

UNIVERSITY OF ST. THOMAS

RETIREMENT PLAN

**Restatement
Effective January 1, 2009**

(Plan Year is September 1 through August 31)

**UNIVERSITY
of ST. THOMAS**

MINNESOTA

TABLE OF CONTENTS

ARTICLE 1 Purpose and Definitions 1
Section 1.1 Purpose..... 1
Section 1.2 Effective Date 1
Section 1.3 Definitions..... 1
 Administrator 1
 Alternate Payee 1
 Annuity Starting Date 1
 Beneficiary 1
 Board of Trustees 2
 Carrier 2
 Code 2
 Compensation 2
 Distributee 2
 Domestic Relations Order..... 3
 Eligible Employee..... 3
 Eligible Retirement Plan 3
 Eligible Rollover Distribution..... 4
 Employer..... 4
 Employee 4
 ERISA 5
 Hour of Service 5
 Nonspouse Beneficiary 6
 Participant 6
 Participating Employer 6
 Plan 6
 Plan Year..... 6
 Qualified Domestic Relations Order..... 6
 Qualified Optional Survivor Annuity 8
 Qualified Joint and Survivor Annuity 8
 Related Employer..... 8
 Rollover Contributions..... 8
 Savings Vehicle 8
 Severance from Employment..... 8
 Sponsoring Employer..... 8
 Spouse (Surviving Spouse)..... 8
 Termination of Employment..... 8
 Termination of Service 9
 Year of Service 9

ARTICLE 2 Participating Employers 9
Section 2.1 Eligibility 9
Section 2.2 Commencement of Participation..... 9

ARTICLE 3 Eligibility and Participation	10
Section 3.1 Eligibility Requirements	10
Section 3.2 Highly Compensated Employee Elections.....	10
Section 3.3 Reemployment	10
Section 3.4 Reclassification.....	10
Section 3.5 Termination of Participation.....	10
 ARTICLE 4 Contributions.....	 11
Section 4.1 Contributions.....	11
Section 4.2 Section 415 Limitations	11
Section 4.3 Vesting.....	14
 ARTICLE 5 Savings Vehicles of Carriers.....	 14
Section 5.1 Carriers and Saving Vehicles.....	14
Section 5.2 Purchase	15
Section 5.3 Investment.....	15
Section 5.4 Plan-to-Plan Transfers To the Plan	16
Section 5.5 Plan-to-Plan Transfers From the Plan.....	16
 ARTICLE 6 Benefits	 16
Section 6.1 Distributions.....	16
Section 6.2 Method of Distribution	16
Section 6.3 Distribution Requirements	17
Section 6.4 Qualified Joint and Survivor Annuity.....	22
Section 6.5 Death Benefit	24
Section 6.6 Direct Rollovers	26
Section 6.7 Qualified Domestic Relations Orders	27
Section 6.8 USERRA and Section 414(u) of the Code.....	27
 ARTICLE 7 Plan Administration	 27
Section 7.1 Administrator	27
Section 7.2 Delegation of Authority Regarding Administrator	29
 ARTICLE 8 Claims Procedure	 29
Section 8.1 Claims	29
Section 8.2 Claim Denial	29
Section 8.3 Review Procedure	29
 ARTICLE 9 Amendment and Termination	 30
Section 9.1 Right to Amend.....	30
Section 9.2 Termination of Participation	30
Section 9.3 Allocation Upon Termination.....	30
Section 9.4 Effect of Amendment or Termination.....	30
 ARTICLE 10 Miscellaneous.....	 31
Section 10.1 Delegation of Authority	31

Section 10.2 Non-Alienation	31
Section 10.3 Negation of Employment Rights	31
Section 10.4 Prohibition Against Diversion	31
Section 10.5 Governing Laws.....	31
Section 10.6 Bonding.....	32
Section 10.7 Incorporation of Savings Vehicles.....	32

**UNIVERSITY OF ST. THOMAS
RETIREMENT PLAN**

The University of St. Thomas pursuant to the power of amendment reserved to it in Section 12.1 of the University of St. Thomas Retirement Plan and pursuant to the authority of its Board of Trustees hereby amends and restates that Plan, effective as of January 1, 2009, although certain modifications may be effective on other dates as specified in this document.

**ARTICLE 1
Purposes and Definitions**

Section 1.1 Purpose. It is the intention of the University of St. Thomas to provide for the administration of this retirement plan for the benefit of its Eligible Employees and the Eligible Employees of any other Employer adopting this Plan. This Plan document is intended to comply with the provisions of Section 403(b) of the Internal Revenue Code of 1986 and other provisions of law relating hereto. Plan contributions are invested in one or more available investment vehicles.

Section 1.2 Effective Date. The provisions of this amendment and restatement of the Plan shall be effective as of January 1, 2009, unless otherwise provided herein.

Section 1.3 Definitions. The terms defined in this section when used in the Plan with initial capital letters, have the following meanings unless the context clearly indicates that other meanings are intended:

Administrator. “Administrator” means the person, persons or entity designated in accordance with Section 7.1 of the Plan. The Administrator shall be a named fiduciary for purposes of ERISA and this Plan.

Alternate Payee. “Alternate Payee” means any Spouse, former Spouse, child, or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

Annuity Starting Date. “Annuity Starting Date” means the first day of the first period for which an amount is payable as an annuity from a Savings Vehicle or in any other form.

Beneficiary. “Beneficiary” means the person, persons, trustee, or estate designated by the Participant to receive the Participant’s benefits at his or her death. In the event no person is designated as a Beneficiary with respect to the Participant’s Savings Vehicles provided by a Carrier or in the event all such designated persons predecease the Participant, then the Beneficiary with respect to such Savings Vehicles shall be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike: (a) the Participant’s Spouse,

(b) the Participant's children, except that if any of the children predecease the Participant but leave issue surviving the Participant, such issue shall take, by right of representation, the share their parent would have taken if living, (c) the Participant's parents, (d) the Participant's brothers and sisters, (e) the Participant's estate. The Participant may select or change Beneficiaries from time to time in the manner set forth in the rules adopted by each Carrier, subject to any rules adopted by the Administrator. Unless modified by the Administrator, any Beneficiary selection or change by a Participant shall be made on forms provided by each Carrier and shall only apply with respect the Savings Vehicles of that Carrier. No Beneficiary shall have any rights under the Plan until benefits actually become payable under the Plan to such Beneficiary.

Board of Trustees. The "Board of Trustees" is the governing body of the University of St. Thomas.

Carrier. "Carrier" means any company qualified to issue annuity contracts within the meaning of Section 403(b) of the Code and also means a regulated investment company within the meaning of that section, provided that the company is authorized to be treated as a Carrier under the Plan by the Administrator.

Code. "Code" means the Internal Revenue Code of 1986, as amended.

Compensation. "Compensation" means base wages of an Employee received from an Employer that are subject to federal income tax withholding, determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

Compensation shall include any salary reductions made by the Employee's Participating Employer which are not includible in the gross income of the Employee under Sections 125 or 402(e)(3) of the Code. On and after September 1, 1999, for purposes of this definition, compensation paid or made available during a calendar year shall include elective amounts that are not includible in the gross income of the employee by reason or Section 132(f)(4) of the Code.

Compensation shall not include overtime pay, bonuses, shift differentials, faculty stipends amounts paid pursuant to adjunct faculty contracts, miscellaneous pay, or any other amounts that are not part of base wages.

Compensation shall not include any remuneration during a period when an Employee is not an Eligible Employee under the Plan or does not meet the participation requirements of Article 3 of the Plan.

The amount of Compensation taken into account under the Plan shall not exceed the limits of Section 401(a)(17) of the Code.

Distributee. A "Distributee" includes a Participant or former Participant. In addition, the term "Distributee" includes the Participant's or former Participant's

Surviving Spouse, the Participant's or former Participant's Spouse or former Spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code, and a Nonspouse Beneficiary.

Domestic Relations Order. "Domestic Relations Order" means any judgment, decree, or order (including approval of a property settlement agreement) which:

(1) 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, and

(2) is made pursuant to a state domestic relations law (including a community property law).

Eligible Employee.

(1) Subject to the exclusions in Paragraph (2), an "Eligible Employee" is an individual who is an Employee of a Participating Employer.

(2) An individual is not an Eligible Employee during any period that the individual is:

(A) An Employee in a unit of Employees of a Participating Employer covered by a collective bargaining agreement which does not provide that Employees in the unit shall be covered by the Plan and if there is evidence that retirement benefits were the subject of good faith bargaining between the representatives of such unit and the Participating Employer;

(B) a non-resident alien;

(C) a student performing services described in Code Section 3121(b)(10);

(D) an Employee who works less than 1,000 during a Plan Year;

(E) Employees who are designated by the University as "lecturers" or "adjunct" members of the University's faculty (other than Employees who have a one (1) year contract with the University and teach a minimum of twelve (12) semester credits for undergraduate courses or nine (9) semester credits for graduate courses); or

(F) clergy who are eligible to receive benefits through their Archdiocese or supervising or employing body.

(G) Eligible Rollover Distribution.

(1) **Eligible Retirement Plan:** An "Eligible Retirement Plan" is another Section 403(b) annuity or an individual retirement account described in Section 408(a) of the Code, or an individual retirement annuity (other than an endowment contract) described in Section 408(b) of the Code that accepts the Distributee's Eligible Rollover Distribution. With respect to distributions after December 31, 2001, an Eligible Retirement Plan is also an annuity plan described in Section 403(a) of the Code, a qualified trust described in Section 401(a) of the Code, or an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts the Distributee's Eligible Rollover Distribution. Also, with respect to distributions after December 31, 2001, this definition of Eligible Retirement Plan also applies in the case of a distribution to a Surviving Spouse, or to a Spouse or former Spouse who is the Alternate Payee under a Qualified Domestic Relations Order. For any Nonspouse Beneficiary, an Eligible Retirement Plan shall only include (i) an "individual retirement account" described in 408(a) of the Code, and (ii) an "individual retirement annuity" described in Section 408(b) of the Code (other than an endowment contract).

(2) **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 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 specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other exception permitted by law or the Internal Revenue Service.

(3)

Employer. "Employer" means the employer of a common law employee.

Employee. "Employee" is a natural person employed in the service of the Employer as a common law employee.

ERISA. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

Hour of Service. An “Hour of Service” generally includes:

(1) each hour for which an Employee is directly or indirectly paid or entitled to payment by an Employer for the performance of duties for the Employer.

(2) each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by the Employer; a back pay Hour of Service shall be allocated to the period or periods to which the award or agreement pertains unless the Employee has otherwise received credit for an Hour of Service for the same period;

(3) each hour for which the Employee is being directly or indirectly paid at more than the Employee’s regular rate of pay shall be counted as one Hour of Service; and

(4) each hour for which an Employee is paid or entitled to payment for a period during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity, layoff, jury duty, military duty, or leave of absence; in crediting Hours of Service pursuant to this subparagraph (4), all payments made or due shall be taken into account, whether such payments are made directly by the Employer or indirectly (e.g., through a trust fund or insurer to which the Employer makes payments, or otherwise), except that:

(A) no more than 501 such Hours of Service shall be credited for any single continuous period during which the Employee performs no duties;

(B) no such Hours of Service shall be credited to an Employee for a payment made or due under a plan maintained solely for the purpose of complying with any workers’ compensation, unemployment compensation or disability insurance laws; and

(C) no such Hours of Service shall be credited for a payment which is made solely to reimburse the Employee for medical or medically related expenses.

(D) Notwithstanding any other provision in this section, if an Employee is paid on other than an hourly basis, such Employee shall be credited with 45 Hours of Service for any week for which such Employee receives compensation from such Employee’s Employer.

(E) The Hours of Service, if any, for which an Employee is credited for a period in which the Employee performs no duties shall be computer any credited to computation periods in accordance with Section 2530.200b-2(b) and (c) of the Department of Labor Regulations and other applicable regulations promulgated by the Secretary of Labor. Also, for purposes of determining an Employee's Hours of Service with an Employer which is a Related Employer, only Hours of Service credited while that Employer is a Related Employer shall be taken into account.

Nonspouse Beneficiary. A "Nonspouse Beneficiary" is any Beneficiary other than the Surviving Spouse.

Participant. "Participant" means an Eligible Employee who has met and continues to meet the participation requirements of Article 3 and any person who is entitled to a benefit under the Plan by reason of having been an Eligible Employee. A person shall cease to be a Participant as provided in Section 3.5.

Participating Employer. "Participating Employer" means the Sponsoring Employer and any other Employer which has adopted the Plan pursuant to the provisions of Article 2 and is maintaining it in effect.

Plan. "Plan" means the University of St. Thomas Retirement Plan (it was referred to as the University of St. Thomas Retirement Annuity Plan prior to this restatement).

Plan Year. "Plan Year" means the 12-month period beginning September 1 of each calendar year, and has consistently been administered as that period prior to this restatement.

Qualified Domestic Relations Order.

(1) General Rule. The phrase "Qualified Domestic Relations Order" means a Domestic Relations Order:

(A) which 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, and

(B) with respect to which the requirements described in the remainder of this definition are met.

(2) Specification of Facts. A Domestic Relations Order shall be a Qualified Domestic Relations Order only if the order clearly specifies;

(A) the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order,

(B) the amount of 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,

(C) the number of payments or period to which such order applies, and

(D) each plan to which such order applies.

(3) Further Requirements. A Domestic Relations Order shall be considered a Qualified Domestic Relations Order only if such order:

(A) does not require the Plan to provide any type of form of benefit, or any option, not otherwise provided under the Plan,

(B) does not require the Plan to provide increased benefits, and

(C) does not require payment of benefits of an Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(4) Exception for Payments after Order. A Domestic Relations order shall not be treated as failing to meet the requirement that the Plan not provide any type or form of benefit, or any option, not otherwise provided under the Plan solely because such order requires that payment of benefits be made to an Alternate Payee:

(A) before the Participant has incurred a Termination of Service,

(B) as if the Participant has incurred a Termination of Service on the date on which such payment is to begin under such order, and

(C) in any form in which such benefits may be paid under the Plan to the Participant (other than in the Qualified Joint and Survivor Annuity Form with respect to the Alternate Payee and his or her subsequent Spouse).

(5) Orders Prior to January 1, 1985. Generally, a Domestic Relations Order cannot be a Qualified Domestic Relations Order until January 1, 1985. However, in the case of a Domestic Relations Order entered before such date, the Administrator:

(A) shall treat such order as a Qualified Domestic Relations Order if such Administrator is payment benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a Qualified Domestic Relations Order even if such order does not meet the requirements set forth above.

Qualified Optional Survivor Annuity. “Qualified Optional Survivor Annuity” means an annuity for the life of the Participant with a survivor annuity for the lifetime of the Spouse, which is equal to seventy-five percent (75%) of the annuity which is payable during the joint lives of the Participant and the Spouse, and which is the actuarial equivalent of a single annuity for the life of the Participant.

Qualified Joint and Survivor Annuity. “Qualified Joint and Survivor Annuity” means an annuity contract which provides annuity payments to a Participant for the Participant’s life with annuity payments equal to fifty percent (50%) of the Participant’s annuity payments continuing to the Participant’s Spouse upon the death of the Participant.

Related Employer. “Related employee” means any Employer, other than a Participating Employer, which is part of a group of corporations or other business organizations with at least one Participating Employer determined by using tests established under Section 414 of the Code, but modified by Section 415(h) of the Code for purposes of Section 415 of the Code.

Rollover Contributions. “Rollover Contributions” means contributions made to the Plan by an Employee from an Eligible Rollover Distribution from another plan pursuant to Section 401(a)(31) of the Code.

Savings Vehicle. “Savings Vehicle” means an annuity contract or custodial account available under the Plan.

Severance from Employment. “Severance from Employment” means the Participant ceases to be employed by an eligible Employer maintaining the Plan.

Sponsoring Employer. “Sponsoring Employer” means the University of St. Thomas.

Spouse (Surviving Spouse). “Spouse (Surviving Spouse)” means the spouse or surviving spouse of a Participant provided that the term “Spouse” (“Surviving Spouse”) shall include a former spouse of a Participant to the extent provided under a Qualified Domestic Relations Order as described in Section 414(p) of the Code.

Termination of Employment. “Termination of Employment” means the status as an Employee of an Employer ceases for any reason other than the Employee’s death. An

Employee who does not return to work for such Employer on or before the expiration of an authorized leave of absence from such Employer shall be deemed to have incurred a Termination of Employment when such leave ends.

Termination of Service. “Termination of Service” means that an individual has ceased to be an Employee of all Participating Employers and Related Employers.

Year of Service. “Year of Service” means any one-year period beginning on an Employee’s date of hire by a Participating Employer or Related Employer during which the Employee completes 1000 or more Hours of Service with a Participating Employer or Related Employer, subject to the following rules:

(1) An Employee will also be credited with a Year of Service following completion of 1000 or more Hours of Service with a Participating Employer or Related Employer during any Plan Year beginning with the Plan Year that includes the last day of the 12-month period that began with the Employee’s date of hire;

(2) An Employee’s “date of hire” for this purpose shall be the original date of hire by a Participating Employer or Related Employer unless the employee incurs a Termination of Service before completing one Year of Service and does not return for at least one year beginning on the first day of the Plan Year beginning on or after the date of that Termination of Service, in which the case the rehire date shall be treated as the date of original hire for this purpose, i.e., service will be measured from that rehire date;

(3) In the case of an Employee who is a member of the University’s faculty, such Employee will be deemed to have completed 1000 Hours of Service with a Participating Employer or Related Employer if such person has a one (1) year contract with the University and teaches a minimum of twelve (12) semester credits for undergraduate courses or nine (9) semester credits for graduate courses.

ARTICLE 2

Participating Employers

Section 2.1 Eligibility. In order to be eligible to adopt the Plan, an employer must be designated as eligible in resolutions duly adopted by the Administrator, as evidenced by copies thereof certified by the secretary (or other authorized person) of the Administrator and delivered to such Employer. The resolutions may specify the date as of which such Employer’s participation may become effective. They may also specify the divisions or other units of Employees of such Employer whose members are eligible to become Participants.

Section 2.2 Commencement of Participation. An eligible Employer may adopt the Plan by resolution duly adopted by its board of trustees or other managing body, as

evidenced by copies thereof certified by its secretary or assistant secretary (or other authorized person) and delivered to the Administrator. Upon such delivery to the Administrator of certified copies of that resolution, the Employer shall become a Participating Employer effective upon the later of the date specified in the resolution or the resolutions of the Administrator. If no date is specified in such resolutions, the eligible Employer shall become a Participating Employer as of the first day of the first Plan Year subsequent to the date on which all such resolutions have been duly adopted.

ARTICLE 3

Eligibility and Participation

Section 3.1 Eligibility Requirements. An Eligible Employee shall commence participation in this Plan on the first day of the calendar month coinciding with or next following the completion by such Eligible Employee of one Year of Service and the attainment of age 21; except that an Eligible Employee whose date of employment with a Participating Employer is on or after the date he or she attains age 40 shall begin participation in this Plan on the first day of the calendar month coinciding with or next following that date of employment.

Section 3.2 Highly Compensated Employee Elections. A Highly Compensated Employee, as that term is defined in Section 414(q), may elect not to participate in this Plan with the approval of the University's President.

Section 3.3 Reemployment.

(a) An Eligible Employee who has a Termination of Service after satisfying the participation requirements of Section 3.1, whether the Eligible Employee has become a Participant or not, will be eligible to participate in the Plan again as of the first day he or she again performs an Hour of Service for a Participating Employer.

(b) An Eligible Employee who separates from service with all Participating Employers prior to satisfying the service and age requirements of Section 3.1 will be eligible to participate in the Plan as of the first day of the calendar month coinciding with or following the date he or she meets the eligibility requirements set forth in Section 3.1.

Section 3.4 Reclassification. No judicial or administrative reclassification, or reclassification by the Employer, of an individual as a common law employee or otherwise Eligible Employee, will be applied to grant retroactive eligibility to any individual under this Plan.

Section 3.5 Termination of Participation. After there shall have been distributed to or for the benefit of a Participant or such Participant's Beneficiary all amounts accumulated under any Savings Vehicle pursuant to this Plan, such person shall cease to be a Participant.

ARTICLE 4

Contributions

Section 4.1 Contributions. On an annual or more frequent basis as determined by each Participating Employer, the Participating Employer will contribute to the Plan each calendar year on a Participant's behalf an amount equal to 10.4% of such Participant's Compensation from the Participating Employer for the calendar year.

(a) The contribution amount

No other contributions, including Rollover Contributions, voluntary after-tax, pretax salary deferral contributions or matching contributions are permitted under the Plan.

(1) Subject to paragraphs (2) and (3) below, if an Employee of a Participating Employer is permanently and totally disabled (as defined in Section 22(e)(3) of the Code) while such Employee is an Eligible Employee and Participant, such Participant shall be deemed to have compensation for purposes of this Plan at the rate in effect before the Participant became permanently and totally disabled until the earlier of the date he or she retires from the University, dies, reaches age 65 or is no longer permanently and totally disabled. Further, such Employee's Participating Employer shall make contributions on the Participant's behalf under this section for that period.

(2) Paragraph (1) will not apply to a Participant who becomes permanently and totally disabled on or after January 1, 2002.

(3) A Participant who satisfied the provisions of paragraph (1) prior to January 1, 2002 and continues to satisfy those provisions will continue to have contributions made under the Plan after that date on his or her behalf, as provided in that paragraph. For a Participant to qualify, the Participant will need to annually prove to the Administrator that the Participant continues to have such disability. Generally, such disability may be proved by providing the Administrator with a copy of the Participant's current Social Security Administration disability determination letter (the Administrator may designate a particular time when that letter must be provided to the Administrator).

Section 4.2 Section 415 Limitations.

(a) Anything in this Plan to the contrary notwithstanding the total "annual additions" made on behalf of any Participant for any limitation year under this Plan and any other qualified defined contribution plan maintained by an Employer and combined or aggregated with it in accordance with Section 1.415-8 of the Regulations and Section 415(k)(4) of the Code, will not exceed the limits imposed by Section 415 of the Code, as it may be adjusted from time to time, except to the extent permitted under Section 414(v) of the Code. In general, Section 415 of the Code provides that the maximum annual

additions may not exceed the lesser of: 100 percent of the Participant's "compensation" (as determined in accordance with Section 415(c)(3) of the Code and Section 1.415-2(d) of the Regulations) for the limitation year including payments made by the later of 2 1/2 months after severance from employment or the end of the limitation year that includes the date of severance from employment if, absent a severance from employment, such payments would have been paid to the Participant while the Participant continued in employment with the Employer and are regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation or \$40,000 (as adjusted under Section 415(d) of the Code), pursuant to Section 415(c)(1) of the Code. This compensation limit shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an annual addition. Effective for limitation years beginning after December 31, 1997, that compensation will include any elective deferrals (as defined in Section 402(g)(3) of the Code) and any amount which is contributed or deferred by an employer at the election of the Participant and which is not includable in the gross income of the Participant by reason of Section 125 or Section 457 of the Code. On and after September 1, 1999, for purposes of the limitations described in this section, compensation paid or made available during a limitation year shall include elective amounts that are not includable in the gross income of the employee by reason of Section 132(f)(4) of the Code. The limits of Section 415 of the Code are incorporated herein by this reference.

(b) If the annual additions exceed the limitations under Section 415 of the Code, but the Funding Vehicle otherwise satisfies Code Section 403(b), then the portion of the Funding Vehicle that includes the excess will fail to be a Section 403(b) Funding Vehicle and will instead be a contract to which Section 403(c) applies. The portion of the Funding Vehicle that includes the contribution that is not in excess of the Section 415 limitations will remain a 403(b) Funding Vehicle. For the year of the excess and each year thereafter, the issuer of the Funding Vehicle must maintain separate accounts for the portion that includes the excess and the Section 403(b) portion. If the annual additions exceed the limitation under Section 415 of the Code and the Participating Employer's contribution for the limitation year has not been made, the amount that would be contributed to the Plan shall be reduced by such excess amount. If the limitations are exceeded because the Participant is also participating in another plan required to be aggregated with this Plan for the purposes of Section 415, then the rules of Section 1.415-9(c) of the Regulations shall apply. If a reduction is made under this Plan, the Participating Employer will advise affected Participants of any additional limitation on their annual additions required by this provision. In combining and aggregating plans, the rules under Section 1.415-8(d) of the Regulations and Section 415(k)(4) of the Code shall apply.

(c) Notwithstanding any distribution limitations or other conflicting provisions in the Plan, if for any limitation year the limitation described in the prior provisions of this Section 4.2 would otherwise be exceeded with respect to any Participant, the Administrator will correct such excess contributions using any of the following

correction methods determined by the Administrator, in its sole discretion, to be application:

(1) Correct pursuant to any one of the self-correction methods set forth in Section 1.415-6(b)(6)(iv) of the Regulations.

(2) Correct pursuant to the self-correction methods authorized by Rev. Proc. 2001-17 or successor revenue procedures or other guidance;

(3) Correct pursuant to any of the Voluntary Correction with Service Approval methods authorized by Rev. Proc. 2001-17 or successor revenue procedures or other guidance.

(d) The following general provisions will apply to corrections made under paragraph (c):

(1) If amounts are distributed to any Participant under one of the corrections methods set forth in paragraph (c) for a Plan Year, earnings or losses allocable to such amounts for such Plan Year shall also be distributed to the Participant at the same time. Such earnings and losses shall be determined in accordance with any reasonable method for computing the income or losses allocable to such distributed amounts provide the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all such corrective distributions under the Plan for the Plan Year and is sued for allocating income to Participants.

(2) With respect to contributions held in custodial accounts, if the amount by which the limitations are exceeded is not distributed pursuant to a correction method set forth in paragraph (c), the Participant on whose behalf such amount was contributed to the Plan shall be liable for an excise tax pursuant to Code section 4973.

The Administrator shall monitor compliance for purposes of the Section 415 limits on contributions.

(e) For purposes of this Section 4.2:

(1) the term “limitation year” shall mean the calendar year;

(2) the term “annual additions” shall mean, for each limitation year, the sum of the contributions contributed by a Participating or Related Employer to this Plan or any other qualified defined contribution plan and forfeitures allocated to a Participant under such Plan, as described under Section 415(c)(2) of the Code and the applicable Regulations.

Section 4.3 Vesting. A Participant shall be 100% vested in the amounts contributed under the Plan at the time such amounts are contributed.

ARTICLE 5
Savings Vehicles of Carriers

Section 5.1 Carriers and Savings Vehicles.

(a) The Administrator shall select the Carriers that will provide the Savings Vehicles under the Plan. The Administrator will identify each company that will be treated as a Carrier for purposes of the Plan, and shall maintain a list of all Carriers under the Plan. Such list is hereby incorporated as part of the Plan.

(b) The Administrator will also identify the Savings Vehicles that each Carrier may offer under the Plan. The Carrier may be permitted to offer one or more Savings Vehicles. As indicated in the definition of Savings Vehicle, the Savings Vehicles offered by a Carrier may be either annuity contracts or custodial accounts, or both.

(c) Each Savings Vehicle offered by a Carrier may provide a range of investment fund options. The Administrator, pursuant to agreement with the Carrier, shall determine the investment fund options that will be available under a Savings Vehicle. Subject to any limitations under such an agreement, the Administrator may alter the investment options available under a Savings Vehicle. Participants must be notified of any alterations to investment fund options available under the Savings Vehicle.

(d) A Participant may elect to use the Savings Vehicles of only one Carrier to receive contributions under the Plan made on behalf of the Participant.

(1) For purposes of this section, a “contract exchange” takes place when a Participant exchanges one Savings Vehicle under the Plan for another Savings Vehicle under the Plan. For a Participant who has terminated employment with the University, this Plan’s transferability rules will continue to govern funds accumulated under this Plan.

(2) At any time before benefits begin, and subject to a Carrier’s rules for transfers and in accordance with the provisions of the Code for maintaining the tax deferral of the accumulation account(s), a Participant may transfer funds accumulated in such Participant’s accumulation account(s) between and among the Savings Vehicles included in the Plan, provided that the conditions in paragraphs (3) and (4) of this section 5.1(d) are satisfied. A Participant may transfer funds between two Savings Vehicles by making a properly completed request identifying the Savings Vehicles from and to which the funds are to be transferred.

(3) The Participant must have an accumulation account balance immediately after the exchange that is at least equal to the accumulation account balance of

that Participant immediately before the exchange (taking into account the accumulation account balance of that Participant under both Savings Vehicles immediately before the exchange).

(4) The Savings Vehicle with the receiving Carrier must have distribution restrictions with respect to the Participant that are not less stringent than those imposed on the Savings Vehicle being exchanged.

(5) A Participant who has a Savings Vehicle under the Plan with a vendor which is not a Carrier may transfer his accumulation account balance from that vendor to the Carrier provided that the conditions in paragraphs (3) and (4) of this section 5.1(d) are satisfied. The Carrier is responsible for verifying that the conditions have been satisfied. A Participant may not transfer his accumulation account balance to a Savings Vehicle with a vendor other than a Carrier. Each Participant shall complete an application form or use another method of application made available by the Administrator and Carrier in order for one or more Savings Vehicles to be issued or utilized on behalf of the Participant under the Plan. Each Participant may also choose among Savings Vehicles offered by a Carrier for purposes of making investments of amounts held by the Carrier on behalf of the Participant, but only pursuant to rules specified by the Administrator and agreeable to the Carrier.

(e) The Administrator may, at its discretion, and for the benefit of Participants and Beneficiaries, change the Carriers or Savings Vehicles available pursuant to the Plan. The Administrator must notify affected Participants regarding any such change.

(f) Savings Vehicles shall be made available for the sole purpose of providing benefits under this Plan in accordance with Section 403(b) of the Code and any other laws relating thereto. Contracts and other documents establishing such Savings Vehicles shall be consistent with the terms of the Plan. In the event of any conflict between the terms of this Plan and the terms of any such contract or document, the Plan provisions shall control.

Section 5.2 Purchase. Contributions under the Plan made on behalf of a Participant shall be forwarded in accordance with applicable regulations to the Savings Vehicles issued for or utilized on behalf of the Participant, within the time required by law.

Section 5.3 Investment. A Participant may elect to invest the amounts accumulated under a Savings Vehicle in any of the investment funds available under such Savings Vehicle. The Participant may subsequently elect to transfer all or portions of the amounts accumulated between the available investment funds, effective as of such date as is permitted pursuant to a procedure and rules established by the Administrator and applicable Carrier for the relevant Savings Vehicles.

Section 5.4 Plan-to-Plan Transfers to the Plan. The Plan Administrator may permit a transfer of assets from another 403(b) plan to the Plan as provided in this Section 5.4. Such a transfer is permitted only if the following conditions are met: (1) the Participant (or Beneficiary) subject to the transfer is an Employee of the University of St. Thomas; (2) the transferor plan provides for transfers; (3) the Participant's accumulated benefit after the transfer at least equals the Participant's accrued benefit in the transferor plan before the transfer; (4) the Savings Vehicle of the Plan imposes distribution restrictions no less stringent than those imposed on the transferor plan; and (5) the transfer constitutes a transfer of the Participant's complete interest in the transferor plan.

Section 5.5 Plan-to-Plan Transfers from the Plan. At the direction of the University of St. Thomas, the Administrator may permit a class of Participants and Beneficiaries to elect to have all of their accrued benefit transferred to another plan that satisfies Section 403(b) of the Code in accordance with Section 1.403(b)-10(b)(3) of the Treasury Regulations, only if the following conditions are met: (1) the Participants or Beneficiaries are employees or former employees of the employer under the receiving plan; (2) the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries; (3) each Participant and Beneficiary has an amount deferred under the other plan immediately after the transfer at least as equal to the amount transferred; (4) the other plan imposes restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under this Plan; and (5) the transfer is a transfer of the Participant's or Beneficiary's complete interest in the Plan.

ARTICLE 6

Benefits

Section 6.1 Distributions. Subject to the remaining provisions of this Article 6, a distribution of amounts attributable to contributions made on a Participant's behalf, and the investment gains and losses on such contributions, may be paid to or on behalf of such Participant who incurs a Severance from Employment or dies. Distributions shall be made as provided in this Article 6. If any application for distribution is denied, the Participant or the Participant's Spouse or Beneficiary, may take advantage of the claims procedure in Article 8. The Administrator shall monitor regular distributions for compliance with requirements of Code Section 403(b) and all other tax requirements.

Section 6.2 Method of Distribution.

(a) If a Participant is married on the Participant's Annuity Starting Date, the Participant's benefits shall be payable in the form of a Qualified Joint and Survivor Annuity unless the Participant properly elects to waive the Qualified Joint and Survivor Annuity payment method pursuant to Section 6.4(b)(1). Any annuity contracts purchased or provided pursuant to this Plan must be consistent with the distribution provisions of this Article 6, including the Qualified Joint and Survivor Annuity requirements of ERISA and the Code. Participants who properly elect to waive the Qualified Joint and Survivor Annuity payment method and Participants who are not married on the date on which

distribution of benefits from their Savings Vehicles commences may choose from among the optional forms of benefit available under the applicable Savings Vehicle. The forms of joint and survivor annuity offered as optional forms of benefit under this Plan shall include (but not be limited to) a Qualified Optional Survivor Annuity. Prior to January 1, 2002, a Participant who had not yet attained age 55 (the age was 65 prior to July 1, 2001) could not receive a distribution in excess of 40% of the value of all of the Participant's Savings Vehicles, determined as of the date the Participant requests the distribution. If a Savings Vehicle doesn't specify optional forms of distribution, then both lump sum and installment distributions shall be permitted in addition to the annuities specified in section 6.4.

(b) Anything herein to the contrary notwithstanding, if the amount to which the Participant is entitled does not exceed \$1,000, the entire amount to which the Participant is entitled may be distributed in a lump sum payment upon the election of the Participant pursuant to procedures permitted by the Carriers subject to rules and regulation established by the Administrator provided that such payment is made no later than the Participant's Annuity Starting Date.

Section 6.3 Distribution Requirements.

(a) Any person entitled to a distribution of a Participant's interest under the Plan shall complete, sign and file an application for distribution with the Administrator and the Carrier for the Participant's Savings Vehicle from which distribution is desired upon forms to be provided by the Carrier for that Savings Vehicle, or shall make that application by another method permitted by the Administrator and Carrier, and shall furnish such data in support of the application as the Administrator and Carrier may reasonably require for the proper administration of the Plan. Unless a Participant otherwise elects, the distribution accumulated under the Participant's savings Vehicles shall not begin later than the sixtieth (60th) day after the latest of the close of the Plan Year in which:

- (1) the Participant attains sixty-five (65) years of age,
- (2) the tenth (10th) anniversary of the Plan year in which the Participant commenced participation in the Plan, or
- (3) the Participant incurs a Termination of Service.

Subject to Section 6.3(b), a Participant may elect to have payment of the Participant's benefit begin after the date prescribed under the prior sentence by submitting to the Carrier a written statement, signed by a Participant, or by another method permitted by the Carrier, specifying the date to which the Participant wishes the commencement of the payment of the Participant's benefit to be deferred. If the Participant fails to consent to a distribution, the Participant shall be deemed to have made such election to have the payment begin at a later date.

- (b) ***Required Minimum Distributions.***
- (1) ***Required Beginning Date.*** The Participant's entire interest shall be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (2) ***Death of Participant Before Distributions Begin.*** If the Participant dies before distributions begin, the Participant's entire interest shall be distributed, or begin to be distributed, no later than as follows:
- (i) If the Participant's Surviving Spouse is the Participant's sole designated Beneficiary, then distributions to the Surviving Spouse shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
- (ii) If the Participant's Surviving Spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died. If a Nonspouse Beneficiary elects a Direct Rollover Distribution, the rules relating to required minimum distributions from inherited IRA's under Section 401(a)(9)(B) (without regard to Section 401(a)(9)(B)(iv)) shall apply.
- (iii) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iv) If the Participant's Surviving Spouse is the Participant's sole designated Beneficiary and the Surviving Spouse dies after the Participant but before distributions to the Surviving Spouse begin, this subsection 6.3(b)(2), other than subsection 6.3(b)(2)(i), will apply as if the Surviving Spouse were the Participant.

For purposes of subsections 6.3(b)(2) and 6.3(d), unless subsection 6.3(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If subsection 6.3(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the Surviving Spouse under subsection 6.3(b)(2)(i). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's Surviving Spouse before the date distributions are required to begin to the Surviving Spouse under

subsection 6.3(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (3) ***Forms of Distribution.*** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions shall be made in accordance with subsections 6.3(c) and 6.3(d) of this Section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury Regulations.
- (c) ***Required Minimum Distributions During Participant's Lifetime.***
 - (1) ***Amount of Required Minimum Distribution for Each Distribution Calendar Year.*** During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
 - (i) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
 - (ii) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's Spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the distribution calendar year.
 - (2) ***Lifetime Required Minimum Distribution Through Year of Participant's Death.*** Required minimum distributions will be determined under this subsection 6.3(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.
- (d) ***Required Minimum Distributions After Participant's Death.***

- (1) ***Death On or After Date Distributions Begin.***
- (i) ***Participant Survived by Designated Beneficiary.*** If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:
- (A) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (B) If the Participant's Surviving Spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the Surviving Spouse is calculated for each distribution calendar year after the year of the Participant's death using the Surviving Spouse's age as of the Spouse's birthday in that year. For distribution calendar years after the year of the Surviving Spouse's death, the remaining life expectancy of the Surviving Spouse is calculated using the age of the Surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.
- (C) If the Participant's Surviving Spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (ii) ***No Designated Beneficiary.*** If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

- (2) ***Death Before Date Distributions Begin.***
- (i) ***Participant Survived by Designated Beneficiary.*** If the Participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in subsection 6.3(d)(1).
- (ii) ***No Designated Beneficiary.*** If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iii) ***Death of Surviving Spouse Before Distributions to Surviving Spouse are Required to Begin.*** If the Participant dies before the date distributions begin, the Participant's Surviving Spouse is the Participant's sole designated beneficiary, and the Surviving Spouse dies before distributions are required to begin to the Surviving Spouse under subsection 6.3(b)(2)(i), this subsection 6.3(d)(2) shall apply as if the Surviving Spouse were the Participant.
- (e) ***Definitions.***
- (1) ***Designated Beneficiary.*** The individual who is designated as the Beneficiary under the Plan and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-1, Q&A-4.
- (2) ***Distribution calendar year.*** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection 6.3(b)(2). The required minimum distribution for the Participant's first distribution calendar year shall be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that distribution calendar year.

- (3) ***Life Expectancy.*** Life expectancy as computed by use of the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9.
- (4) ***Participant's Account Balance.*** The Participant's account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Participant's account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Participant's account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.
- (5) ***Required Beginning Date.*** The Required Beginning Date of a Participant is April 1 following the calendar year in which the Participant attains age 70½ or if later, April 1 following the calendar year in which the Participant retires.

Section 6.4 Qualified Joint and Survivor Annuity.

(a) Benefits payable to or on behalf of a Participant shall be paid in the form of a Qualified Joint and Survivor Annuity in the case of a Participant who is married on the Participant's Annuity Starting Date. The requirements of this paragraph shall not apply if Section 6.2(b) is applicable or if the Participant and the Participant's Spouse waive the Qualified Joint and Survivor Annuity pursuant to the requirements of Section 6.4(b)(1) hereof. Retirement benefits payable on behalf of an unmarried Participant shall be paid in the form of an annuity contract providing for annuity payments for the Participant's life unless the Participant elects to receive his or her benefit payments in another form.

(b) (1) An election to waive the Qualified Joint and Survivor Annuity, or a life annuity in the case of an unmarried Participant, must be made by the Participant in writing or by another method permitted by applicable rules or regulations and made available by the Administrator during the 90-day period ending on the Annuity Starting Date and, if the Participant is married, the Participant's Spouse must consent to the election in writing or by another method permitted by applicable rules or regulations and made available by the Carrier. The Spouse's consent must specifically acknowledge the effect of such election, and other designated Beneficiary and the form of payment elected. The Spouse's consent must be witnessed by a notary public. The consent shall not be binding on a subsequent Spouse. Spousal consent shall not be required if it is established to the satisfaction of the Administrator that it cannot be obtained because there is no Spouse or the Spouse cannot be located, or under such other circumstances as

may be prescribed by Regulations. The Participant may revoke in writing, or by another method permitted by applicable rules or regulations and made available by the Administrator, any election made hereunder without the consent of the Spouse, at any time during the election period. A change in designated Beneficiary made subsequent to a spousal consent shall be deemed to be a revocation of the waiver. Any subsequent election to waive the survivor annuities must comply with the requirements of this paragraph. Notwithstanding the prior provisions of this Subsection 6.4(b)(1), the consent of the Spouse may expressly permit designations by the Participant without any requirement of further consent by the Spouse.

(2) In the event the Qualified Joint and Survivor Annuity, or a life annuity, as the case may be, is properly waived pursuant to Section 6.4(b)(1), the Participant may select any method of distribution available under Section 6.2.

(3) (A) Within the time period described in the following sub-paragraph (B), the Carrier pursuant to agreement with the Administrator shall provide the Participant with a written explanation of explanation by another method permitted by applicable rules or regulations and made available by the Carrier of:

(i) the terms and conditions of the Qualified Joint and Survivor Annuity;

(ii) the Participant's right to waive the Qualified Joint and Survivor Annuity and the effect thereof;

(iii) the requirement that the Participant's Spouse consent to any waiver of the Qualified Joint and Survivor Annuity and that the Spouse's consent specifically acknowledge the effect of such waiver, any designated Beneficiary, and the form of payment elected; and

(iv) the right of the Participant to revoke such election, and the effect of such revocation.

(B) The Carrier, pursuant to agreement with the Administrator, shall provide the explanation described in the preceding Subsection (A) no less than 30 days and no more than 90 days before the Annuity Starting Date. However, if the Participant, after having received the explanation described in the preceding subsection (A), affirmatively elects a form of distribution and the Spouse consents to that form of distribution (if necessary), the Annuity Starting Date may be less than 30 days after the date on which such explanation was provided to the Participant, provided the following requirements are met:

(i) The Carrier, pursuant to agreement with the Administrator, provides information to the Participant clearly indicating that the Participant has a right to at least 30 days to consider whether to waive the

Qualified Joint and Survivor Annuity and consent to a form of distribution other than a Qualified Joint and Survivor Annuity.

(ii) The Participant is permitted to revoke an affirmative distribution election at least until the Annuity Starting Date, or, if later, at any time prior to the expiration of the 7-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant.

(iii) The Annuity Starting Date is after the date that the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant. However, the Annuity Starting Date may be before the date that any affirmative distribution election is made by the Participant if the actual distribution in accordance with the affirmative election does not commence before the expiration of the 7-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant.

Section 6.5 Death Benefit.

(a) Subject to the subsequent provisions of this section, if a Participant dies, the Participant's Beneficiary shall be entitled to the amounts accumulated under the Savings Vehicles of the Participant. Any death benefit payable other than as a pre-retirement survivor annuity shall be distributed in such manner as is selected by that Beneficiary and is permitted under Section 6.2(a) for a Participant, subject to other applicable provisions of this Article 6. If a Beneficiary becomes entitled to a benefit under this section and thereafter dies before payment of that benefit is completed, the remaining portion of that benefit shall be paid to the Beneficiary's estate, unless the Participant provides otherwise in the Participant's designation of Beneficiary.

(b) (1) Notwithstanding anything herein to the contrary, if the Participant dies prior to Participant's Annuity Starting Date and was married on the date of his or her death, the Participant's Spouse shall be entitled to a pre-retirement survivor annuity contract which will be acquired with the amounts accumulated in the Savings Vehicles of the Participant and no other death benefit shall be payable to the Beneficiary of the Participant under this section. However, the requirements of this Section 6.5(b)(1) shall not apply if the Participant and the Participant's Spouse waive the pre-retirement survivor annuity pursuant to the requirements of Section 6.5(c). The benefit shall commence on the first day of the month following the date of the Participant's death or as soon thereafter as administratively feasible, unless the Spouse elects a later commencement date, subject to the requirements contained in Section 6.3. The amount accumulated under the Participant's Savings Vehicles for purposes of this subsection (a) shall be reduced by any security interest held by the Plan by reason of a loan outstanding to the Participant.

(2) A pre-retirement survivor annuity is an annuity for the life of the Surviving Spouse, the actuarial equivalent of which shall be the Participant's interest in the Participant's Savings Vehicles.

(c) An election to waive the pre-retirement survivor annuity must be made by the Participant during the election period described in Section 6.5(d) in writing or by another method permitted by the Carrier and the Participant's Spouse must consent to the election in writing or by another method permitted by the Carrier. However, a waiver of the pre-retirement survivor annuity may be made earlier than that election period, with spousal consent, if a written explanation, or explanation, or explanation by another method permitted by applicable rules or regulations and made available by the Carrier, of the pre-retirement survivor annuity containing information similar to the information described in Section 6.4(b)(3) is provided to the Participant and the waiver becomes invalid upon the beginning of the Plan Year in which the Participant reached age 35. The election must be made on a form or by another method permitted by the furnished by the Carrier, pursuant to agreement with the Administrator, which shall clearly indicate the Participant's election. The Spouse's consent must be witnessed by a notary public. The consent shall not be binding on a subsequent Spouse. The spousal consent shall not be required if it is established to the satisfaction of the Administrator that it cannot be obtained because there is no Spouse, the Spouse cannot be located, or because of such other circumstances as may be prescribed by Regulations. A Participant may revoke his or her waiver of the pre-retirement survivor annuity at any time during the election period without his or her Spouse's consent. Any subsequent waiver must contain the Spouse's consent. Any change in Beneficiary occurring after the spousal consent shall be deemed to be a revocation of the Participant's waiver of the pre-retirement survivor annuity. Notwithstanding the prior provisions, the consent of the Spouse may expressly permit designations by the Participant without any requirement of further consent by the Spouse.

(d) The election period with respect to the pre-retirement survivor annuity shall begin on the first day of the Plan Year in which the Participant attains age 35 or if later, the date the Participant enters the Plan, and shall end on the earlier of the date benefits commence or the date of the Participant's death. If a Participant incurs a Termination of Service prior to the beginning of this election period, the election period shall begin on the date of the Termination of Service. The Carrier, pursuant to agreement with the Administrator, shall provide each such Participant with a written explanation or explanation by another method permitted by applicable rules or regulations and made available by the Carrier of the pre-retirement survivor annuity containing information comparable to that required in Section 6.4(b)(3). The explanation shall be provided during whichever of the following periods ends last:

(1) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the last day of the Plan Year immediately preceding the Plan Year in which the Participant reaches age 35;

(2) the 12 month period after becoming a Participant

(3) the 12 month period immediately following the date on which the pre-retirement survivor annuity first became effective with respect to the Participant;

(4) the period that begins 12 months before the Participant incurred a Termination of Service prior to attaining age 35 and ends 12 months after that Termination of Service.

(e) (1) Subject to the requirements of Sections 6.5(b) and 6.5(c), each Participant shall have the unrestricted right to designate the Beneficiary to receive the death benefits which are payable hereunder and the manner in which such death benefits shall be paid, and to change any such designation on a form furnished by and filed with the Carrier for the Savings Vehicle to which the designation is intended to be applicable.

(2) Death benefit payments may not be based on the life or life expectancy of the Beneficiary unless the Beneficiary is either an individual or is a trust that meets the following standards:

(A) the trust is a valid trust under the applicable state law;

(B) the trust is irrevocable;

(C) a beneficiary of the trust who is a Beneficiary with respect to the trust's interest under this Plan is identifiable from the trust instrument; and

(D) a copy of the trust instrument is provided to the Carrier, pursuant to agreement with the Administrator.

(3) If more than one individual is designated as a Participant's Beneficiary, the individual with the shortest life expectancy will be considered the Beneficiary for purposes of determining the applicable life expectancy.

Section 6.6 Direct Rollovers.

(a) Effective January 1, 1993, and notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this section, a "Distributee" may elect, at the time and in the manner prescribed by the Carrier for the Savings Vehicle subject to the election, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a "direct rollover."

(b) The Carrier for a Savings Vehicle utilized by a Distributee who is entitled to receive an Eligible Rollover Distribution from that Savings Vehicle, pursuant to agreement with the Administrator, shall notify the Distributee, at the same time as the notice required to be given pursuant to Section 6.4 (or at such other time as is permitted

by law), of (1) his or her right to elect a direct rollover to an Eligible Retirement Plan pursuant to the provisions of this section and (2) the income tax withholding consequences of not electing a direct rollover. The Distributee shall not, however, be entitled to elect a direct rollover unless he or she has obtained a waiver of any applicable qualified joint and survivor annuity as provided in Section 6.4.

Section 6.7 Qualified Domestic Relations Orders. Notwithstanding any other provisions of this article, the Carrier, in accordance with the direction of the Plan Administrator, must comply with the terms of a Qualified Domestic Relations Order which is issued with respect to the Plan. If the Qualified Domestic Relations Order so provides, distributions may be made in accordance with the terms of the Order and the Plan at any time prior to the Participant's retirement or separation from service.

Section 6.8 USERRA and Section 414(u) of the Code.

(a) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Internal Revenue Code. This provision is effective with respect to any reemployment initiated on or after December 12, 1994, which is 60 days or more after the October 13, 1994, enactment date of the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA").

(b) For purposes of this section, and in accordance with Section 414(u) of the Code, if an Employee is reemployed under USERRA, the Employee shall be treated as not having incurred a Break in Service because of the period of military service and the Employee's military service is treated as service with the Employer for vesting and benefit accrual purposes.

(c) In accordance with Section 414(u) of the Code, an Employee is treated as receiving compensation from the Employer during the period of military service equal to the compensation the Employee otherwise would have received from the Employer during that period, or, if the compensation the Employee otherwise would have received is not reasonably certain, the Employee's average compensation from the Employer during the period immediately preceding the period of military service. For purposes of such Section 414(u), USERRA is not treated as requiring the crediting of earnings to an Employee with respect to any contribution before the contribution is actually made or requiring any allocation of forfeitures to the Employee for the period of military service.

ARTICLE 7

Plan Administration

Section 7.1 Administrator. The Sponsoring Employer of this Plan shall be the Administrator unless the Sponsoring employer designates a person, persons or entity other than the Sponsoring Employer as the Administrator. The Administrator shall have full power and authority, within the limits of the Plan and the Savings Vehicles:

(a) to determine all questions arising in its administration, including the power to determine the rights or eligibility of Employees, Participants and Beneficiaries and the power to delegate the authority to make such determinations to other individuals or entities;

(b) to adopt such policies and procedures and to exercise such powers as the Administrator may deem desirable for its administration and consistent with its purposes, and to enforce them in accordance with such policies and procedures;

(c) to interpret and construe the provisions of the Plan;

(d) to maintain records with respect to each Participant, upon the basis of any information furnished by a Participating Employer, by the Participant, or any fund sponsors, sufficient to determine the benefits due, or which may become due, to the Participant;

(e) to prepare and file with the appropriate agencies of the United States Government such reports as are required by law from time to time;

(f) to prepare and furnish to each Participant such reports and individual statements or other disclosures as are required by law from time to time;

(g) to determine the right of any person to a benefit under the Plan, the amount thereof, and the method and time or times of payment;

(h) to engage an independent qualified public accountant, as may be required by law, and such other advisors, counsel (including, at the discretion of the Administrator, counsel also consulted or employed by a Participating Employer), agents, actuaries, and Employees as may be reasonably necessary to the administration of the Plan;

(i) to serve as agent for the service of legal process upon the Plan and any other person designated by the Sponsoring Employer;

(j) to furnish once during each calendar quarter to each Participant a statement of total benefits accrued and the amount of benefits and to furnish any other reports, copies of documents, or notices to Employees, Participants, Beneficiaries, Employers, or any other party as may be appropriate or required by law;

(k) to appoint and authorize a committee, or committees, to advise it or act on its behalf with respect to decisions regarding the Plan's investments or to review initial denials of benefits under the Plan's Claims Review procedures; and

(l) to exercise any other rights, policies or privileges granted to the Administrator by the terms hereof or necessary for the administration of the Plan.

Section 7.2 Delegation of Authority Regarding Administrator. If the Sponsoring Employer designates a person or persons, other than the Sponsoring Employer as Administrator, such person or persons shall serve as Administrator pursuant to such procedures as the Sponsoring Employer may provide. Each person shall be bonded as may be required by law.

ARTICLE 8

Claims Procedure

Section 8.1 Claims. Requests for information, and claims concerning eligibility, participation, contributions, or other aspects of the operation of the Plan should be in writing or by another method permitted by applicable rules or regulations and directed to the Administrator, or to a Carrier, pursuant to agreement with the Administrator.

Section 8.2 Claim Denial. All claims will be reviewed by a claims reviewer, appointed by the Administrator. If such a request or claim is denied, the claims reviewer shall provide a written denial or denial by another method permitted by applicable rules or regulations to the Participant or the Spouse or Beneficiary within ninety (90) days of the date the claim was received. It will include the specific reasons for denial, the provisions of the Plan upon which the denial is based, a description of any material needed to complete the claim (if appropriate) and the reason that it is necessary, and instructions on how to apply for a review of the claim. When the claims reviewer requires additional time to process a claim because of special circumstances, an extension may be obtained by notifying the Participant or the Spouse or Beneficiary that a decision can be expected. The claims reviewer shall inform the Participant or the Spouse or Beneficiary of the delay before the expiration of the initial ninety-day period. In no event shall the extension exceed a period of ninety days from the end of the initial ninety-day period.

Section 8.3 Review Procedure. A claimant may request in writing or by another method permitted by applicable rules or regulations a review of a denied claim within sixty (60) days of the receipt of the denial and may review pertinent documents and submit issues and comments in writing or by another method permitted by applicable rules or regulations to the Administrator. The Administrator, or an appeal review committee appointed by the Administrator to review denied claims, shall provide in writing or by another method permitted by applicable rules or regulations to the claimant a decision upon such request for review of a denied claim, within sixty (60) days of receipt of the request. When special circumstances require an extension, the Administrator or appeal review committee may obtain such extension by notifying the claimant that the decision can be expected. In all events, the Administrator appeal review committee shall act to deny or accept the claim within one hundred twenty days of the receipt of the claimant's written request for review or request for review by another method permitted by applicable rules or regulations. In no event may a claimant commence legal action for benefits the claimant believes are due the claimant until the claimant has exhausted all of the remedies and procedures afforded the claimant by this section.

ARTICLE 9
Amendment and Termination

Section 9.1 Right to Amend. The Sponsoring Employer's Board of Trustees reserves the right to amend, alter, or wholly revise this document, prospectively or retrospectively, at any time. Such right may also be exercised by the President of the Sponsoring Employer, except that such officer cannot determine to increase the level of contributions under the Plan that are to be made by a Participating Employer and cannot amend this section. An amendment shall be stated in an instrument in writing signed by a person authorized by whichever of those two groups exercises that right and shall be effective as of the date specified in the instrument, and all parties interested herein shall be bound thereby. No such amendment may be made, however, that would reduce the amounts accumulated under the Savings Vehicles established or issued under the Plan with respect to any Participant or Beneficiary at the time of the amendment.

Section 9.2 Termination of Participation.

(a) While it is expected that the Plan will continue indefinitely, the Sponsoring Employer's Board of Trustees also reserves the power to terminate the Plan as to Sponsoring Employer and any or all other Participating Employers and as to any designated group of Employees, former Employees or Beneficiaries. If there are any Participating Employers other than the Sponsoring Employer, the Sponsoring Employer shall deliver to each other Participating Employer a written notice of termination specifying the effective date thereof (which shall not be less than thirty (30) days after the notice date) and executed in the manner provided for the execution of an amendment by the Sponsoring Employer.

(b) Any Participating Employer (other than the Sponsoring Employer) may withdraw from participation in the Plan at any time by giving the Administrator thirty (30) days written notice, except, however, that such thirty (30) day notice period may be waived by the Administrator. The Administrator may terminate the participation in the Plan of any Participating Employer (other than the Sponsoring Employer) by giving the Participating Employer thirty (30) days written notice. Such withdrawal or termination shall be deemed a termination of the Plan as to such Participating Employer unless the Plan is continued under a document or agreement other than this Plan by the Participating Employer.

Section 9.3 Allocation Upon Termination. Upon the termination of the Plan as to a Participating Employer, any previously unallocated funds shall be allocated to Participants as provided in Article 4 as of the date of termination of the Plan as to that Participating Employer.

Section 9.4 Effect of Amendment or Termination. Any amendment or termination of the Plan shall not operate to deprive any Participant or Beneficiary of the amounts accumulated under the Savings Vehicles established or issued under the Plan.

ARTICLE 10
Miscellaneous

Section 10.1 Delegation of Authority. Whenever the Sponsoring Employer, under the terms of the Plan, is permitted or required to do or perform any act or matter or thing, and the applicable term of the Plan does not specify a person or group that is to act for the Sponsoring Employer, it shall be done and performed by the Board of Trustees or the President of the Sponsoring Employer or the delegate of such Board or President.

Section 10.2 Non-Alienation.

(a) To the extent permitted by law, the benefits, payments, proceeds of any allocated or unallocated amounts accumulated under any Savings Vehicles, or any interest of any Participant or Beneficiary arising out of or created by the Plan shall not be subject to execution, attachment, garnishment or other legal or judicial process whatsoever by any person, whether a creditor or otherwise. Except as provided in Section 10.2(b) below, no Participant or Beneficiary shall have any right to alienate, encumber or assign any of the payments of proceeds or any other interest arising out of or created by the Plan, and any action to do so shall be void.

(b) Section 10.2(a) shall not apply to any Domestic Relations Order which is determined to be a Qualified Domestic Relations Order, or any other Domestic Relations Order permitted to be treated as a Qualified Domestic Relations Order in accordance with Section 206(d)(3) of ERISA. Each Carrier, pursuant to agreement with the Administrator, shall adopt written procedures to determine the qualified status of Domestic Relations Orders and to administer distributions under such qualified orders.

Section 10.3 Negation of Employment Rights. This Plan is purely voluntary on the part of the Participating Employers. Neither the establishment of the Plan nor any changes herein shall be construed as giving any Employee, Participant, Beneficiary or any other person any legal or equitable right against the Administrator or the Participating Employers, unless the same shall be specifically provided for herein, or as giving any Employee the right to be retained in employment. All Employees shall remain subject to discharge from employment to the same extent as if the Plan had never been established.

Section 10.4 Prohibition Against Diversion. Except as otherwise permitted by law, the assets of the Plan shall not inure to the benefit of any Employer and that they must be held for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable administration expenses.

Section 10.5 Governing Laws. This Plan shall be construed and enforced according to the laws of the State of Minnesota. Each provision hereof shall be treated as separable, so that if any one or more provisions shall be adjudged or declared illegal,

invalid or unenforceable, this Plan shall be interpreted, and shall remain in full force and effect, as though such provision or provisions had never been contained herein.

Section 10.6 Bonding. The Administrator, the Participating Employers or any agents or advisers employed by them shall not be required to be bonded other than as required by law.

Section 10.7 Incorporation of Savings Vehicles. The Plan, together with the individual Savings Vehicles, is intended to satisfy the requirements of Section 403(b) of the Code and the Treasury Regulations thereunder. Terms and conditions of the Savings Vehicles are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or Section 403(b) of the Code.

IN WITNESS WHEREOF, the University of St. Thomas has caused its name to be hereto subscribed by _____, its _____.

UNIVERSITY OF ST. THOMAS

By: _____

Its: _____