

President & Fellows of Middlebury College 457(b) Deferred Compensation Plan

Plan Description

President & Fellows of Middlebury College is pleased to offer the **Middlebury College Section 457(b) Deferred Compensation Plan** (the "457(b) Plan") which was amended and restated as of January 1, 2020. The 457(b) Plan is a nonqualified plan of deferred compensation that permits eligible employees to accumulate tax-deferred savings.

President & Fellows of Middlebury College's 457(b) Plan at a Glance

<i>FEATURES</i>	<i>457(b) PLAN PROVISION</i>
Type of Plan	Tax Exempt 457(b) Deferred Compensation Plan
Plan Administrator	President & Fellows of Middlebury College
Eligibility	<p>An Employee who is paid on the Employer's United States payroll shall be eligible to participate in the Plan during any applicable Plan Year if the Employee's basic stated rate of Employer compensation, determined as of November 1 of the preceding Plan Year, equals or exceeds the "Threshold Amount" for the applicable Plan Year, as determined by the Plan Administrator. The Threshold Amount shall be determined as follows:</p> <p>i. The Threshold Amount for 2020 shall be \$152,000.</p> <p>ii. The Threshold Amount shall be increased for each Year after 2020 by a percentage equal to the same percentage of the budgeted staff salary merit increase, approved by the Board of Trustees of the Employer for Employees of the Employer as a whole, for the academic year of the Employer that ends during the applicable Plan Year. If the adjusted Threshold Amount is not an even multiple of \$1,000, then the Threshold Amount shall be rounded down to the next lowest multiple of \$1,000.</p> <p>Example: An Employee whose basic stated rate of Employer compensation was at least \$152,000, as determined as of November 1, 2019, is eligible to participate in the Plan during 2020. If the approved and budgeted merit increase for the Employer for the academic year that begins July 1, 2020 and ends June 30, 2021 is three percent (3%), then the Threshold Amount for 2021 will be \$156,000 (determined as \$152,000, times 1.03, with the result rounded down to the next lowest multiple of \$1,000). Accordingly, the same Employee will be eligible to participate in the Plan during 2021, if the Employee's basic stated rate of compensation, determined as of November 1, 2020, is at least \$156,000.</p> <p>In addition to the foregoing, an otherwise eligible Employee who was not employed by the Employer as of November 1 of the preceding Year (and, therefore, did not have a basic stated rate of Employer compensation as of that date) shall be eligible to participate in the Plan during any applicable Plan Year, if the Employee's basic stated rate of Employer compensation as of the Employee's (subsequent) hire date equals or exceeds the Threshold Amount in effect for the applicable Plan Year, as determined by the Plan Administrator. For example, an otherwise eligible Employee who commences employment with the Employer on August 1, 2020 shall be eligible to participate in the Plan during the remainder of 2020, if the Employee's basic stated rate of Employer compensation as of August 1, 2020 equals or exceeds the Threshold Amount in effect for 2020 (i.e., equals or exceeds \$152,000).</p>
Enrollment	Voluntary
Maximum Annual Deferral	\$19,500 (in 2020). This limit applies to the combined total of your contributions and the employer contributions.
Employer Matching Contributions	None provided
Employer Non-Elective Contributions	To the extent Employer contributions to the Middlebury College Core Retirement Plan on behalf of a Participant are reduced by the application of Code Section 415 to that plan, the Employer shall credit the Participant with an Employer non-elective contribution under this Plan, subject to the limitations of this Plan and the Code.

<i>FEATURES</i>	<i>457(b) PLAN PROVISION</i>
Vesting	100% vested, however, contributions are subject to claims of the institution's creditors
Investment Sponsors	TIAA
Asset Transfers to the Plan from Prior Employer's Plan	Accepted subject to the following limitations: Transfers may be made only to the extent permitted by the Code and shall be subject to such conditions and procedures as may be established by the Plan Administrator.
Loans	Not available
Unforeseen Emergency Withdrawals	Available
In-service Withdrawals (other than Unforeseeable Emergency)	Available (1) upon attainment of age 70 ½ or (2) if account balance is less than \$5000, no contributions have been made during the previous two years, and no prior distributions have been taken (except for unforeseeable emergency withdrawals)
Benefit Commencement Date following Severance of Employment	Upon severance of employment, you have a 60 day election period during which you must make a decision on when and how you want to receive benefits from the plan. The 60 day election period begins on the date of your severance from employment. You may elect to receive the benefits immediately after the election period expires or defer the commencement date to a fixed date in the future. However, benefits must begin no later than April 1st following the calendar year you attain age 70 ½ or retire/separate from service, whichever is later. If no election is made during the initial election period, you will receive a taxable default distribution of the entire account on or within 90 days following the date of your Severance from Employment. Please note, once you elect to defer the commencement date for receiving benefits into the future that date is irrevocable and cannot be accelerated.
Second Deferral of Benefit Commencement Date	Available. If you elected to defer receiving benefits from the plan during the initial election period to a fixed date in the future, your plan offers you the opportunity to elect to defer the commencement of benefits a second time. You may defer receipt of your distribution to a fixed date in the future but no later than April 1st of the calendar year following the calendar year you attain age 70 ½ or retire/separate from service, whichever is later. Please note, once you elect to defer the commencement date for receiving benefits into the future that date is irrevocable and cannot be accelerated.
Asset Transfers from the Plan to Another Employer's Plan	You may transfer your entire account balance to another eligible Deferred Compensation Plan of a tax-exempt organization to the extent permitted by law and the terms of the receiving plan and subject to the following limitations: Transfers may be made only to the extent permitted by the Code and shall be subject to such conditions and procedures as may be established by the Plan Administrator.
Normal Retirement Age	Age 65
Distribution Options	Lump sum Fixed period annuity/installments of 2-30 years at your election Lifetime Annuity (single life or joint life) Required minimum distribution
Default Distribution Type	Lump sum

PLAN OVERVIEW

The remainder of this summary plan description is presented in question-and-answer format to help you better understand the 457(b) Plan and how it works. Please refer to the Plan document for full details.

Eligibility

Q: *Who is eligible to participate in the 457(b) Plan?*

A: An Employee who is paid on the Employer's United States payroll shall be eligible to participate in the Plan during any applicable Plan Year if the Employee's basic stated rate of Employer compensation, determined as of November 1 of the preceding Plan Year, equals or exceeds the "Threshold Amount" for the applicable Plan Year, as determined by the Plan Administrator.

Enrollment

Q: *How do I enroll in the 457(b) Plan?*

A: In order to complete your enrollment in the 457(b) Plan, you must complete the applicable enrollment form along with a Deferred Compensation Agreement.

Q: *When will my enrollment become effective?*

A: Your enrollment will become effective in the month following the month that you enroll. For instance, if you enroll in the 457(b) Plan in September, your first contribution will come from your October paycheck.

Q: *Do I have to re-enroll each year?*

A: No. Your enrollment and deferral elections will automatically continue for the following Plan year, unless you change or cancel your election or you are no longer eligible to participate in the Plan.

Contributions

Q: *How much can I contribute?*

A: For 2020, you can contribute up to \$19,500 of your salary. This limit applies to the combined total of your contributions and the employer contributions.

Q: *May I defer accumulated sick pay, accumulated vacation pay, and back pay?*

A: No.

Q: *May I change the amount I choose to defer?*

A: Yes. You may elect to change the amount of your deferral by submitting a new Deferred Compensation Agreement to the Plan Administrator or its designee. A change in the amount of Annual Deferrals will typically take effect as of the first day of the next following month or as soon as administratively practicable thereafter.

Q: *Can I stop my contributions to the 457(b) Plan at any time?*

A: Yes, you can terminate your election at any time; however, the cancellation of your salary deferrals will not take effect until the month following your election to cancel.

Q: *What happens if I take a leave of absence?*

A: If you are on a paid leave of absence, your salary deferrals will continue. However, if your leave is unpaid, your deferrals will be discontinued and you must make a new deferral election upon your return.

Q: *Am I able to make special 3 year Catch-up Contributions?*

A: Yes, you may be eligible for an enhanced limit in the three calendar years prior to the calendar year in which you will attain the plan's Normal Retirement Age. Additional contributions equal the lesser of twice the applicable annual limit or the annual normal limit plus any unused amounts from prior years. Please note, these catch-up contributions may not be made in the calendar year declared as the Normal Retirement Age.

Q: *Are age 50 Catch-up Contributions allowed?*

A: No, the regulations do not allow age 50 catch-up contributions on 457(b) tax exempt plans.

Q: Does President & Fellows of Middlebury College contribute to the 457(b) Plan?

A: Yes, the Employer will make the following Non-Elective contribution: To the extent Employer contributions to the Middlebury College Core Retirement Plan on behalf of a Participant are reduced by the application of Code Section 415 to that plan, the Employer shall credit the Participant with an Employer non-elective contribution under this Plan, subject to the limitations of this Plan and the Code.

Your Account

Q: When do I become vested?

A: You are always 100% vested in your account and any earnings thereon.

Q: Are my salary deferrals placed in trust or otherwise funded?

A: Your salary deferrals are not placed in a trust nor are your benefits funded. Rather, your salary deferrals are held as general assets of President & Fellows of Middlebury College and are subject to the claims of its creditors. The federal pension and tax laws require that the 457(b) Plan be "unfunded." Even though the 457(b) Plan is unfunded, your salary deferrals are credited with investment earnings based on the performance of the investment option you selected and your salary deferrals and credited investment earnings are always fully vested.

Q: If the 457(b) Plan is unfunded, am I better off taking my salary in cash and investing it elsewhere?

A: While the 457(b) Plan is not funded, President & Fellows of Middlebury College is committed to paying amounts credited to your deferral account. The 457(b) Plan provides significant tax advantages to you because your salary deferrals and investment earnings grow tax-deferred until distributed. You should consult with your own tax or financial advisor to evaluate the benefits of the 457(b) Plan compared to the rewards and risks of alternative investment strategies.

Receiving Payments from the 457(b) Plan

Q: When may I begin receiving payments from my account?

A: Upon severance of employment, you have a 60 day election period during which you must make a decision on when and how you want to receive benefits from the plan. The 60 day election period begins on the date of your severance from employment. You may elect to receive the benefits immediately after the election period expires or defer the commencement date to a fixed date in the future. However, benefits must begin no later than April 1st following the calendar year you attain age 70 ½ or retire/separate from service, whichever is later. If no election is made during the initial election period, you will receive a taxable default distribution of the entire account on or within 90 days following the date of your Severance from Employment. Please note, once you elect to defer the commencement date for receiving benefits into the future that date is irrevocable and cannot be accelerated.

Q: May I defer my payment date a second time?

A: Yes. If you elected to defer receiving benefits from the plan during the initial election period to a fixed date in the future, your plan offers you the opportunity to elect to defer the commencement of benefits a second time. You may defer receipt of your distribution to a fixed date in the future but no later than April 1st of the calendar year following the calendar year you attain age 70 ½ or retire/separate from service, whichever is later. Please note, once you elect to defer the commencement date for receiving benefits into the future that date is irrevocable and cannot be accelerated.

Q: How are my benefits taxed?

A: Payments from the plan are taxed as ordinary income and reported on Form W-2.

Q: Can I change the income option I have selected?

A: You may change the income option you selected up to 30 days prior to the start of the payments. Once you are within 30 days of the payments starting or if the payments have already begun, you may not change the income option.

Q: Do the Required Minimum Distribution rules apply to the 457(b) Plan?

A: Yes, you must begin receiving distributions from the plan no later than April 1st of the calendar year following the calendar year you attain age 70 ½ or retire/separate from service, whichever is later.

Q: *What payment options are available?*

A: Payments from the plan may be made in the following forms:

Lump Sum Payment

Fixed Annuity/Installments of 2-30 Years

Lifetime annuities (single life or joint life)

Required minimum distributions

Q: *May I rollover my account to an IRA?*

A: No, the regulations do not permit rollovers to an IRA. Rollovers are not permitted from 457(b) Deferred Compensation Plans of tax-exempt organizations.

Q: *May I transfer my account to another plan?*

A: You may transfer your entire account balance to another eligible Deferred Compensation Plan of a tax-exempt organization to the extent permitted by law and the terms of the receiving plan and subject to the following limitations: Transfers may be made only to the extent permitted by the Code and shall be subject to such conditions and procedures as may be established by the Plan Administrator.

Q: *Does the 457(b) Plan provide for Unforeseen Emergency withdrawals?*

A: If you suffer an "unforeseeable emergency," you may make a written request for payment of all or a portion of your account balance in an amount not to exceed the amount that will satisfy your unforeseeable emergency. An unforeseeable emergency is a severe financial hardship resulting from your illness or accident (or that of your beneficiary), the loss of your (or your beneficiary's) property due to casualty, or other similar extraordinary and unforeseeable circumstances arising from events beyond your control (as determined based on all of the facts).

Beneficiary Designation & Death Benefits

Q: *How do I designate my beneficiary?*

A: You may designate any individual, trust, estate or other legal entity as your beneficiary by filing a beneficiary designation with your investment sponsor. Your beneficiary designation will not be effective until you file the designation with your investment sponsor. You may change your beneficiary designation any time prior to the commencement of benefits. If you have questions regarding a beneficiary designation, contact your investment sponsor.

Q: *What happens to my account balance if I die?*

A: Generally speaking your benefits are paid to the beneficiary in a lump-sum, however please refer to your plan document as additional options may be available to the beneficiary.

Claims and Appeals Procedures

Q: *Can I submit a claim for benefits under the 457(b) Plan?*

A: Yes, you must file a claim for a benefit with your investment sponsor. If your claim is denied, you will be provided with notice of the denial within 90 days after your claim is received, unless this deadline is extended in order to fully process your claim. This notice will include the reason for the denial, the provisions of the 457(b) Plan on which the denial is based, a description of any additional information or materials necessary to perfect the claim (and an explanation of why such information or material is necessary), and a description of the 457(b) Plan's appeals procedures.

Q: *How do I appeal a denial of my claim?*

A: If the determination to deny your claim is not acceptable to you, you may file an appeal with the plan administrator. The appeal must be in writing and filed within 60 days after the date your claim for benefits is denied by the investment sponsor.

Additional Information

Q: *Who administers the 457(b) Plan?*

A: President & Fellows of Middlebury College

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