University of Maine System Retirement Plan for Faculty and Professional Employees
Specimen Governmental 403(b) Plan

Plan Summary

Plan Name: University of Maine System Retirement Plan for Faculty and Professional Employees

Your Employer has adopted the 403(b) named above (“the Plan”) to help you and other employees save for retirement.

Your Employer established the Plan by signing a complex legal agreement—the Plan document—which contains all of the provisions that the Internal Revenue Service (IRS) requires. The Plan document, together with your Individual Agreement specifies all of the provisions that govern your benefits under the Plan. The Plan document must follow certain federal laws and regulations that apply to retirement plans. The Plan document may change as new or revised laws or regulations take effect. Your Employer also has the right to modify certain features of the Plan from time to time. You will be notified about changes affecting your rights under the Plan.

This Plan Summary summarizes the important features of the Plan document, including your benefits and obligations under the Plan. If you want more detailed information about certain Plan features or have questions about the information contained in this Plan Summary, you should contact your Employer. You may also see a copy of the Plan document by making arrangements with your Employer. Certain terms in the Plan Summary have a special meaning when used in the Plan. These terms are capitalized throughout the Plan Summary and are defined in more detail in the DEFINITIONS section of the Plan Summary. If any information in this Plan Summary conflicts with the terms of the Plan document adopted by your Employer, the terms of the Plan document—not this Plan Summary—will apply.

This Plan Summary summarizes features of your Employer’s current Plan document. If you receive this Plan Summary because the Plan is being restated (updated), please note that some provisions from prior versions of your Employer’s Plan document may continue to apply to some of the assets under the Plan. In addition, some provisions under this Plan document may have special effective dates. A summary of any prior plan provisions or special effective dates (and who is affected by these special provisions) is listed in the section titled ADMINISTRATIVE INFORMATION and ADDENDUM.

NOTE: All options in this document are dependent on the provisions of your Individual Agreement. An option must be allowed by both your Employer’s Plan and your Individual Agreement to be available to you.
## Table of Contents

**ELIGIBILITY**

| Am I eligible to participate in the Plan for purposes of making Deferrals? | 4 |
| Am I eligible to receive Matching Contributions and/or receive Employer Contributions and/or make Mandatory Employee Contributions into the Plan? | 4 |
| What requirements do I have to meet before I am eligible to participate in the Plan? | 4 |
| When can I enter the Plan? | 5 |
| What happens to my Plan eligibility if I terminate my employment and am later rehired? | 5 |
| Once I am a Plan Participant, what must I do to continue to participate in the Plan? | 5 |

**CONTRIBUTIONS AND VESTING**

| What amount can I contribute to the Plan? | 5 |
| How do I start making contributions? | 6 |
| What if I don’t make a specific election to contribute some of my Compensation into the Plan? | 7 |
| Will the amount of my contributions change? | 7 |
| Can I change my contribution rate or stop making Deferrals after I start participating in the Plan? | 7 |
| What if I contribute too much to the Plan? | 8 |
| What amount must I contribute to the Plan? | 8 |
| If I make contributions to the Plan, will my Employer match any of those contributions? | 8 |
| Will my Employer make Employer Contributions to the Plan? | 10 |
| If I have money in other retirement plans, can I combine them with my dollars under this Plan? | 11 |
| Are there any limits on how much can be contributed for me? | 11 |
| Will contributions be made for me if I am called to military service? | 11 |
| Will I be able to keep my Employer contributions if I terminate employment or am no longer eligible to participate in the Plan? | 11 |
| What happens to my nonvested percentage if I terminate employment? | 12 |

**DISTRIBUTIONS AND LOANS**

| When can I withdraw money from the Plan? | 12 |
| How do I request a payout? | 13 |
| Do any penalties or restrictions apply to my payouts? | 13 |
| Can I take a loan from the Plan? | 14 |
| How do I apply for a loan? | 14 |
| What is the interest rate for my loan? | 14 |
| What if I don’t repay my loan? | 14 |
| What if I die before receiving all of my money from the Plan? | 15 |
| How long can I leave my money in the Plan? | 15 |
| What if the Plan is terminated? | 15 |

**INVESTING YOUR PLAN ACCOUNT**

| Am I responsible for selecting the investments for my account under the Plan? | 15 |
| How frequently can I change my investment elections? | 15 |
ADMINISTRATIVE INFORMATION

Who established the Plan? ....................................................................................................................................... 16
When did the Plan become effective? ..................................................................................................................... 16
Who is responsible for the day-to-day operations of the Plan? ............................................................................... 16
Who pays the expenses for operating the Plan? ...................................................................................................... 16
Does my Employer have the right to change the Plan? ........................................................................................... 16
Does participation in the Plan provide any legal rights regarding my employment? .............................................. 16
Can creditors or other individuals request a payout from my Plan balance? .......................................................... 17
If the Plan terminates, does the federal government insure my benefits under the Plan? ........................................... 17

DEFINITIONS

ADDENDUM
ELIGIBILITY

Q1. Am I eligible to participate in the Plan for purposes of making Deferrals?
You will generally be eligible to participate in the Plan for purposes of making Deferrals, unless you fall into one of the categories listed below.

☐ You are eligible to participate in a 401(k) plan maintained by your Employer in which you may make Deferrals.
☐ You are eligible to participate in another 403(b) plan maintained by your Employer in which you may make Deferrals.
☐ You are eligible to participate in another 457(b) plan maintained by your Employer in which you may make Deferrals.
☐ You are a nonresident alien who receives no income from within the United States.
☒ You are a student who is enrolled in and regularly attends classes offered by your Employer if your Employer is a school, college or university.
☐ You normally work fewer than 20 hours per week.
☒ See Addendum

Q2. Am I eligible to receive Matching Contributions and/or receive Employer Contributions and/or make Mandatory Employee Contributions into the Plan?
You will be eligible to receive Matching Contributions and/or receive Employer Contributions and/or make Mandatory Employee Contributions into the Plan after meeting certain age and service requirements described in Question 3 below, unless you fall into one of the categories listed below. If a category is selected below, the participation restrictions will apply to the all three types of contributions.

☐ You are a nonresident alien who receives no income from within the United States.
☐ You are covered by a collective bargaining agreement (for example, union agreement) and your exclusion from coverage under this plan was part of the negotiated agreement.
☒ You are a student who is enrolled in and regularly attends classes offered by your Employer if your Employer is a school, college or university.
☐ You normally work fewer than 20 hours per week.
☒ Other ☒ See Addendum

Q3. What requirements do I have to meet before I am eligible to participate in the Plan?
You will generally become eligible to participate in the Plan after you meet the age and service requirements for each type of contribution listed below.

NOTE: The requirements below will only apply to Deferrals if you can make Deferrals into another plan maintained by your Employer that does not have any age and years of service requirements.

Age: ___NA___ years.

Eligibility Service:
☒ No eligibility service requirements apply.
☐ You must complete _____ consecutive months of eligibility service during which you work at least _____ hours.
☐ You must complete one year of eligibility service.
☐ You must complete two years of eligibility service.
☐ Other. _____________________________________________________________________________________________________

Your initial eligibility measuring period will be the 12-month period beginning with your hire date. If you do not satisfy the eligibility requirements during that first measuring period, eligibility will be calculated based on
☒ the Plan Year.
☐ a 12-month period beginning with the anniversary of your hire date.

See Addendum

You will be given credit for eligibility purposes for your Hours of Service with the following predecessor employer(s):
In addition to any predecessor employer(s) that may be named above, employers from the following types of organizations will also constitute predecessor employers. (select all that apply, if any):

☐ An educational organization.
☐ An organization that meets the eligibility requirements of 403(b)(1).
☐ A teaching institution.
☐ An institution of higher education.
☐ A non-profit research institution.

Q4. When can I enter the Plan?
Once you have met any age and service requirements indicated above, you will enter the Plan.

NOTE: The requirements below will only apply to Deferrals if you can make Deferrals into another plan maintained by your Employer that does not have any entry date requirements.

☐ immediately.
☒ the first day of the next month.
☐ the first day of the next quarter.
☐ the next semi-annual entry date (the first day of the Plan Year and the first day of the seventh month of the Plan Year).
☐ the first day of the next Plan Year.
☐ other ____________________________________________________________________________________________________ .

Q5. What happens to my Plan eligibility if I terminate my employment and am later rehired?
Once you meet the eligibility requirements and enter the Plan, you will continue to participate while you are still employed by the Employer, even if you have a break in eligibility service. If you had not yet met the eligibility requirements and had a break in eligibility service, the periods before your break in service will not be taken into account and you will have to satisfy the eligibility requirements following your break in service. Periods during which you have a break in eligibility service will not count against you if you were absent because you were on an approved leave of absence, pregnant, had a child or adopted a child, were serving in the military, or provided certain service during a national emergency (and re-employment is protected under federal or state law), and you start working again for your same Employer within the time required by law.

If you had met the eligibility requirements and were a Participant in the Plan before terminating employment or having a break in eligibility service, and are later rehired, you will enter the Plan immediately.

Q6. Once I am a Plan Participant, what must I do to continue to participate in the Plan?
You will continue to participate in the Plan as long as you do not have a break in service. A break in service is if you are no longer eligible to participate in the Plan. But no break in service will occur if the reason you did not work more was because of an approved leave of absence, certain absences due to birth of a child, pregnancy or adoption of children, military service or other service during a national emergency during which your re-employment is protected under a federal or state law and you do, in fact, return to your employment within the time required by law.

CONTRIBUTIONS AND VESTING

Q1. What amount can I contribute to the Plan?
☒ Yes ☐ No  Deferrals

If “Yes” is selected, you will be able to contribute a portion of your Compensation as a Deferral once you have met the eligibility requirements and enter the Plan. The Plan allows you to make the following types of Deferral contributions.

☒ Pre-tax Deferral
☐ Roth (after-tax) Deferral

The amount of your Compensation that you decide to defer into the Plan will be contributed on a pre-tax basis unless the Roth option is selected above and you make a Roth election on your Deferral election form or by following other procedures established by your Employer. If you make pre-tax Deferrals, that means that, unlike the Compensation that you actually receive, the pre-tax contribution (and all of the earnings accumulated while it is invested in the Plan) will not be taxed at the time it is paid by your Employer. Instead, it will be taxable to you when you take a payout from the Plan. These contributions will reduce your taxable income each year you make a contribution but will be treated as compensation for Social Security taxes.

EXAMPLE: Your Compensation is $25,000 per year. You decide to contribute 5% of your Compensation into the Plan as a pre-tax Deferral. Your Employer will pay you $23,750 as gross taxable income and will deposit $1,250 (5%) into the Plan. You will not pay taxes on the $1,250 (plus earnings on the $1,250) until you withdraw it from the Plan.
If you have the choice of treating your Deferrals as Roth Deferrals rather than as pre-tax Deferrals, and you choose the Roth Deferral option, Roth Deferrals are contributed to the Plan from amounts that have already been treated as taxable income. Roth Deferrals will not reduce your taxable income in the year in which you contribute a portion of your Compensation into the Plan. The benefit of making Roth contributions comes when you take a payout from the Plan—when both the original contributions and your earnings on those contributions are paid out tax free so long as you meet certain requirements for a qualified payout.

**EXAMPLE:** Your Compensation is $25,000 per year. You decide to contribute 5% of your Compensation into the Plan as a Roth Deferral. Your Employer will pay you $23,750 as income and will deposit $1,250 (5%) into the Plan. You will include the entire $25,000 in your income for the year it was earned even though you didn’t receive the $1,250 that was contributed to the Plan. When you withdraw the $1,250 contribution from the Plan, it will be tax-free (along with all of the earnings that have accumulated on that contribution if you take a qualified payout). The earnings will not be taxed if you take a qualified distribution.

Deferrals (and the related earnings) are always fully vested and cannot be forfeited. So if you were to leave your Employer, you would be entitled to the full Deferral balance (plus earnings).

Your Employer allows you to contribute any dollar amount or percentage of your Compensation up to the limits permitted by the law and regulations governing 403(b) plans.

The maximum dollar amount that you can contribute to the Plan each year is $17,000 (for 2012) and includes contributions you make to other deferral plans (for example, 401(k) plans, salary deferral SEP plans, other 403(b) tax-sheltered annuity plans). This amount will increase as the cost-of-living increases. Both pre-tax Deferrals and Roth Deferrals are taken into account when calculating this limit.

- Yes  
- No

**Age 50 Catch-up Contributions**

If “Yes” is selected, you are eligible to make Deferrals, and you are age 50 or older before the end of any calendar year, you may defer up to an extra $5,500 (for 2012) each year into the Plan as a Deferral once you meet certain Plan limits. The maximum catch-up amount will increase as the cost-of-living increases.

- Yes  
- No

**Special Catch-Up Contributions After 15 Years of Service**

If “Yes” is selected, you are eligible to make Deferrals, and you have completed 15 years of service with an eligible employer, you may defer the lesser of

- $3,000; or
- $15,000 minus the total special catch-up contributions made in previous years; or
- $5,000 times the number of years of service with the Employer and minus the total Deferrals made for prior years, as a special catch-up contribution.

**EXAMPLE:** Your Compensation is $25,000 per year and you have 18 years of service. You have not used the special catch-up rule in the past and you have deferred a total of $60,000 into the Plan in previous years. Your special catch-up contribution may be as much as $3,000.

If both types of catch-up contributions are allowed and you qualify for both types of deferrals, your catch-up contributions will be allocated as a special catch-up contribution first. Catch-up contributions are considered Deferrals and are always fully vested.

**Nondeductible Employee Contributions**

- Yes  
- No

**Nondeductible Employee Contributions are available.**

Nondeductible Employee Contributions are contributed to the Plan from amounts that have already been treated as taxable income. These contributions will not reduce your taxable income in the year in which you contribute a portion of your Compensation into the Plan but will be tax-free when distributed from the Plan. Earnings on Nondeductible Employee Contributions will not be taxed until you take a distribution from the Plan. Unlike Roth Deferrals, the earnings on Nondeductible Employee Contributions are never tax-free.

**EXAMPLE:** Your Compensation is $25,000 per year. You decide to contribute 5% of your Compensation into the Plan as a Nondeductible Employee Contribution. Your Employer will pay you $23,750 as income and will deposit $1,250 (5%) into the Plan. You will pay taxes on the entire $25,000. When you withdraw the $1,250 contribution (along with all of the earnings that accumulated on that contribution), only the earnings portion will be taxable to you.

Nondeductible Employee Contributions (and the related earnings) are always fully vested and cannot be forfeited. So if you were to leave your Employer, you would be entitled to the full Nondeductible Employee Contribution balance (plus earnings). You may request a distribution of Nondeductible Employee Contributions (and the related earnings) while you are still employed, so long as the distribution is allowed under your Individual Agreement.

**Q2. How do I start making contributions?**

To begin deferring a portion of your Compensation into the Plan, you must complete a Deferral election form or follow another Deferral election process provided to you by your Employer.
Q3. **What if I don’t make a specific election to contribute some of my Compensation into the Plan?**

You are not required to defer a portion of your Compensation into the Plan. If you elect 0% on the Deferral election form or using some other procedure established by your Employer (or you simply fail to make a Deferral election), you will not be enrolled in the Plan as a deferring Participant (that is, 0% of your Compensation will be deferred into the Plan) unless one of the automatic contribution elections is selected below.

☐ Yes  ☒ No  **Automatic Contribution Arrangement**

If “Yes” is selected and you have satisfied the eligibility requirements, but do not make a Deferral election, your Employer will automatically contribute a portion of your Compensation into the Plan as indicated below. You are not required to defer a portion of your Compensation into the Plan and may instruct your Employer to stop Deferrals or to defer a different amount by completing a Deferral election form and delivering it to your Employer or following other procedures established by your Employer.

The automatic contribution amount is

☐ ____% of your Compensation.
☐ $____________.

You will be automatically enrolled if you are a:

☐ New employee.
☐ New employee or a current employee.

Automatic Deferrals will be contributed to the Plan as Pre-tax Deferrals.

**EXAMPLE 1:** Your Employer automatically enrolls Participants who do not make a Deferral election and defers 4% of their Compensation into the Plan. You satisfy the Plan’s eligibility requirements and do not enroll in the Plan during the designated time period. You will automatically be enrolled in the Plan and 4% of your Compensation will be contributed to the Plan rather than being paid to you as Compensation.

**EXAMPLE 2:** Your Employer automatically enrolls Participants who do not make a Deferral election and defers 4% of their Compensation into the Plan. You satisfy the Plan’s eligibility requirements and you make a specific election of 0%. Because you made a specific election regarding your Deferrals, you will not be automatically enrolled in the Plan and none of your Compensation will be contributed to the Plan.

Q4. **Will the amount of my contributions change?**

☐ Yes  ☒ No  Your Employer will automatically increase the amount of your Deferrals if you were automatically enrolled in the Plan.

Your Deferral amount will be increased as indicated below.

☐ ____% per year up to a maximum rate of ____%.
☐ $____________ per year up to a maximum amount of $____________.
☐ Other ____________________________________________________________________________________________ .

You are not required to participate in the Plan and may instruct your Employer to stop Deferrals or to defer a different percentage by completing a new Deferral election form or following some other procedure established by your Employer.

Q5. **Can I change my contribution rate or stop making Deferrals after I start participating in the Plan?**

You may change the amount you are deferring into the Plan or stop making Deferrals altogether at such times designated by the Employer by submitting a new Deferral election form or notifying your Employer of your desire to change your Deferral rate using another method approved by your Employer (such as internet, telephone voice response system).

If the Plan allows you to make Roth Deferrals, you may also change the amount of your Deferrals that are characterized as pre-tax versus Roth Deferrals as often as you are allowed to change the amount of your Deferrals. This change will apply only to new Deferrals and will not change the tax character of Deferrals that have already been contributed to the Plan.

Q6. **What if I contribute too much to the Plan?**

The maximum dollar amount that you can contribute to the Plan each year is generally $17,000 (for 2012) and includes contributions you make to other deferral plans (for example, 401(k) plans, salary deferral SEP plans and other 403(b) tax-sheltered annuity plans of this or any other employer). This amount will increase as the cost-of-living increases. You may be eligible to contribute additional catch-up amounts as described above. Both pre-tax Deferrals and Roth Deferrals are taken into account when calculating this limit. If you contribute too much to the Plan as a Deferral, you must take the excess amount (plus any earnings on the excess) out of the Plan by April 15 of the year following the year the money was contributed to the Plan. You must notify your Employer, in writing, of the excess amount

☐ March 1.
☐ Other ____________________________________________________________________________________________ .

The excess amount is taxable to you in the year you contributed it to the Plan. If you do not remove it by the deadline, additional taxes will apply.
Q7. **What amount must I contribute to the Plan?**

☐ Yes  ☐ No  **Mandatory Employee Contributions**

If “Yes” is selected, you must contribute a portion of your Compensation as a Mandatory Employee Contribution once you have met the eligibility requirements and have entered the Plan.

☐ met the following conditions:

☐ Age _30_.
☐ ________ Years of service

The amount that will be automatically withheld is

☐ ___4___ Percent.
☐ $______.

The amount of your Compensation that is contributed to the Plan as a Mandatory Employee Contribution will be contributed on a pre-tax basis. This means that, unlike the compensation that you actually receive, the amount of the Mandatory Employee Contribution (and all of the earnings accumulated while it is invested in the Plan) will not be taxed in the year it is contributed to the Plan. Instead, it will be taxable to you when you take a payout from the Plan. The Mandatory Employee Contributions will reduce your federal taxable income each year that you make a contribution but will be treated as compensation for Social Security Taxes. It will not be counted for purposes of the limit on deferrals as described in Q6.

**EXAMPLE:** Your Compensation is $25,000 per year. You decide to contribute 5% of your Compensation into the Plan as a Mandatory Employee Contribution. Your Employer will pay you $23,750 as gross taxable income and will deposit $1,250 (5%) into the Plan. You will not pay taxes on the $1,250 (plus earnings on the $1,250) until you withdraw it from the Plan.

☐ Yes  ☐ No  **Matching Contribution on Mandatory Employee Contributions**

If “Yes” is selected, your Employer will make a contribution to the Plan as a Matching Contribution on behalf of each Employee who makes Mandatory Employee Contribution to the plan. If “No” is selected, the information in the remainder of this Question 7 will not apply to your Plan.

**Matching Contribution Formula**

If the Employer elected to make Matching Contributions above, then the amount of such Matching Contributions each Plan Year shall be:

Option 1: ☐ Percentage of Compensation Match.
   An amount equal to ___10___ percent of such Employee’s Compensation.

Option 2: ☐ Other formula _______________________________________________________________________________.

Q8. **If I make contributions (other than Mandatory Employee Contributions) to the Plan, will my Employer match any of those contributions?**

☐ Yes  ☒ No  **Matching Contributions**

If “Yes” is selected, each year that you contribute a portion of your Compensation into the Plan and meet any additional conditions outlined below, your Employer may choose to make a contribution to the Plan as a Matching Contribution on your behalf. If “No” is selected, the information in the remainder of this Question 8 will not apply to your Plan.

**Match Availability** – Matching Contributions will be made with respect to the following employee contributions.

☐ Pre-Tax Elective Deferrals
☐ Roth Elective Deferrals
☐ Nondeductible Employee Contributions

To qualify to receive a Matching Contribution, you must meet the eligibility requirements for Matching Contributions and must also meet the following requirements.

☐ You must work at least ______ hours during the Plan Year.
☐ You must be employed on the last day of the Plan Year.
☐ No additional conditions apply.

If an Hour of Service requirement or employment on the last day of the Plan Year requirement was selected above, it will not apply if you die, terminate employment after becoming Disabled, or terminate employment after reaching Normal Retirement Age.

You will be given credit for contribution allocation purposes for your Hours of Service with the following predecessor employer(s):
In addition to any predecessor employer(s) that may be named above, employers from the following types of organizations will also constitute predecessor employers. (select all that apply, if any):

- An educational organization.
- An organization that meets the eligibility requirements of 403(b)(1).
- A teaching institution.
- An institution of higher education.
- A non-profit research institution.

**Matching Contribution Formula** – Each year that you make one of the types of contributions listed above and you satisfy any additional requirements for receiving a Matching Contribution, your Employer will make a Matching Contribution to the Plan on your behalf based on the following formula.

- Percentage of Compensation Match – If you contribute at least _____% of your Compensation, your Employer will make a Matching Contribution of _____% of your Compensation.
- Percentage of Contribution Match – If you contribute between 1% and _____% of your Compensation, your Employer will make a Matching Contribution of _____% of your contribution.
- Your Matching Contribution each year will be limited to $____________ or _____% of your Compensation.

- Multi-Tiered Match –
  - Tier 1: If you contribute between 1% and _____% of your Compensation, your Employer will make a Matching Contribution of _____% of your contribution.
  - Tier 2: If you contribute more than _____% but not more than _____% of your Compensation, you will receive a Matching Contribution of _____% of your contribution.
  - Tier 3: If you contribute more than _____% but not more than _____% of your Compensation, you will receive a Matching Contribution of _____% of your contribution.
  - Tier 4: If you contribute greater than _____% of your Compensation, you will receive a Matching Contribution of _____% of your contribution. Your Matching Contribution each year will be limited to $____________ or _____% of your Compensation.

- Discretionary Match – The amount of the Matching Contribution will be determined each year by your Employer. Some years, your Employer may choose not to make a Matching Contribution.

- Age-Graded Match – Your Matching Contribution will vary depending upon your age and the amount that you contribute to the Plan.
  - Tier 1: If your age is ______ or fewer years, you will receive a Matching Contribution of _____% of your Compensation.
  - Tier 2: If your age is more than ______ years, but less than or equal to ______ years, you will receive a Matching Contribution of _____% of your Compensation.
  - Tier 3: If your age is more than ______ years, but less than or equal to ______ years, you will receive a Matching Contribution of _____% of your Compensation.
  - Tier 4: If your age is more than ______ years, you will receive a Matching Contribution of _____% of your Compensation. Your Matching Contribution each year will be limited to $____________ or _____% of your Compensation.

- Years of Service Match – Your Matching Contribution will vary depending upon the number of years you have worked for your Employer and the amount that you contribute to the Plan.
  - Tier 1: If you have worked for your Employer _____ or fewer years, you will receive a Matching Contribution of _____% of your Compensation.
  - Tier 2: If you have worked for your Employer more than _____ years, but less than or equal to _____ years, you will receive a Matching Contribution of _____% of your Compensation.
  - Tier 3: If you have worked for your Employer more than _____ years, but less than or equal to _____ years, you will receive a Matching Contribution of _____% of your Compensation.
  - Tier 4: If you have worked for your Employer more than _____ years, you will receive a Matching Contribution of _____% of your Compensation. Your Matching Contribution each year will be limited to $____________ or _____% of your Compensation.

A year of service for this Matching Contribution formula will be defined as a

- year of vesting service.
- year of eligibility service.
Discretionary by Location or Business Classification Match – The amount of the Matching Contribution will vary among locations or classes of employees.

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<th>Matching Percentage</th>
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Other

Q9. Will my Employer make Employer Contributions to the Plan?

☐ Yes  ☒ No  **Employer Contributions**

If “No” is selected, the information in the remainder of this Question 9 does not apply to the Plan.

If “Yes” is selected above, your Employer will make Employer Contributions to the Plan according to an integrated formula. Under this formula you will receive a base contribution of __________% of Compensation if you have satisfied the eligibility requirements for an Employer Contribution. You will receive an additional contribution if you have Compensation above the integration level. The integration level will be

☐ the Taxable Wage Base ($106,800 for 2009).
☐ $__________.
☐ ______% of the Taxable Wage Base.

The $106,800 limit for the Taxable Wage Base will increase as the cost-of-living increases.

☐ Age-Graded Formula – Your contribution will vary depending upon your age.

Tier 1: If your age is ______ or fewer years, you will receive a contribution of ______% of Compensation.

Tier 2: If your age is more than ______ years, but less than or equal to ______ years, you will receive a contribution of ______% of Compensation.

Tier 3: If your age is more than ______ years, but less than or equal to ______ years, you will receive a contribution of ______% of Compensation.

Tier 4: If your age is more than ______ years, you will receive a contribution of ______% of Compensation.

☐ Years of Service Formula – Your contribution will vary depending upon the number of years you have worked for your Employer.

Tier 1: If you have worked for your Employer ______ or fewer years, you will receive a contribution of ______% of Compensation.

Tier 2: If you have worked for your Employer more than ______ years, but less than or equal to ______ years, you will receive a contribution of ______% of Compensation.

Tier 3: If you have worked for your Employer more than ______ years, but less than or equal to ______ years, you will receive a contribution of ______% of Compensation.

Tier 4: If you have worked for your Employer more than ______ years, you will receive a contribution of ______% of Compensation.

☐ Location or Business Classification Formula – The amount of the contribution will vary among locations or classes of employees.

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<th>Contribution Percentage</th>
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☐ in the years and in the amounts that your Employer decides on each year.

To qualify to receive an Employer Contribution, you must meet the eligibility requirements for Employer Contributions and must also meet the following requirements.

☐ You must work ______ hours during the Plan Year.
☐ You must be employed on the last day of the Plan Year.
☐ No additional conditions apply.

You will be given credit for contribution allocation purposes for your Hours of Service with the following predecessor employer(s):
In addition to any predecessor employer(s) that may be named above, employers from the following types of organizations will also constitute predecessor employers. (select all that apply, if any):

☐ An educational organization.
☐ An organization that meets the eligibility requirements of 403(b)(1).
☐ A teaching institution.
☐ An institution of higher education.
☐ A non-profit research institution.

☐ Yes  ☐ No  Contributions for Disabled Employees

If “Yes” is selected and you become Disabled, you will still be eligible to receive an Employer Contribution.

Q10. If I have money in other retirement plans, can I combine them with my dollars under this Plan?

Rollover Contributions
Will you be allowed to roll over dollars you have saved in other retirement arrangements into this Plan?

☒ Yes.
☐ No.

Individual Retirement Arrangement (IRA) rollovers ☒ will ☐ will not be accepted as rollover contributions into the Plan.

Your Employer will provide you with the forms or information needed to determine whether your prior plan balance is qualified to be rolled over into this Plan and whether you meet the eligibility requirements for a rollover. You are always 100% vested in your rollover contributions.

Plan-to-Plan Transfer Contributions
Will you be allowed to transfer dollars you have saved in other retirement arrangements into this Plan?

☐ Yes, if you are a current Employee, unless you are part of any excluded class of employees.
☒ Yes, if you are a current or former Employee, unless you are part of any excluded class of employees.
☐ Yes, but only if you are part of a class of Employees whose assets are being transferred as a result of a merger or acquisition.
☐ No.

Your Employer will provide you with the forms or information needed to determine whether your prior plan balance is qualified to be transferred into this Plan. You are always 100% vested in your transfer contributions.

Q11. Are there any limits on how much can be contributed for me?

You may not have total contributions of more than $50,000 (in 2012) or an amount equal to 100% of your Compensation, whichever is less, allocated to the Plan for your benefit each year. The $50,000 limit will increase as the cost-of-living increases and includes special catch-up contributions but does not include age 50 catch-up contributions.

Q12. Will contributions be made for me if I am called to military service?

If you are reemployed by your Employer after completing military service, you may be entitled to receive certain make-up contributions from your Employer. If your Plan permits Deferrals, Mandatory Employee Contributions or Nondeductible Employee Contributions, you may also have the option of making up missed employee contributions and receiving a Matching Contribution, if applicable, on these contributions.

If you are reemployed after military service, contact your Plan Administrator for more information about your options under the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994.

Q13. Will I be able to keep my Employer contributions if I terminate employment or am no longer eligible to participate in the Plan?

Amounts that you contribute to the Plan as Deferrals and Mandatory Employee Contributions (or Nondeductible Employee Contributions, if applicable) will always be 100% vested and cannot be forfeited, even if you terminate employment or become ineligible to participate in the Plan.

If Employer Contributions or Matching Contributions are contributed to the Plan by your Employer, they will be subject to vesting schedules and could be forfeited if you terminate your employment or experience a break in service. You will earn the right to a greater portion of your Employer or Matching Contributions the longer you work for your Employer as outlined in the schedules below.

Year of Vesting Service

Generally, all of your years of service with the Employer count toward determining your vested percentage and you will be credited with a year of vesting service if you are eligible to participate in the Plan. To avoid a break in vesting service, you must be eligible to participate in the Plan.

You will be given credit for vesting purposes for your Hours of Service with the following predecessor employer(s):
In addition to any predecessor employer(s) that may be named above, employers from the following types of organizations will also constitute predecessor employers. (select all that apply, if any):

☐ An educational organization.
☐ An organization that meets the eligibility requirements of 403(b)(1).
☐ A teaching institution.
☐ An institution of higher education.
☐ A non-profit research institution.

You will not earn credit toward vesting for the years

☐ before you reached age 18.
☐ before the Employer maintained this Plan.

Although your Employer has adopted a vesting schedule, your balance will become 100% vested when you reach Normal Retirement Age or Early Retirement Age (if applicable), you become disabled, you die, the Plan is terminated, or contributions to the Plan are discontinued.

**Matching and Employer Contributions**

If your Employer makes Matching or Employer Contributions to the Plan, the following vesting schedule will apply.

<table>
<thead>
<tr>
<th>YEARS OF VESTING SERVICE</th>
<th>MATCHING AND EMPLOYER CONTRIBUTION VESTED PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Option 1 ☐ Option 2 ☐ Option 3 ☒ (Complete if chosen)</td>
</tr>
<tr>
<td>Less than One</td>
<td>100% 0% 0%</td>
</tr>
<tr>
<td>1</td>
<td>100% 0% 0%</td>
</tr>
<tr>
<td>2</td>
<td>100% 20% 0%</td>
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<tr>
<td>3</td>
<td>100% 40% 0%</td>
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<tr>
<td>4</td>
<td>100% 60% 0%</td>
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<tr>
<td>5</td>
<td>100% 80% 0%</td>
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<td>6</td>
<td>100% 100% 0%</td>
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<td>100% 100% 100%</td>
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<td>100% 100% 100%</td>
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<td>9</td>
<td>100% 100% 100%</td>
</tr>
<tr>
<td>10</td>
<td>100% 100% 100%</td>
</tr>
</tbody>
</table>

**EXAMPLE:** Your Employer has selected Option 3 above. You have worked for your Employer for four years and have received Employer Contributions of $1,000. You terminate employment and request a distribution of your Employer’s Contributions. Because you have not met the five year vesting requirement, you are not eligible for the Employer’s Contributions.

Q14. **What happens to my nonvested percentage if I terminate employment?**

If you terminate employment, you will always retain the right to the vested portion of your Plan balance. The amount of your nonvested portion will be forfeited.

Forfeitures may be used to pay the Plan’s administrative expenses. Forfeitures may also be used as follows:

☐ Allocated to the remaining Participants in the Plan.
☒ Used to reduce future Employer contributions to the Plan.

**DISTRIBUTIONS AND LOANS**

Q1. **When can I withdraw money from the Plan?**

The Plan is designed to help you build an account that will help support you during your retirement years. You will be able to request distributions from the Plan according to the table below and as allowed by your Individual Agreement. Mandatory Employee Contribution will follow the rules for Employer Contributions.
### Distribution Event

| Distribution Event | Elective Deferrals | Employer Contributions & Matching Contributions | Employer Contributions & Matching Contributions
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Upon Severance from Employment</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Upon incurring a Disability</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upon attainment of age 59½</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Upon attainment of Normal Retirement Age before Severance from Employment (an option for Elective Deferrals and custodial account distributions only if Normal Retirement Age is greater than age 59½)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upon attainment of age: (must be at least age 59½ for Elective Deferrals and custodial account distributions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>After participating in the Plan for a period of five years</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>After participating in the Plan for a period of years equal to (a) and attainment of age (b) (must be at least age 59½ for Elective Deferrals and custodial account distributions)</td>
<td>(a)</td>
<td>(a)</td>
<td>(a)</td>
</tr>
<tr>
<td>On account of hardship</td>
<td>X</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>At any time with respect to pre-1989 Elective Deferrals in an annuity contract</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At any time with respect to pre-2009 Employer Contributions and Matching Contributions in an annuity contract</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition to the options selected in the table, you will be able to request a distribution of Employer Contributions and Matching Contributions upon severance from employment and attainment of Normal Retirement Age (or Early Retirement Age if applicable). If no options are selection in the table under Elective Deferrals, you will be able to request a distribution of Elective Deferrals upon severance from employment or becoming disabled. Upon your death, your beneficiary(ies) will be entitled to request a distribution.

### Hardship Distributions

If “On account of hardship” is selected in the table above, you have a financial hardship and your Individual Agreement allows, you may take a distribution from your

The types of expenses that would qualify for a hardship distribution include medical expenses for you, your spouse or your dependents; payment to purchase your principal residence; tuition and education-related expenses for you, your spouse or your dependents; payments to prevent eviction from your principal residence; funeral expenses for you, your spouse, or your dependents; payments to repair your principal residence that would qualify for a casualty loss deduction. Your Employer may modify the list of events that qualify for a hardship distribution when Employer Contributions and/or Matching Contributions are being used to satisfy your hardship request. Before you take a hardship distribution, you must take all other distributions and all nontaxable loans available to you under the Plan. If you take a hardship distribution of Deferrals, you may not be eligible to make Deferrals (and Nondeductible Employee Contributions, if applicable) for the next six months.

If you are under age 59½, the amount you take out of the Plan as a hardship distribution that is taken from pre-tax sources (like pre-tax Deferrals, Mandatory Employee Contributions, Employer Contributions, or Matching Contributions) will be taxable to you and will generally be subject to a 10% penalty tax.

**Q2. How do I request a payout?**

You (or your beneficiary) must complete a payout form that is provided by or approved by your Employer or follow other procedures defined by your Employer for processing distributions. Subject to possible restriction under the terms of the contracts used to fund the plan, you may take distributions in a lump sum, partial payments, installment payments or apply the vested portion of your account balance toward the purchase of an annuity contract once you are eligible to receive payment from the plan.

If you are taking a hardship distribution, you must provide documents to verify that you have a hardship event that qualifies for a Plan distribution.

If you qualify for and request a distribution, your distribution will begin (subject to your Individual Agreement) as soon as administratively feasible after the date you (or your beneficiary in the case of your death) request a distribution.

**Q3. Do any penalties or restrictions apply to my payouts?**

Generally, if you take a payout from the Plan before you are age 59½, a 10% early distribution penalty will apply to the taxable portion of your payout. There are some exceptions to the 10% penalty. Your tax advisor can assist you in determining whether you qualify for a penalty exception.

If your payout is eligible to be rolled over and you take the payout rather than rolling it over to another retirement arrangement, 20% of the taxable portion of your payout will be withheld and sent to the IRS as a credit toward the taxes you will owe on the payout amount.
EXAMPLE: You request a $10,000 payout from your Plan balance. If the amount is eligible to be rolled over to another plan, but you choose not to roll it over, you will receive $8,000 and $2,000 will be sent to the IRS.

If you have made Roth Deferrals into the Plan, each distribution will consist of a portion of your after-tax Roth Deferrals and a portion of the earnings attributable to the Roth Deferrals (which have not been taxed). The earnings will be included in income and generally subject to the 10% early distribution penalty unless you are eligible to take a qualified Roth distribution. You may take a qualified Roth distribution only if at least five years have passed since you first began making Roth Deferrals and you take the distribution because you reach age 59½, you become Disabled, or you die and the payment is being made to your beneficiary.

Q4. Can I take a loan from the Plan?
- No. Your Plan is designed to help you save for retirement and does not allow you to take a loan from your account under the Plan. If “No” is selected, the remainder of this Question 4 and Questions 5, 6 and 7 below do not apply to the Plan.
- Yes. Although the Plan is designed primarily to help you save for retirement, you may take a loan from the Plan of any approved pension vendor that provides for loans (if your Individual Agreement allows for it).

The number of loans available will vary depending on the approved pension vendor you use and the terms of the loan will be in accordance with the loan agreement with the approved pension vendor.

Generally the minimum loan amount that you may take is $1,000 and the maximum loan amount is $50,000 from all plans of the same employer. The maximum amount you can borrow may be less, however, depending on two factors: 1) the amount of your accumulation under the Plan, and 2) whether you have taken other loans from any of this Employer’s plans within the last year. Also, loans may be limited if you have defaulted on a prior loan. If you have not had a plan loan in the previous year, your maximum loan cannot be greater than one-half of your vested account balance or $50,000, whichever is less. If you have had another loan, the $50,000 maximum will be reduced by the highest outstanding loan balance in the 12 month period prior to the new loan.

The maximum amount you may borrow from the Plan is also limited to the portion of your plan balance that consists of the following types of contributions:
- Pre-tax Deferrals (but only if matched – or – unmatched)
- Roth Deferrals (but only if matched – or – unmatched)
- Nondeductible Employee Contributions
- Mandatory Employee Contributions
- Matching Contributions and Employer Contributions

If your loan is used to purchase a primary residence, you must repay it within ten years. Other loans must be repaid within one to five years.

Q5. How do I apply for a loan?

To apply for a loan you must complete and submit the loan application provided (or approved) by your Employer and pay any applicable loan fees.

Your Employer will administer the loan program and will consider the following when reviewing your loan request:
- The vested portion of your account
- Other The University of Maine System will permit loans on only employee contributions over and above the 4% contribution to the basic retirement plan, which represent additional to basic voluntary contributions.

Q6. What is the interest rate for my loan?

The interest rate for your loan will be determined in accordance with the loan agreement you have with the approved pension vendor under the Plan.

Q7. What if I don’t repay my loan?

You will be required to repay the loan amount (plus interest) to the Plan. If you default on the loan, you will be taxed on the amount of the outstanding loan balance and will be subject to a 10 percent penalty if you are under age 59½. In addition, your Employer has the right to foreclose its security interest in the portion of your vested account under the Plan that you pledged as security for the loan, when an event allowing a Plan distribution occurs. The following events will cause a loan default:

- Not repaying your loan as set forth in your loan agreement.
- Breaching any of your obligations under your loan agreement.
- Severing your employment (for loans from mutual funds in custodial accounts)

If your loan is defaulted, your Employer has the right to foreclose the security interest in your vested account balance pledged for repayment, when an event which triggers a distribution of your benefits occurs. In addition, the loan administrator will report the loan default to the IRS and the outstanding loan amount and accrued interest will be treated as a taxable distribution. If you are under age 59½, this could result in a 10 percent penalty on the taxable portion of the default.
Q8. What if I die before receiving all of my money from the Plan?

If you die before taking all of your assets from the Plan, the remaining balance will be paid to your designated beneficiary. If you do not name a beneficiary, 50% of your balance will be paid to your spouse and 50% will be paid to your estate. If you do not name a beneficiary and have no surviving spouse, your remaining balance in the Plan will be paid to your estate, unless a different alternative is provided in the Individual Agreement.

To designate your beneficiary, you must complete the beneficiary designation form or follow alternate procedures established by your Employer. It is important to review your designation from time to time and update it if your circumstances change (for example, a divorce, death of a named beneficiary).

Your beneficiary will generally have the same options regarding the forms of distributions that are available to you as a Participant. If the Plan is subject to the spousal consent requirements, however, and the balance is greater than $5,000, your beneficiary may be required to take the payouts in the form of a life annuity, unless the annuity has been properly waived by you (and your spouse, if applicable) during your lifetime.

Your spouse beneficiary may also have the option of rolling their distribution into an IRA. Your non-spouse beneficiary may also have the option of rolling their distribution into an inherited IRA.

If you die after beginning required minimum distributions, as described in the following question, your beneficiary must continue taking annual distributions from the Plan at least annually. If you die before beginning required minimum distribution payments, your beneficiary may have the option of (1) taking annual payments beginning the year following your death (or the year you would have started required minimum distributions, if your spouse is your beneficiary), or (2) delaying their distribution until the year containing the fifth anniversary of your death, provided they take the entire amount remaining amount during that fifth year.

Q9. How long can I leave my money in the Plan?

When you reach age 70½ you will generally need to begin taking a portion of your balance out of the Plan each year. If you continue to work for your Employer after age 70½, you may delay required distributions until you actually stop working for your Employer. The annual required distribution amount is generally based on your account balance divided by a life expectancy factor outlined in retirement plan regulations. For assets in your account as of 12/31/1986, you will not be required to take minimum distributions until the later of age 75 or separation from service. Provided that your balance as of 12/31/1986 is known, for the time period between age 70½ and age 75, the required minimum distribution calculation will use only the assets accrued after 12/31/1986. Once you reach age 75, the calculation will include your entire account balance. You may also have the option to satisfy your required minimum distributions from the Plan by aggregating all your 403(b) plans and taking the required minimum distributions from any one or more of your individual 403(b) plans.

Q10. What if the Plan is terminated?

If the Plan is terminated, your entire account balance will be distributed from the Plan. To the extent you are invested in an annuity contract, you will receive a distribution of the contract.

INVESTING YOUR PLAN ACCOUNT

Q1. Am I responsible for selecting the investments for my account under the Plan?

☒ Yes. You have the right to decide how your Plan account will be invested. Your Employer and vendor(s) will establish administrative procedures that you must follow to select your investments. You may choose from those options available only from approved vendors eligible under the Plan to accept your contributions. Your Employer can provide a list of approved vendors.

☐ Yes. You have the right to decide how your Plan account will be invested. Your Employer and vendor(s) will establish administrative procedures that you must follow to select your investments. You may choose from those options available from approved vendors eligible under the Plan to accept your contributions and other vendors only if they have agreed to certain conditions. Your Employer can provide a list of approved vendors and other vendors that have agreed to these conditions.

Q2. How frequently can I change my investment elections?

You may change your investment selections at such times as determined by your Employer.

ADMINISTRATIVE INFORMATION

Q1. Who established the Plan?

The official name of the Plan is University of Maine System Retirement Plan for Faculty and Professional Employees.

The Employer who adopted the Plan is University of Maine System.

Federal Tax Identification Number: 016000769

Business Address: 16 Central Street, Bangor, ME 04401-5106.

Business Telephone Number: (207) 973-3379

Plan Number: 001
This Plan is a 403(b) defined contribution plan, which means that contributions to the Plan made on your behalf (and earnings) will be separately accounted for within the Plan.

Q2. When did the Plan become effective?
   ☑ Amendment and Restatement of a Prior Plan
   Your Employer has amended and restated the Plan, which was originally adopted on 09/01/1961. The effective date of this amended Plan is 01/01/2009.

Q3. Who is responsible for the day-to-day operations of the Plan?
Your Employer is responsible for the day-to-day administration of the Plan unless a Plan Administrator is appointed below.

☐ Appointed Plan Administrator
   Your Employer has appointed the following Plan Administrator to handle the day-to-day operation of the Plan.
   
   Plan Administrator Name:  ____________________________________________________________________________________
   Business Address:  ___________________________________________________________________________________________
   Business Telephone:  _________________________________________________________________________________________

To assist in operating the Plan efficiently and accurately, your Employer may appoint additional persons or organizations to act on its behalf or to perform certain functions. References to Employer in this Plan Summary will include the Plan Administrator named above.

Q4. Who pays the expenses for operating the Plan?
All reasonable Plan administration expenses, including those involved in retaining necessary professional assistance, may be paid from the assets of the Plan, to the extent permitted by the Individual Agreements. These expenses may be allocated among you and all other Plan Participants or, for expenses directly related to you, charged against your account balance. Examples of expenses that may be directly related to you include: general recordkeeping fees and expenses related to processing your distributions or loans (if applicable), processing qualified domestic relations orders, and processing your Plan investment direction, if applicable. Finally, the Employer may, in its discretion, pay any or all of these expenses. For example, the Employer may pay expenses for current employees, but may deduct the expenses of former employees directly from their accounts. Your Employer will provide you with a summary of all Plan expenses and the method of payment of the expenses upon request.

Q5. Does my Employer have the right to change the Plan?
The Plan will be amended from time to time to incorporate changes required by the law and regulations governing retirement plans. Your Employer also has the right to amend the Plan to add new features or to change or eliminate various provisions. An Employer cannot amend the Plan to take away or reduce protected benefits under the Plan (for example, the Employer cannot reduce the vesting percentage that applies to your current balance in the Plan).

Q6. Does participation in the Plan provide any legal rights regarding my employment?
The Plan does not intend to provide, and does not provide, any additional rights to employment or constitute a contract for your employment. The purpose of the Plan Summary is to help you understand how the Plan operates and the benefits available to you under the Plan. The Plan document is the legal document that controls the operation of (and rights granted under) the Plan. If there are any inconsistencies between this Plan Summary and the Plan document, the Plan document will be followed.

Q7. Can creditors or other individuals request a payout from my Plan balance?
Creditors (other than the IRS) and others generally may not request a distribution from your Plan balance. One major exception to this rule is that your Employer may distribute or reallocate your benefits in response to a qualified domestic relations order. A qualified domestic relations order is an order or decree issued by a court that requires you to pay child support or alimony or to give a portion of your Plan account to an ex-spouse or legally separated spouse. Your Employer will review the order to ensure that it meets certain criteria before any money is paid from your account. You (or your beneficiary) may obtain, at no charge, a copy of the procedures your Employer will use for reviewing and qualifying domestic relations orders.

Q8. If the Plan terminates, does the federal government insure my benefits under the Plan?
If the Plan terminates, you will become fully vested in your entire balance under the Plan, even though you would not otherwise have a sufficient number of years of vesting service to be 100% vested in your balance. You will be entitled to take your entire balance from the Plan following termination, subject to the terms of the Individual Agreements.
The type of plan in which you participate is not insured by the Pension Benefit Guarantee Corporation, the government agency that insures certain pension plan benefits upon plan termination.

DEFINITIONS

Compensation – The definition of Compensation under the Plan can vary depending upon the purpose (such as allocations, nondiscrimination testing, or deductions). Your Employer has elected to use the following definition of Compensation.

General Compensation Definition
- W-2 Compensation – In general, the amount of your earnings from your Employer taken into account under the Plan is all earnings reported to you on Form W-2. This definition will be used for
- 3401 Compensation – The Plan uses a definition of Compensation referred to as 3401(a) wages. In general, the amount of your wages from your Employer used to calculate income tax withholding will be considered Compensation under the Plan. Certain amounts reflected on your Form W-2 may not be included in Compensation under the Plan (for example, term life insurance PS 58 costs). This definition will be used for
- 415 Compensation – The Plan uses a definition of Compensation referred to as 415 safe harbor wages. In general, the amount of your wages or fees from professional services from your Employer that are included in your gross income will be considered Compensation under the Plan. Certain amounts reflected on your Form W-2 may not be included in Compensation under the Plan (such as amounts received in a sale of qualified or nonqualified stock options, and distributions from deferred compensation plans). This definition will be used for

Adjustments to Compensation
Amounts that are not included in your taxable income that were deferred under a cafeteria plan, a 401(k) plan, a salary deferral SEP plan, a 403(b) tax-sheltered annuity plan, a 457 deferred compensation plan of a state or local government or tax-exempt employer, or transportation fringe benefits that you receive will be
- included in Compensation.
- excluded from Compensation.

The definition of Compensation used under the Plan has been further adjusted to exclude the following amounts.
- Bonuses.
- Overtime pay.
- Compensation due to a paid leave of absence.
- Other ____________________________________.

If you receive payments from your Employer within 2½ months after severing your employment, any regular pay for services you performed before severance will be included in Compensation. The following types of post-severance payments will affect Compensation as follows:

Unused accrued sick, vacation or other leave that you are entitled to cash out will be
- included.
- excluded.

Deferred compensation paid after Severance from Employment will be
- included.
- excluded.

Compensation Measuring Period
The measuring period for Compensation will be
- the Plan Year.
- the calendar year.
- the 12-month period beginning ________________________.

Compensation will generally mean
- only Compensation paid to an employee during the measuring period after becoming a Participant.
- all of a Participant’s Compensation paid during the measuring period.

Compensation Limit
The maximum amount of a Participant’s Compensation that will be taken into account under the Plan is $245,000 (for 2009). This amount will increase as the cost-of-living increases.

Deferrals – Deferrals are the dollars you choose to contribute to the Plan through payroll deduction. If your Employer permits Roth contributions in the Plan, the term Deferral will refer to contributions that you make either on a pre-tax basis or as a Roth after-tax contribution.
Disabled – You will be considered Disabled if you cannot engage in any substantial, gainful activity because of a medically determined physical or mental impairment that is expected to last at least 12 months.

Early Retirement Age –

☐ There is no Early Retirement Age designated under the Plan.
☐ Age ______ and ______ years of vesting service with your Employer.

Employer – The Employer who adopted this Plan is University of Maine System.

Employer Contribution – Your Employer may choose to make Employer Contributions for Participants who meet the Employer Contribution eligibility requirements. Your eligibility to receive Employer Contributions is not dependent upon whether you make Deferrals.

Hour of Service – An Hour of Service for purposes of determining Plan eligibility, qualifying for Employer Contributions and vesting service will be based on

☐ elapsed time (credit for the period of time during which you are paid or entitled to pay for your Employer).
☐ actual hours for which you are entitled to pay.
☐ days worked (10 hours credited).
☐ weeks worked (45 hours credited).
☐ semi-monthly payroll periods worked (95 hours credited).
☐ months worked (190 hours credited).

Individual Agreements – All contributions to the Plan will be invested either in annuity contracts or in mutual funds held in custodial accounts. The agreements between the vendor and your Employer or you that constitute or govern the annuity contracts and custodial accounts are referred to as Individual Agreements. The Individual Agreements explain the unique rules that apply to each Plan investment and may, in some cases, limit your options under the Plan, including your transfer and distribution rights.

Mandatory Employee Contribution – Your Employer may require that once you have met the eligibility requirements, you must make a Mandatory Employee Contribution. Mandatory Employee Contributions are pre-tax contributions.

Matching Contribution – Your Employer may make Matching Contributions to the Plan based on the amount of Deferrals, Mandatory Employee Contributions or Nondeductible Employee Contributions you contribute to the Plan.

Nondeductible Employee Contribution – Nondeductible Employee Contributions are amounts, other than Roth Deferrals, that you contribute to the Plan on an after-tax basis. The earnings on these contributions accumulate tax-free until paid out of the Plan.

Normal Retirement Age – If you are still employed with your Employer when you reach Normal Retirement Age, you will become 100% vested in your account.

☐ Age _65__.
☐ Age ______ or the ______ anniversary of the first day of the Plan year in which you became a Plan Participant, whichever is later.

Participant – An employee or former employee of the Employer who has satisfied the eligibility requirements and entered the Plan.

Plan – The Plan described in this Plan Summary is the University of Maine System Retirement Plan for Faculty and Professional Employees.

Plan Administrator – Your Employer is responsible for the day-to-day administration of the Plan unless an appointed Plan Administrator is named below. To assist in operating the Plan efficiently and accurately, your Employer may appoint others to act on its behalf or to perform certain functions. References to Employer in this Plan Summary will include any appointed Plan Administrator named below.

To assist in operating the Plan efficiently and accurately, your Employer may appoint additional persons or organizations to act on its behalf or to perform certain functions. References to Employer in this Plan Summary will include the Plan Administrator named above.

Plan Year – The Plan Year is

☐ the 12-month period which is the same as your Employer’s tax year.
☐ the calendar year.
☐ the 52/53 week period ending on the last ______ nearest ___________ of each year.
☐ other ____________________________ .

Taxable Wage Base – The Social Security Administration sets a contribution and benefit base level each year which is referred to as the Taxable Wage Base.
ADDENDUM TO RESTATED ADOPTION AGREEMENT

Plan Name - University of Maine System Retirement Plan for Faculty and Professional Employees

Plan ID – 102965

Employee Contribution Assumptions – The University of Maine System plan will permit both employee pre-tax and after-tax contributions.

Employer Contribution Assumptions – The University of Maine System plan will make an employer contribution for former employees who are approved for Long Term Disability (LTD) benefits by the carrier.

In addition, former employees who retire from the University of Maine System and meet the eligibility criteria for the Incentive Retirement Plan (IRP), will be eligible to receive an employer contribution following their retirement.

Eligibility – Exclusion of Certain Classes of Employees – This plan is available to salaried represented and non-represented faculty and to salaried represented and non-represented professional and administrative staff. To be eligible for the basic retirement plan 4% contribution and University matching contribution, salaried employees must normally work at least 20 hours per week in a full-time regular or part-time regular position, except those participating in the University’s Partial/Phased Retirement Plan (PPRP) in accordance with their collective bargaining agreement. Plan participation is mandatory upon attainment of age 30, voluntary prior to age 30.

Part-time regular and part-time temporary faculty are eligible for elective deferrals from date of hire; however, are not eligible for the basic retirement plan 4% contribution and University matching contribution until they meet the eligibility criteria in accordance with their collective bargaining agreement.

If an employee is not eligible under Plan 102965, they are always eligible to make elective deferrals under Plan 102966.

Contributions – The University of Maine System employs a small number of Civil Service Retirement System (CSRS) employees (a closed group) who also participate in this plan. The University matching contribution increased from 8% to 9.2%, effective January 1, 2010.

Vesting and Forfeitures - The University of Maine System implemented a five (5) year vesting schedule for the employer matching contribution for certain salaried employees hired on or after January 1, 2010. Non-represented salaried employees (including Law Faculty, but excluding other non-represented faculty) and salaried employees in the Universities of Maine Professional Staff Association (UMPSA) Unit - employees must complete five (5) years of service in order to be vested in the employer matching contribution. Vesting will continue to be immediate for salaried faculty in the full-time Associated Faculties of the University of Maine System (AFUM) Unit, salaried non-represented faculty (excluding Law Faculty), and salaried faculty in the Maine Part-Time Faculty Association (PATFA) Unit.

Distributions – Clarification of this section that the University of Maine System plan permits access to accumulations after age 59 ½, subject to Internal Revenue Service and/or vendor restrictions. Also, this section clarifies that distributions and hardship withdrawals are available on only voluntary contributions above 4%; they are not available on the basic 4% retirement plan contribution on which the employee receives a University matching contribution.

Distributions – The University of Maine System has a Partial/Phased Retirement Plan (PPRP) for eligible employees. Provided an employee meets the eligibility criteria outlined in the applicable collective bargaining agreement(s) and is participating in the PPRP, they may elect to annuitize a portion of their accumulation while on PPRP.

In addition, provided the eligible employee on PPRP is within 3 years of full retirement and working not more than 50% time, they may also elect to withdraw cash while on PPRP, subject to applicable vendor and/or Internal Revenue Service (IRS) requirements.

Loans – The University of Maine System plan will permit loans only on those voluntary employee contributions on which there is no University matching contribution. Effective August 1, 2014, a maximum of two (2) outstanding loans are allowable.