly.....	11
2.9	Leave of Absence.....	12
2.10	Suspension of Elective Deferral Election.....	12
2.11	Obligation to Notify Administrator of Account Errors.....	12
Section 3 Limitations on Amounts Deferred.....		13
3.1	Basic Annual Limitation.....	13
3.2	No Special Section 403(b) Catch-up Limitation for Employees with 15 Years of Service.....	13
3.3	Age 50 Catch-up Elective Deferral Contributions.....	13
3.4	Coordination.....	13
3.5	Special Rule for a Participant Covered by Another Section 403(b) Plan.....	13
3.6	Correction of Excess Elective Deferrals.....	13
3.7	Protection of Persons Who Serve in a Uniformed Service.....	14
Section 4 Loans.....		17
4.1	Loans.....	17
4.2	Information Coordination Concerning Loans.....	17
4.3	Maximum Loan Amount.....	17
Section 5 Benefit Distributions.....		19
5.1	Benefit Distributions At Severance from Employment or Other Distribution Event.....	19
5.2	Form of Payment.....	19
5.3	Small Account Balances.....	20
5.4	Minimum Distributions.....	20
5.5	In-Service Distributions from Rollover Account.....	21
5.6	Hardship Withdrawals.....	21
5.7	Hardship Withdrawals Determined by the Plan.....	21
5.8	Rollover Distributions.....	25
5.9	Qualified Reservist Distributions.....	26
Section 6 Rollovers to the Plan and Transfers.....		27
6.1	Eligible Rollover Contributions to the Plan.....	27
6.2	Plan-to-Plan Transfers to the Plan for All Members of a Class.....	28
6.3	Plan-to-Plan Transfers from the Plan for All Members of a Class.....	29
6.4	Contract Exchanges and Custodial Account Exchanges.....	30
6.5	Permissive Service Credit Transfers.....	31
Section 7 Investment of Contributions and Vesting.....		33
7.1	Manner of Investment.....	33
7.2	Investment of Contributions.....	33
7.3	Vesting.....	33
7.4	Vendors.....	33
Section 8 Beneficiary.....		35
8.1	Participant's Beneficiary.....	35

8.2	Requirements.....	35
8.3	Default Beneficiary.....	35
8.4	Beneficiary's Beneficiary.....	35
8.5	Alternate Payee's Beneficiary.....	36
8.6	Survivorship and Relationships.....	36
8.7	Contrary Terms in Individual Agreement.....	36
Section 9 Administration of the Plan; Claims Procedure.....		37
9.1	Administrator.....	37
	The Administrator shall be the trustee and fiduciary responsible for administration of the Plan. The Administrator holds all powers and authority related to the administration of the Plan other than those powers given to a third party by the Employer or Administrator. Any interpretation of or action by the Administrator with respect to the Plan and its administration shall be conclusive and binding upon any and all parties and persons affected thereby, subject to the appeal procedure set forth in Section 9.5 herein and any authority given to a third party.	37
9.2	Requests for Determination.....	39
9.3	Appeal Procedure.....	39
9.4	Consideration of Appeal.....	40
9.5	Final Decision.....	40
9.6	Exhaustion of Remedies.....	40
Section 10 Amendment and Plan Termination.....		41
10.1	Termination of Contributions.....	41
10.2	Amendment and Termination.....	41
10.3	Distribution upon Termination of the Plan.....	41
Section 11 Miscellaneous.....		42
11.1	Non-Assignability.....	42
11.2	Domestic Relation Orders.....	42
11.3	IRS Levy.....	43
11.4	Tax Withholding.....	44
11.5	Payments to Minors and Incompetents.....	44
11.6	Mistaken Contributions.....	44
11.7	Procedure When Distributee Cannot Be Located.....	45
11.8	Incorporation of Individual Agreements.....	45
11.9	Governing Law.....	45
11.10	Headings.....	45
11.11	Gender.....	45
11.12	Plan Year.....	45
11.13	Severability.....	45
11.14	No Contract Rights.....	46
11.15	Powers of Attorney.....	46
11.16	Effect of Plan Summary, Information, and Administration Forms.....	46
11.17	Reliance on Evidence of a Person's Identity.....	46
11.18	Correcting 403(b) Failures.....	46

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.....	47
11.20	Administrator’s Discretionary Authority.....	47
11.21	Employer’s Sole Discretion.....	48
11.22	Designees Through Which the Administrator May Act.....	48
11.23	Designees Through Which the Employer May Act.....	48
11.24	Indemnification.....	48
11.25	Limitation of Liability.....	48
11.26	Source of Benefits.....	49
11.28	Oregon Family Fairness Act.....	49
11.30	Not a Contract of Employment.....	49
Section 12 Participating Employers.....		51
12.1	Adoption of Plan.....	51
12.2	Rights and Duties.....	51
12.3	Designation of Agent.....	51
12.4	Contributions.....	51
12.5	Amendment of Plan.....	51
12.6	Revocation of Participation.....	52
12.7	Authority.....	52
Preamble.....		1
Section 1 Definition of Terms Used.....		1
1.1	“Account”.....	1
1.2	“Account Balance”.....	2
1.3	“Administrator”.....	2
1.4	“Alternate Payee”.....	2
1.5	“Annuity Contract”.....	2
1.6	“Beneficiary”.....	2
1.7	“Board”.....	2
1.8	“Code”.....	2
1.9	“Compensation”.....	3
1.10	“Contract Exchange”.....	3
1.11	“Custodial Account”.....	3
1.12	“Elective Deferral”.....	3
1.13	“Employee”.....	3
1.14	“Employer”.....	4
1.15	“Funding Vehicles”.....	4
1.16	“Includible Compensation”.....	4
1.17	“Indemnified Persons”.....	4
1.18	“Individual Agreement”.....	5
1.19	“ORS”.....	5
1.20	“Participant”.....	5
1.21	“Participating Employer”.....	5
1.22	“Plan”.....	5



1.23	“Participating Employer”	5	Formatted	...
1.24	“Roth Elective Deferral”	6	Formatted	...
1.25	“Severance from Employment”	6	Formatted	...
1.26	“Source”	7	Formatted	...
1.27	“Transfer”	7	Formatted	...
1.28	“Vendor”	7	Formatted	...
1.29	“Valuation Date”	7	Formatted	...
Section 2 Participation and Contributions			7	Formatted: Default Paragraph Font, Check spelling and grammar
2.1	Eligibility	7	Formatted	...
2.2	Salary Reduction Agreement	7	Formatted	...
2.3	Roth Elective Deferrals	8	Formatted	...
2.4	Maintenance of Source Accounts	8	Formatted	...
2.5	Information Provided by the Employee	9	Formatted	...
2.6	Change in Elective Deferrals Election	10	Formatted	...
2.7	Change in Vendor	10	Formatted	...
2.8	Contributions of Elective Deferrals Made Promptly	10	Formatted	...
2.9	Leave of Absence	10	Formatted	...
2.10	Suspension of Elective Deferral Election	10	Formatted	...
2.11	Obligation to Notify Administrator of Account Errors	10	Formatted	...
Section 3 Limitations on Amounts Deferred			11	Formatted
3.1	Basic Annual Limitation	11	Formatted: Default Paragraph Font, Check spelling and grammar	...
3.2	No Special Section 403(b) Catch up Limitation for Employees With 15 Years of Service	11	Formatted	...
3.3	Age 50 Catch up Elective Deferral Contributions	11	Formatted	...
3.4	Coordination	11	Formatted	...
3.5	Special Rule for a Participant Covered by Another Section 403(b) Plan	11	Formatted	...
3.6	Correction of Excess Elective Deferrals	11	Formatted	...
3.7	Protection of Persons Who Serve in a Uniformed Service	12	Formatted	...
Section 4 Loans			14	Formatted
4.1	Loans	14	Formatted: Default Paragraph Font, Check spelling and grammar	...
4.2	Information Coordination Concerning Loans	14	Formatted	...
4.3	Maximum Loan Amount	14	Formatted	...
Section 5 Benefit Distributions			15	Formatted
5.1	Benefit Distributions At Severance from Employment or Other Distribution Event	15	Formatted	...
5.2	Form of Payment	16	Formatted	...
5.3	Small Account Balances	16	Formatted	...
5.4	Minimum Distributions	17	Formatted	...
5.5	In Service Distributions From Rollover Account	17	Formatted	...
5.6	Hardship Withdrawals	17	Formatted	...
5.7	Hardship Withdrawals Determined by the Plan	18	Formatted	...
5.8	Rollover Distributions	21	Formatted	...
5.9	Qualified Reservist Distributions	22	Formatted	...

<u>Section 6 Rollovers to the Plan and Transfers</u>	23	Formatted: Default Paragraph Font, Check spelling and grammar
6.1 Eligible Rollover Contributions to the Plan.....	23	Formatted
6.2 Plan to Plan Transfers to the Plan for All Members of a Class.....	24	Formatted
6.3 Plan to Plan Transfers from the Plan for All Members of a Class.....	25	Formatted
6.4 Contract Exchanges and Custodial Account Exchanges.....	26	Formatted
6.5 Permissive Service Credit Transfers.....	27	Formatted
<u>Section 7 Investment of Contributions and Vesting</u>	28	Formatted: Default Paragraph Font, Check spelling and grammar
7.1 Manner of Investment.....	28	Formatted
7.2 Investment of Contributions.....	29	Formatted
7.3 Vesting.....	29	Formatted
7.4 Vendors.....	29	Formatted
<u>Section 8 Beneficiary</u>	30	Formatted
8.1 Participant's Beneficiary.....	30	Formatted
8.2 Requirements.....	31	Formatted
8.3 Default Beneficiary.....	31	Formatted
8.4 Beneficiary's Beneficiary.....	31	Formatted
8.5 Alternate Payee's Beneficiary.....	31	Formatted
8.6 Survivorship and Relationships.....	32	Formatted
8.7 Contrary Terms in Individual Agreement.....	32	Formatted
<u>Section 9 Claims Procedure</u>	32	Formatted
9.1 Requests for Determination.....	32	Formatted
9.2 Appeal Procedure.....	33	Formatted
9.3 Consideration of Appeal.....	33	Formatted
9.4 Final Decision.....	33	Formatted
9.5 Exhaustion of Remedies.....	34	Formatted
<u>Section 10 Amendment and Plan Termination</u>	34	Formatted
10.1 Termination of Contributions.....	34	Formatted
10.2 Amendment and Termination.....	34	Formatted
10.3 Distribution upon Termination of the Plan.....	34	Formatted
<u>Section 11 Miscellaneous</u>	35	Formatted
11.1 Non-Assignability.....	35	Formatted
11.2 Domestic Relation Orders.....	35	Formatted
11.3 IRS Levy.....	36	Formatted
11.4 Tax Withholding.....	37	Formatted
11.5 Payments to Minors and Incompetents.....	37	Formatted
11.6 Mistaken Contributions.....	37	Formatted
11.7 Procedure When Distributee Cannot Be Located.....	37	Formatted
11.8 Incorporation of Individual Agreements.....	38	Formatted
11.9 Governing Law.....	38	Formatted
11.10 Headings.....	38	Formatted
11.11 Gender.....	38	Formatted
11.12 Plan Year.....	38	Formatted

11.13 Severability.....	38	Formatted	...
11.14 No Contract Rights.....	38	Formatted	...
11.15 Powers of Attorney.....	39	Formatted	...
11.16 Effect of Plan Summary, Information, and Administration Forms.....	39	Formatted	...
11.17 Reliance on Evidence of a Person's Identity.....	39	Formatted	...
11.18 Correcting 403(b) Failures.....	39	Formatted	...
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.....	39	Formatted	...
11.20 Administrator's Discretionary Authority.....	40	Formatted	...
11.21 Employer's Sole Discretion.....	40	Formatted	...
11.22 Designees Through Which the Administrator May Act.....	40	Formatted	...
11.23 Retirement Plans Administration Committee and Investment Committee.....	40	Formatted	...
11.24 Designees Through Which the Employer May Act.....	41	Formatted	...
11.25 Indemnification.....	41	Formatted	...
11.26 Limitation of Liability.....	41	Formatted	...
11.27 Source of Benefits.....	42	Formatted	...
11.29 Oregon Family Fairness Act.....	42	Formatted	...
11.30 Not a Contract of Employment.....	42	Formatted	...
Section 12 Participating Employers.....	43	Formatted: Default Paragraph Font, Check spelling and grammar	
12.1 Adoption of Plan.....	43	Formatted	...
12.2 Rights and Duties.....	43	Formatted	...
12.3 Designation of Agent.....	43	Formatted	...
12.4 Contributions.....	43	Formatted	...
12.5 Amendment of Plan.....	43	Formatted	...
12.6 Revocation of Participation.....	44	Formatted	...
12.7 Authority.....	44	Formatted	...
		Formatted	...

OREGON PUBLIC UNIVERSITIES
TAX-DEFERRED INVESTMENT 403(b) PLAN

Preamble

The University of Oregon (the “Employer”) adopted the Oregon Public Universities Tax-Deferred Investment 403(b) Plan (the “Plan”) effective as of July 1, 2014 as 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 assumed 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 became 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.

In order to clarify the operation and administration of the Plan, the Employer adopts this 2018 Restatement of the Plan, effective January 1, 2018, 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
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 delegates, ~~including but not limited to the Oregon Public Universities Retirement Plan 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) but not including adjustments for housing, vehicle, moving and representational allowances, and taxable life insurance or other benefits. 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”

A ~~transfer~~ ~~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 1.256 (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 ~~the~~ maximum of \$2650,000 ~~(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 Plans Committee, any member of the foregoing committees,~~ and, in performing service as a designee under Section 11.22 or 11.23 (relating to designees through which the Administrator or the Employer may act), any employee of the Employer or a Participating Employer. “Indemnified Person” means one of the Indemnified Persons. See Section 11.24 (relating to indemnification of Indemnified Persons). Despite the above provisions of this Section 1.17, except as explicitly provided by contract, “Indemnified Persons” and “Indemnified Person” do not include, and indemnification under Section 11.24 will not be provided for, any Vendor, and do not include, and indemnification under Section 11.24 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 Plans 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. The Participating Employers are:

Commented [A1]: This exclusion conflicts with the Managed Accounts contract for Strategic Advisers Inc (SAI) that requires UO to indemnification.

Commented [A2R1]: That is something I have not yet talked to Craig about as my first step was to go to procurement for their review. That is on my list for Craig.

Iris and Craig will revise charter to specify responsibilities

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- Oregon State University;
- Portland State University;
- Eastern Oregon University;
- Western Oregon University;
- Southern Oregon University; and
- Oregon Institute of Technology
- ~~Chancellor's Office of the Oregon University System until July 1, 2015, at which time the Chancellor's Office of the Oregon University System ceased operations and ceased to be a Participating Employer.~~

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 ~~"Retirement Plans Committee"~~

~~The Oregon Public Universities Retirement Plans Committee includes two subcommittees, called the Retirement Plans Administration Committee and the Retirement Plans Investment Committee.~~

- ~~(a) Retirement Plans Administration Committee authority and responsibilities are described in Section 9 of this plan document as relates to appeals, and as further described and assigned in the in the Retirement Plans Committee Charter, restated January 1, 2015, and as from time to time updated and adopted by the Retirement Plans Committee.~~
- ~~(b) Investment Committee authority and responsibilities stated first in Section 7.2(b) of this plan document are further described and assigned in the Retirement Plans Committee Charter restated January 1, 2015, and as from time to time updated and adopted by the Retirement Plans Committee and Administrator.~~

1.25 "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).

1.256 "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").

1.267 "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.

1.278 "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, but a Contract Exchange, although such movements of Account Balances may be generally described as transfers.

1.289 "Vendor"

The provider of an Annuity Contract or Custodial Account.

1.2930 "Valuation Date"

Each business day.

Section 2
Participation and Contributions

2.1 Eligibility.

Except as provided below, eEach Employee, including Employees employed as clinical interns, 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) 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).

(b) An Employee who is a nonresident alien and who receives no earned income from sources within the United States is not eligible to participate.

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 university benefits office. 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 university benefits office 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 as soon as administratively possible 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 by the Employer and Participating Employers 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 ~~90~~ 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 \$18,500 for 20187~~, and is adjusted for cost-of-living ~~after 20187~~ 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 ~~\$6,00 for 20187~~, and is adjusted for cost-of-living ~~after 20187~~ 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, the State of Oregon, 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^{1/2}. 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 \$15,000 (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 defined contribution account 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.

Participants who are still employed with one of the participating employers are not required to take minimum distributions.

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 9.5 through 9.8 (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), except that for Plan Years beginning in 2018 through 2025, losses that would qualify for a deduction under section 165 had section 165 not been amended through the Tax Cuts and Jobs Act of 2017 to require that losses constitute Federally declared disasters also qualify a Participant for a hardship withdrawal under this Plan. -

(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 ~~may~~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 ~~Administrator or the Administrator's delegate~~Retirement Plans 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
Administration of the Plan; Claims Procedure

9.1 Administrator

The Administrator shall be the trustee and fiduciary responsible for administration of the Plan. The Administrator holds all powers and authority related to the administration of the Plan other than those powers given to a third party by the Employer or Administrator. Any interpretation of or action by the Administrator with respect to the Plan and its administration shall be conclusive and binding upon any and all parties and persons affected thereby, subject to the appeal procedure set forth in Section 9.5 herein and any authority given to a third party. ~~The Administrator may, at its discretion, delegate authority and duties as necessary. The Retirement Plans Administration Committee acts as a delegate of the Administrator to the extent and with respect to those duties set forth in this Section 9 and any other delegation of authority of the Administrator.~~

~~**9.2 Retirement Plans Administration Committee**~~

~~The Board or its delegate shall appoint a Retirement Plans Administration Committee composed of three or more persons which shall carry out the administration of the Plan on behalf of the Employer or a Participating Employer to the extent provided in this document. No member of the Retirement Plans Administration Committee who is an Employee shall receive additional compensation with respect to service on the Committee. Any member of the Retirement Plans Administration Committee may resign by delivering written resignation to the Board and to the Retirement Plans Administration Committee. The Board may remove or replace any member of the Retirement Plans Administration Committee at any time and for any reason.~~

~~**9.3 Organization and Procedures**~~

~~(a) Chairperson~~

~~The Board or its delegate shall designate a committee chair from the members of the Retirement Plans 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 Retirement Plans Administration Committee.~~

~~(b) Secretary~~

~~The Board or its delegate shall appoint a Retirement Plans Administration Committee secretary, who may or may not be a member of the Retirement Plans Administration Committee. The secretary shall have the primary responsibility for keeping a record of all meetings and acts of the Retirement Plans Administration~~

~~Committee and shall have custody of all documents, the preservation of which shall be necessary or convenient to the efficient functioning of the Retirement Plans Administration Committee and which shall be in accordance with other requirements of law.~~

~~(e) — Bylaws and Procedures~~

~~The Retirement Plans Administration Committee shall adopt such bylaws and procedures as it deems desirable for the conduct of its affairs subject to the approval of the Administrator.~~

9.4 — Authority and Duties

~~(a) — Authority~~

~~The Administrator delegates all powers necessary or appropriate to the Retirement Plans Administration Committee to carry out its duties to the extent set forth in this Section 8. Any interpretation of or action by the Retirement Plans Administration Committee with respect to the authority and duties delegated to the Retirement Plans Administration Committee related 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 9.5 herein.~~

~~(b) — Duties~~

~~The Retirement Plans Administration Committee shall administer the Plan in a non-discriminatory manner for the exclusive benefit of the Plan's Participants, Beneficiaries, and alternate payees to the extent delegated under this Section 9. The Administrator delegates its authority to the Retirement Plans Administration Committee to supervise the administration of the Plan and to control its operation with respect to the following:~~

- ~~(1) — consider Employee interests and recommend to the Employer, if applicable, Plan amendments and administrative procedures that serve those interests;~~
- ~~(2) — interpret the provisions of the Plan and determine any question arising under the Plan, or in connection with the administration or operation thereof, including any question of fact;~~
- ~~(3) — review, except with respect to investment matters, Fund Sponsor proposals, programs, obligations, responsibilities, and services for acceptable content, performance and utility to Employees of the Employer and Participating Employers;~~

- ~~(4) — delegate and allocate specific obligations, responsibilities, and duties imposed by the Plan to one or more Employees, officers, Fund Sponsor(s) or such other persons subject to the approval of the Administrator;~~
- ~~(5) — determine the eligibility of any Employee to be or become a Participant; and~~
- ~~(6) — assist in the resolution of any dispute described in Section 9.5(a) and determine the outcome of any appeal pursuant to Section 9.6, 9.7 and 9.8.~~

9.25 Requests for Determination.

- (a) 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 Vendor, the Employer, the Administrator or the Administrator's ~~delegate~~Retirement Plans Administration Committee, the individual (the "Claimant") may submit a claim for determination to the Administrator or the Administrator's delegate~~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 9.5(b) below about an application for a distribution on account of hardship.)~~The Claimant shall be notified of the Administrator's or delegate's~~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 or delegate'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 9.5 only after requesting reconsideration as provided in Section 5.7(b)(3) and receiving the Administrator's decision on the request.

9.36 Appeal Procedure.

Any Claimant who has received an adverse determination shall have the right to appeal the determination to the Administrator~~Retirement Plans Administration Committee (the "Administration 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 ~~Administrator~~Administration Committee.

9.47 Consideration of Appeal.

The ~~Administrator or the Administrator's delegate~~Administration Committee shall consider appeals received under Section 9.36. 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.

9.58 Final Decision.

The ~~Administrator's or delegate's~~Administration 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 Administration 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 Lane County in Eugene, Oregon., Oregon. The ~~Administrator or the Administrator's delegate~~Committee will inform the Claimant of the right to appeal to the Oregon Circuit Court of Lane County Eugene, Oregon.

9.69 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 ~~Administrator's delegates~~Retirement Plans Administration Committee (and any member of the Committee), the Retirement Plans Investment Committee (an any member of the Committee), and, in performing service as a designee under Section 11.22 or 11.23, 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 11.25 (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 11.24 (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 Participating 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) This Section 11.2 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 11.2 applies to a Participant and the Participant's spouse or former spouse, except that this Section 11.2 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 age 59½ 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, whom the Oregon Family Fairness Act (codified at ORS 106.340) requires be treated the same as the Participant's spouse.

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 sections 3401 and 3405 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.

Subject to the applicable Vendor's rules, if any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within twelve months 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, (and (b) 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. 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 ~~Administrator's delegates Retirement Plans Administration Committee (the "Committee")~~ under Section 9, references in the above provisions of this Section 11.20 to the Administrator shall be deemed to refer to the ~~delegates 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 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 11.23 must satisfy any applicable requirements in §1.403(b)-3(b)(3)(ii) of the Income Tax Regulations.

11.24 Indemnification.

- (a) In order to facilitate the recruitment of competent persons, the Employer agrees to provide the indemnification as described in this Section 11.24.
- (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 11.24 applies. The Employer may satisfy its obligation under this Section 11.24 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 11.24 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.~~

11.25 Limitation of Liability.

Subject to any requirements under section 403(b) of the Code:

- (a) Except as provided in section 11.25(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 Retirement Plans Investment Committee and any member thereof,~~ and, in performing service as a designee under Section 11.22 or 11.23, any officer, employee, agent or representative of the Employer or a Participating Employer. This Section 11.25(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 11.25(a).
- (b) The exoneration from liability in Section 11.25(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 11.25(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 11.25(a) above.

11.26 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 11.25(a) and not in Section 11.25(b) is liable or responsible therefor.

11.28 Oregon Family Fairness Act.

The Administrator will administer the Plan to comply with the Oregon Family Fairness Act, which is codified at ORS 106.340.

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 _____, 2018~~7~~.