

**BALL STATE UNIVERSITY
ALTERNATE PENSION PLAN**

Amended and Restated Effective July 1, 2020

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BALL STATE UNIVERSITY ALTERNATE PENSION PLAN

ARTICLE I. **ESTABLISHMENT AND RESTATEMENT OF PLAN**

Section 1.01. **Plan Establishment and History.**

(a) Ball State University ("University") is a public university established under Indiana law and an educational organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended ("Code"). The University established the Ball State University Alternate Pension Plan ("Plan"), effective July 1, 1981, to provide retirement benefits for Eligible Employees.

(b) The Plan is, and is intended to remain, a defined contribution plan under Code Section 403(b). The Plan is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a governmental plan, ERISA does not apply.

(c) The Plan was most recently amended and restated effective January 1, 2014.

Section 1.02. **Plan Restatement.**

(a) The Plan is now being amended and restated effective July 1, 2020, except as otherwise specifically provided herein, to make certain discretionary changes.

(b) Except as otherwise specifically provided herein, the Plan as hereinafter set forth establishes the rights and obligations with respect to individuals who are Employees on and after July 1, 2020, and to transactions under the Plan on and after July 1, 2020. The rights and benefits, if any, of individuals who are not Employees on or after July 1, 2020, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date of their Severance from Employment, except as otherwise specifically provided herein or in a subsequent amendment.

Section 1.03. **Plan Funding.** The Plan is funded exclusively through the purchase of Investment Arrangements in accordance with the requirements of the Code. The terms and conditions of the Investment Arrangements shall be incorporated into this Plan; provided, however, that to the extent that there is any conflict between the terms of the Investment Arrangements and the terms of the Plan, the terms of the Plan shall govern, except as otherwise specifically provided herein.

ARTICLE II. **RULES OF CONSTRUCTION AND DEFINITIONS**

Section 2.01. **Rules of Construction and Governing Law.**

(a) This Plan shall be interpreted, enforced and administered in accordance with the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, the laws of the State of Indiana without regard to conflict of law principles.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed as being in the plural or singular, where appropriate, and *vice versa*.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

(e) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute a defined contribution plan under the provisions of Code Section 403(b), (ii) be a governmental plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code, shall prevail over any different interpretation.

Section 2.02. Definitions. When the initial letter of a word or phrase is capitalized herein the meaning of such word or phrase shall be as follows:

(a) "Account" means the separate accounts maintained for each Participant and Beneficiary under the Plan. The following Accounts shall be established for a Participant or Beneficiary, if applicable:

(1) A Non-Elective Contribution Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to his or her Non-Elective Contributions pursuant to Section 4.01.

(2) A TRF Supplement Account to reflect the Participant's or Beneficiary's interest under the Plan attributable to his or her TRF Supplement Contributions pursuant to Section 4.02.

(b) "Administrator" means the University. To the extent that the Board delegates any of the University's responsibilities as Administrator, the person to whom such delegation is made shall be treated as Administrator to the extent of such delegation. The Board has delegated the University's authority as Administrator to the University's Vice President for Business Affairs and Treasurer, which delegation shall remain in effect until revoked by the Board.

(c) "Annual Addition" means annual addition as defined in Code Section 415(c) and as modified in Code Sections 415(l)(1) and 419A(d)(2). In general, Code Section 415(c) defines annual addition as the sum of the following amounts credited to a Participant's Account for the Limitation Year under this Plan and to a Participant's account under any other Code Section 401(a) defined contribution plan maintained by the University (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan):

(1) employee contributions;

- (2) employer contributions;
- (3) forfeitures;
- (4) allocations under a simplified employee pension;
- (5) amounts allocated to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the University or a Related Employer, or both, as applicable; and
- (6) mandatory employee contributions to a defined benefit plan maintained by the University, unless the contributions are picked up by the University pursuant to Code Section 414(h)(2).

Annual Additions shall not include (i) elective deferrals made by a Participant who is age 50 or older in accordance with Code Section 414(v), (ii) excess elective deferrals distributed in accordance with Treasury Regulation Section 1.402(g)-1(e)(2), (iii) rollover contributions, or (iv) transfer contributions.

(d) "Annuity Contract" means a nontransferable contract as defined in Code Sections 403(b)(1) and 401(g), established for Participants by the University, that is issued by a Vendor who is an insurance company qualified to issue annuities in a State and that includes payment in the form of an annuity.

(e) "Applicable Form" means the appropriate form as designated and furnished by the Vendor or Administrator to make any election or provide any notice required by the Plan. In those circumstances where a written election or consent is not required by the Plan or the Code, the Administrator and/or the Vendor may prescribe an electronic or telephonic form in lieu of or in addition to a written form.

(f) "Beneficiary" means the person, company, trustee or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death. A designation of an individual as a Beneficiary shall remain in effect until affirmatively revoked by the Participant on a subsequent Applicable Form. Unless otherwise provided in the applicable Investment Arrangement, if the designated Beneficiary does not survive the Participant or there is no Beneficiary designated, the Participant's Spouse shall be the Beneficiary, or if none, the Participant's estate shall be the Beneficiary. Beneficiary also means an alternate payee within the meaning of Code Section 414(p)(8).

(g) "Board" means the Board of Trustees of Ball State University.

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(i) "Compensation" means the amount paid by the University to a Participant that is reportable as wages in Box 1 of the Participant's Form W-2, but excluding bonuses, awards, cell phone allowances, automobile allowances, uniform allowances, taxable non-cash fringe benefits, taxable cash rebates or refunds, imputed income (e.g., excess group term life insurance and taxable medical benefits), and disability payments. Compensation shall include any

amounts reduced pursuant to a salary reduction agreement with the University under Code Section 457(b), 401(k), 403(b), 125 or 132(f), including elective deferral contributions made to the Ball State University Tax Deferred Account Plan or the Ball State University 457(b) Deferred Compensation Plan. Compensation includes any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the University and that otherwise satisfies the definition of Compensation, provided it is paid by the later of 2½ months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment. Any payment that is not described in the preceding sentence is not considered Compensation if paid after Severance from Employment. Thus, for example, Compensation does not include amounts paid after Severance from Employment that are severance pay or unfunded nonqualified deferred compensation. Compensation shall not exceed the limits under Code Section 401(a)(17), to the extent applicable.

(j) "Contributions" means Non-Elective Contributions and TRF Supplement Contributions.

(k) "Coronavirus-Related Distribution" means a distribution made on or after March 31, 2020, but before December 31, 2020, to a Qualified Individual in accordance with Section 9.04.

(l) "Cost of Living Adjustment" means the cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 401(a)(17) or 415(d) for any applicable year.

(m) "Custodial Account" means the group custodial account, as defined in Code Section 403(b)(7), established by the University with a Vendor to hold assets of the Plan.

(n) "Date of Employment" or "Date of Reemployment" means the effective date of the appointment of any Employee who is a faculty member. For all other Employees, the Date of Employment or Date of Reemployment is the first day upon which an Employee performs an hour of service for the University during the Employee's most recent period of service with the University.

(o) "Eligible Employee" means an Employee of the University who is eligible to receive either Non-Elective Contributions or TRF Supplement Contributions, as follows:

(1) Non-Elective Contributions. The following Employees are Eligible Employees for purposes of Non-Elective Contributions:

(A) Tenure, tenure-track, and contract faculty members assigned to teach six or more credit hours each semester;

(B) Contract and continuing contract professional personnel assigned to work twenty or more hours a week; and

(C) An Employee who is employed by the University pursuant to a grant contract that requires such Employee to be eligible for this Plan, and who is eligible under one of the categories outlined in (A) or (B), except that the

Employee does not satisfy the requirements for duration of the assignment or contract.

Notwithstanding the foregoing, the following Employees are not Eligible Employees for purposes of receiving Non-Elective Contributions: (i) Employees eligible to participate in the Indiana State Public Employees Retirement Fund; (ii) Employees on behalf of whom a contribution is being made to the Indiana State Teachers' Retirement Fund; (iii) students performing services exempt from FICA under Code Section 3121(b)(10); (iv) contract semester faculty; (v) temporary employees as defined under University policy; or (vi) nonresident aliens within the meaning of Code Section 410(b)(3)(C).

(2) TRF Supplement Contributions. The following Employees whose Date of Employment or Date of Reemployment by the University is on or before September 30, 2010, and who made an election to participate in the Indiana State Teachers' Retirement Fund, are Eligible Employees for purposes of TRF Supplement Contributions:

(A) Regular faculty/professional personnel assigned half-time or more for the full academic year or at least for ten months of the fiscal year;

(B) Continuing contract professional personnel assigned half-time or more for the full academic year or at least for ten months of the fiscal year.

(C) Coaches classified as full-time professional personal hired under renewable term contracts which are one or more years in length.

(D) An Employee who is employed by the University pursuant to a grant contract that requires such Employee to be eligible for this Plan, and who is eligible under one of the categories outlined in (A) through (C), except that the Employee does not satisfy the requirements for duration of the assignment or contract.

Notwithstanding the foregoing, an Eligible Employee under Section 2.02(o)(1) who makes an irrevocable election to participate in the Plan for purposes of Non-Elective Contributions under Section 3.01(b) of the Plan is not an Eligible Employee for purposes of receiving TRF Supplement Contributions.

(p) "Employee" means a common law employee of the University, and shall not include an individual who is designated in good faith as an independent contractor, as determined by the University in its sole and absolute discretion, regardless of whether such individual is later determined to be a common law employee for tax purposes.

(q) "Excess Annual Additions" mean, except as provided in Code Section 414(v), that portion of a Participant's Contributions to the Plan and contributions to another qualified defined contribution plan sponsored by the University (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan) for a Limitation Year which exceeds the limits of Code Section 415.

(r) "Former Vendor" means a service provider that was an approved Vendor under the Plan, but that ceases to be an approved Vendor under the Plan, that continues to hold Plan assets. Notwithstanding the preceding, a Former Vendor shall not include a service provider that ceased to be eligible to receive contributions under the Plan prior to January 1, 2005.

(s) "HEART" means the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended from time to time.

(t) "Includible Compensation" means all compensation received by an Employee from the University that is includible in his or her gross income for federal income tax purposes (computed without regard to Code Section 911) for the most recent period that is a Year of Service which precedes the taxable year by no more than five years within the meaning of Code Section 403(b)(3). Includible Compensation also includes any amounts excludable from taxable income because of an election under Code Sections 403(b), 457(b), 125, 401(k), or 132(f). Includible Compensation includes compensation paid by the later of (i) 2½ months after an Employee's Severance from Employment or (ii) the end of the Plan Year that includes the date of the Employee's Severance from Employment, if:

(1) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (e.g., overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the University;

(2) the payment is for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if the Employee had continued in employment; or

(3) the payment is made to the Employee under a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the University and only to the extent that the payment is includible in the Employee's gross income.

Includible Compensation does not include any amounts "picked up" by the University within the meaning of Code Section 414(h). Includible Compensation is determined without regard to any community property laws.

(u) "Investment Arrangement" means an Annuity Contract or Custodial Account that satisfies the requirements of Treasury Regulation Section 1.403(b)-3 and that is issued or established for funding amounts held under the Plan and specifically approved by the University for use under the Plan

(v) "Investment Options" mean the investment funds available under the Investment Arrangements provided by the Vendor(s) and specifically approved by the Administrator, in its sole and absolute discretion, for use under this Plan.

(w) "Limitation Year" means the Plan Year; provided, however, that if the Participant is in control of an employer within the meaning of Treasury Regulation Section 1.415(a)-1(f), the Limitation Year is the limitation year of that employer.

(x) "Non-Elective Contributions" means contributions made to the Plan by the University on behalf of a Participant in accordance with Section 4.01.

(y) "Participant" means any Eligible Employee who is or may become eligible to receive a benefit of any type under the Plan. A Participant shall also mean, when appropriate to the context, a former Eligible Employee who is eligible to receive a benefit of any type under the Plan.

(z) "Plan" means the Ball State University Alternate Pension Plan, as amended from time to time.

(aa) "Plan Year" means the calendar year.

(bb) "Qualified Individual" means a Participant:

(1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(3) who experiences adverse financial consequences as a result of (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or (v) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

(cc) "Related Employer" means any entity which is under common control with the University under Code Section 414(b), (c), (m), or (o). The Administrator shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

(dd) "Section" means, when not preceded by the word Code or ERISA, a section of the Plan.

(ee) "Severance from Employment" means the complete termination of the employment relationship between the Employee and the University and any Related Employer. The employment relationship between an Employee who is a faculty member and the University terminates at the end of the faculty member's contract assignment, unless otherwise renewed or earlier terminated by the Employee or the University.

(ff) "Spouse" means the person to whom an Eligible Employee is legally married under the law of any state.

(gg) "TRF Supplement Contributions" means contributions made to the Plan by the University on behalf of a Participant in accordance with Section 4.02.

(hh) "University" means Ball State University.

(ii) "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

(jj) "Vendor" means the service provider that has been approved by the Administrator to serve as third party administrator and/or recordkeeper for the Plan and/or to offer Investment Options to Participants under the Plan. The Vendor is listed in Appendix A, as modified from time to time in the Administrator's sole and absolute discretion. A modification of Appendix A is not an amendment of the Plan.

(kk) "Vest" or "Vested" means the interest of the Participant or Beneficiary in his or her Account that is unconditional, legally enforceable, and nonforfeitable.

(ll) "Year of Service" means each twelve consecutive month period beginning with the Employee's Date of Employment or Date of Reemployment, and each anniversary thereof, in which the Employee is: (i) an Eligible Employee; (ii) eligible to participate in the Indiana State Public Employees Retirement Fund; or (iii) eligible to participate in the Indiana State Teachers Retirement Fund. For purposes of determining eligibility for TRF Supplement Contributions under Section 3.01(b) only, a year of service with another organization that sponsors a 403(b) retirement plan in which the Eligible Employee was a participant will be counted as a Year of Service under the Plan.

ARTICLE III. **PARTICIPATION**

Section 3.01. Participation for Non-Elective Contributions.

(a) An Eligible Employee may become a Participant in the Plan for purposes of Non-Elective Contributions immediately upon his or her Date of Employment or Date of Reemployment with the University.

(b) The University shall notify an Eligible Employee when he or she is eligible to participate in the Plan for purposes of Non-Elective Contributions.

(1) To become a Participant in the Plan, an Eligible Employee must make an irrevocable election to participate in the Plan on the Applicable Form within 60 days of his or her Date of Employment or Date of Reemployment; provided, however, that an election is irrevocable once made, even if an Eligible Employee has a Severance from Employment and is subsequently rehired by the University as an Eligible Employee. If the Eligible Employee does not timely make such an election, he or she will not be eligible to participate in the Plan.

(2) Notwithstanding the preceding, if an Eligible Employee is not eligible to participate in the Indiana Teachers State Retirement Plan, then the election provisions under this paragraph (b) shall not apply.

(c) An Eligible Employee must also complete the Applicable Form(s), which may include Vendor enrollment and investment election forms, and return them to the Administrator or Vendor, as applicable, to become a Participant under the Plan. No earnings shall be credited to the Account of a Participant for any period of time preceding the date that the Participant has actually enrolled in the Plan. An Eligible Employee who has satisfied the participation requirements under Section 3.01(b) and who fails to return the Applicable Forms under this paragraph shall be automatically enrolled in the Plan and have his or her Non-Elective Contributions invested in a default Investment Option.

Section 3.02. **Participation for TRF Supplement Contributions.**

(a) An Eligible Employee may become a Participant in the Plan for purposes of TRF Supplement Contributions after the Eligible Employee completes two continuous Years of Service as an Eligible Employee with the University; provided, however, that no Employee whose Date of Employment or Date of Reemployment by the University is on or after October 1, 2010, shall become a Participant in the Plan for purposes of TRF Supplement Contributions.

(b) The University shall notify an Eligible Employee when he or she is eligible to participate in the Plan for purposes of TRF Supplement Contributions. To become a Participant under the Plan, an Eligible Employee must complete the Applicable Form(s) required by the Administrator and/or the Vendor, which may include Vendor enrollment and investment election forms.

(c) An Eligible Employee who has satisfied the participation requirements under paragraph (b) and who fails to return the Applicable Form(s) shall be deemed to have waived all of his or her rights under the Plan except the right to enroll at a future date, provided he or she remains an Eligible Employee for purposes of TRF Supplement Contributions. No TRF Supplement Contributions shall be credited to the Account of a Participant who fails to enroll in the Plan as provided in this paragraph, and no earnings shall be credited to the Account of a Participant for any period of time preceding the date that the Participant has actually enrolled in the Plan. Notwithstanding the above, an Eligible Employee who has satisfied the participation requirements under this Section 3.02 and who fails to return the Applicable Form(s) prior to July 1, 2014, shall waive all of his or her rights to participate in the Plan for purposes of TRF Supplement Contributions, and may not enroll at a future date.

Section 3.03. **Reemployment.**

(a) A former Employee who had a Severance from Employment with the University after becoming a Participant in the Plan under Section 3.01 may become a Participant for purposes of Non-Elective Contributions immediately as of his or her Date of Reemployment with the University.

(b) A former Employee who had a Severance from Employment with the University after satisfying the participation requirements under Section 3.02 may become a Participant for

purposes of TRF Supplement Contributions immediately as of his or her Date of Reemployment with the University; provided, however, a former Employee is not eligible to become a Participant for purposes of TRF Supplement Contributions upon his or her Date of Reemployment on or after October 1, 2010.

(c) A former Employee who had a Severance from Employment with the University before satisfying the participation requirements under Section 3.02 shall become a Participant for purposes of TRF Supplement Contributions only after he or she satisfies the participation requirements under Section 3.02, and any Years of Service prior to Severance from Employment shall be disregarded; provided, however, that no Employee whose Date of Reemployment by the University is on or after October 1, 2010, shall become a Participant in the Plan for purposes of TRF Supplement Contributions.

Section 3.04. Cessation of Contributions. A Participant shall cease to be eligible for Contributions under the Plan when (i) he or she is no longer an Eligible Employee or (ii) the Plan is terminated.

Section 3.05. Cessation of Participation. A Participant shall cease to be a Participant on the distribution of his or her entire interest in the Plan

ARTICLE IV. **CONTRIBUTIONS**

Section 4.01. Non-Elective Contributions.

(a) The University shall make a Non-Elective Contribution each Plan Year to the Non-Elective Contribution Account of each Eligible Employee who has satisfied the requirements under Section 3.01 as follows:

(1) For Employees whose most recent Date of Employment or Date of Reemployment is prior to October 1, 2010, the University shall make a Non-Elective Contribution to the Plan in the amount of 12.27% of Compensation on behalf of each Eligible Employee.

(2) For Employees whose most recent Date of Employment or Date of Reemployment is on or after October 1, 2010, the University shall make a Non-Elective Contribution to the Plan in the amount of 5% of Compensation on behalf of each Eligible Employee who has not completed three continuous Years of Service and (ii) 10.5% of Compensation on behalf of each Eligible Employee who has completed three or more continuous Years of Service. Years of Service before a Severance from Employment are not taken into account under the Plan. An increase in the level of Non-Elective Contributions becomes effective the first pay period that contains the first day of the month following the month that the Participant completes three continuous Years of Service.

(b) Non-Elective Contributions shall be paid to the Plan by the University each payroll period on a basis consistent with its payroll practices, but no later than as permitted by law for the Plan Year during which they are being made. Non-Elective Contributions shall be

allocated to each Participant's Non-Elective Contribution Account as of the date made to the Plan, but no later than the last day of the Plan Year; provided, however, the Participant shall not be entitled to earnings with respect to a Non-Elective Contribution Account until such contribution is made to the Plan and allocated to the Participant's Non-Elective Contribution Account.

Section 4.02. TRF Supplement Contributions. The University shall make a TRF Supplement Contribution each Plan Year to the TRF Supplement Account of each Eligible Employee who has satisfied the requirements under Section 3.02. The TRF Supplement Contribution shall be an amount that corresponds to the age of the Eligible Employee when the Eligible Employee first became a Participant in the Plan, as follows:

AGE	ANNUAL CONTRIBUTION
20	\$135.60
21	142.10
22	149.10
23	156.30
24	164.10
25	172.30
26	181.00
27	190.30
28	200.10
29	210.50
30	221.60
31	233.50
32	246.20
33	259.70
34	274.30
35	289.80
36	306.60
37	324.60
38	344.10
39	365.10
40	388.00
41	412.90
42	440.00
43	469.60
44	502.10
45	537.90
46	573.40
47	621.30
48	670.40
49	725.60
50	787.80
51	858.60

52	939.90
53 and older	1,000.00

TRF Supplement Contributions shall be paid to the Plan on behalf of each Eligible Employee each pay period during the ten month academic year only. The total TRF Supplement Contribution on behalf of an Eligible Employee each Plan Year shall not exceed \$1,000.

Section 4.03. Employee Contributions. Employee contributions under the Plan are not required or permitted.

Section 4.04. Leave of Absence. During a paid leave of absence, Non-Elective Contributions and TRF Supplement Contributions shall continue to be made for a Participant on the basis of Compensation paid by the University during the leave. No Contributions shall be made on behalf of a Participant who is on an unpaid leave of absence or who is receiving benefits under the University's insured disability plans.

Section 4.05. Expenses of Plan. All reasonable expenses of administering the Plan shall be charged against and paid from the Participant's Accounts, subject to the terms of the applicable Investment Arrangements, unless paid by the University. The Administrator shall have the right to allocate expenses associated with maintaining the Accounts of terminated Employees to such Accounts, even if no expenses are allocated to the Accounts of active Employees, in accordance with rules promulgated by the Internal Revenue Service.

Section 4.06. Transfers and Rollover Contributions. Transfers and rollover contributions to the Plan are not permitted.

ARTICLE V. **LIMITATIONS ON CONTRIBUTIONS**

Section 5.01. Code Section 415(c) Limits.

(a) Notwithstanding any provision of the Plan to the contrary, Annual Additions to the Plan and any other Code Section 403(b) plan maintained by the University or a Related Employer (or, if required by Code Section 415 and the regulations thereunder, to any other defined contribution plan) for a Participant in a Limitation Year shall not exceed the limitations set forth in Code Section 415(c), except to the extent permitted under Code Section 414(v).

(b) The Code Section 415(c) limit for any Limitation Year is the lesser of:

- (1) \$57,000 for 2020, increased by the Cost of Living Adjustment thereafter;
- or
- (2) 100% of the Participant's Includible Compensation.

Section 5.02. Excess Annual Additions.

(a) If as of the end of the Plan Year, the Annual Additions allocated to any Participant's Account exceed the limitations of this Article V, the Excess Annual Additions will

be corrected as permitted under the Employee Plans Compliance Resolution System (or similar Internal Revenue Service correction program).

(b) In any Plan Year, in the event Contributions would exceed the Code Section 415(c) limitations, an adjustment to comply with this Article shall be made as soon as administratively practicable, but no later than the time permitted under Internal Revenue Service to any plan maintained by the Participant or another employer that is required to be aggregated under Code Section 415(c) with the Plan.

(c) If a Participant has Excess Annual Additions for a Plan Year, an adjustment to comply with this Article V shall be made as soon as administratively possible, but no later than the time permitted under Internal Revenue Service guidance: (i) first, to any plan required to be aggregated with this Plan not described in (ii); (ii) second, to the Ball State University Tax Deferred Account Plan; and (iii) third, to this Plan.

ARTICLE VI. **NONDISCRIMINATION**

Section 6.01. **Compliance with Code Section 403(b)(12).** The Administrator shall take any actions necessary to comply with the nondiscrimination rules of Code Section 403(b)(12) and the regulations thereunder as applicable to the Plan.

Section 6.02. **Compliance with Code Section 401(a)(17).** To the extent required by Code Section 401(a)(17), the Compensation of a Participant under the Plan shall be limited to \$285,000 for 2020, increased thereafter by the Cost of Living Adjustment.

ARTICLE VII. **ACCOUNTING**

Section 7.01. **Participant Accounts.** The Vendor(s) shall establish and maintain adequate records to reflect the Accounts of each Participant and Beneficiary. Credits and charges shall be made to such Accounts to reflect additions, distributions, and withdrawals, and to reflect gains or losses pursuant to the terms of each Investment Arrangement. The maintenance of individual Accounts is for accounting purposes only, and a segregation of Plan assets to each Account shall not be required.

Section 7.02. **Participant Statements.** The Vendor(s) shall provide to each Participant a quarterly statement reflecting the value of the Participant's Account as of the end of each quarter, and shall provide similar information to the Administrator upon its request.

Section 7.03. **Value of Account.** The value of the Account of a Participant as of any valuation date is the value of the Account balance as determined by the Vendor. The valuation date shall be the last day of the Plan Year and each other date designated by the Administrator or Vendor in a uniform and nondiscriminatory manner. All transactions and Account records shall be based on fair market value.

ARTICLE VIII.
INVESTMENT OF CONTRIBUTIONS

Section 8.01. Vendors and Investment Options.

(a) All Contributions under the Plan shall be transferred to the Vendor(s) to be held, managed, invested and distributed in accordance with the provisions of the Plan and the Investment Arrangements as applicable. All benefits under the Plan shall be distributed solely from the Investment Arrangements, and the University shall have no liability for any such benefits other than the obligation to make Contributions as provided in the Plan.

(b) Participants' Accounts shall be invested in one or more of the Investment Options available to Participants from a Vendor approved under this Plan, as selected by the Administrator and communicated to Participants. The current Vendor(s) are listed in Appendix A. The Administrator's current selection of Vendor(s) and Investment Options is not intended to limit future additions or deletions of Vendor(s) or Investment Options.

(c) A Participant shall have the right to direct the investment of his or her Accounts by filing the Applicable Form with the Vendor(s). A Participant may change his or her investment election as often as determined by the Vendor(s). A Participant may elect to transfer all or any portion of his or her Accounts invested in any one Investment Option to another Investment Option, regardless of whether offered by the same or a different Vendor, subject to the limitations of the Investment Arrangement(s), by filing a request on the Applicable Form with the Vendor(s) or by such other means that may be provided for by the Vendor(s). A Participant may also elect to transfer all or any portion of his or her Accounts invested with a Former Vendor to an Investment Option with a Vendor, subject to the terms of the Investment Arrangements. In no event, however, may a Participant transfer any portion of his or her Accounts invested in an Investment Option with a Vendor to an investment with a Former Vendor or any other vendor that is not eligible to receive Contributions under the Plan.

Section 8.02. Exclusive Benefit. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and Beneficiaries.

Section 8.03. Default Investments. If a Participant does not have a valid and complete investment direction on file with the Vendor on the Applicable Form, Contributions will be invested in a default Investment Option selected by the Administrator in its sole and absolute discretion, until the Participant makes an affirmative election regarding the investment of his or her Account.

ARTICLE IX.
DISTRIBUTIONS

Section 9.01. Commencement of Distributions.

(a) A Participant or, if applicable, a Beneficiary, shall be eligible to receive a distribution of his or her Vested Account under the Plan 30 days following the Participant's

Severance from Employment. A Participant who is participating in the Ball State University Phased Retirement Program who is age 59 ½ or older is also eligible to receive a distribution from the Plan.

(b) A Participant or Beneficiary may submit a request for a distribution to the Vendor on the Applicable Form. The University shall certify that the Participant is eligible for a distribution from the Plan.

Section 9.02. Form of Distribution.

(a) A Participant may elect to receive his or her Vested Account under any payment option available under the Investment Arrangement. Subject to the terms of the Investment Arrangement, these may include, but are not necessarily limited to, a single lump sum, annuity payments, and installment payments. All forms of payment shall be subject to the limitations of the Investment Arrangement.

(b) To the extent permitted by the Investment Arrangement, a lump sum payment of a Vested Account may be made without the consent of the Participant or Beneficiary if his or her Account balance does not exceed \$1,000, unless the Participant elects to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in a lump sum.

Section 9.03. Hardship Distributions. Hardship distributions are not permitted under the Plan.

Section 9.04. Coronavirus-Related Distributions.

(a) Notwithstanding Section 9.01 and subject to the limitation under paragraph (b) and the terms of the Investment Arrangements, a Participant who is a Qualified Individual may request one or more Coronavirus-Related Distributions from his or her Vested Account.

(b) Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by the University or a Related Employer may not exceed \$100,000.

(c) A Participant shall certify that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

Section 9.05. Reemployment. If a Participant who is a former Employee subsequently becomes an Employee again, the Participant cannot request a distribution of his or her Vested Account until he or she is again entitled to a distribution under Section 9.01.

Section 9.06. Death Benefit. If a Participant dies before distribution of his or her entire Account, his or her Vested Account shall be payable to his or her Beneficiary(ies) under the payment options available under the Investment Arrangement(s), subject to Code Section 401(a)(9).

Section 9.07. Required Distribution Rules.

(a) The provisions of this Section 9.07 take precedence over any inconsistent provisions of the Plan or of any Investment Arrangement. All distributions under this Plan shall be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G), and shall comply with the rules under this Section 9.07.

(b) Distributions may only be made over one of the following periods (or a combination thereof):

- (1) The life of the Participant;
- (2) The life of the Participant and a designated Beneficiary;
- (3) A period certain not extending beyond the life expectancy of the Participant; or
- (4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and designated Beneficiary.

(c) A Participant's Accounts shall be distributed to the Participant beginning no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½ (age 72 for distributions required to be made after December 31, 2019, with respect to Participants who attain age 70½ after December 31, 2019) or, if later, April 1 of the calendar year following the calendar year that the Participant has a Severance from Employment.

(d) Notwithstanding anything to the contrary in this Section 9.07, if the Vendor(s) separately accounts for Contributions made prior to January 1, 1987, then distribution of such Contributions (but not any interest accumulated with respect thereto) need not commence until April 1 of the calendar year following the calendar year in which the Participant attains age 75.

(e) Upon the death of the Participant, the following distribution provisions shall take effect:

(1) If the Participant dies after distribution of his or her Account(s) begins, any remaining portion of the Account(s) shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death.

(2) If the Participant dies before distributions of his or her Account(s) begins and the Participant has no designated Beneficiary(ies), the Participant's Account(s) under the Plan shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(3) If the Participant dies before distributions of his or her Account(s) begins and any portion of his or her Account(s) are payable to a designated Beneficiary, the designated Beneficiary may elect for the Participant's Account(s) to be distributed (i) by December 31 of the calendar year containing the fifth anniversary of the Participant's

death, or (ii) beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving Spouse, the Beneficiary may elect to delay payment under item (ii) until December 31 of the calendar year in which the Participant would have attained age 70½ (age 72 with respect to Participants who would have attained age 70½ after December 31, 2019). If the designated Beneficiary does not elect a method of distribution as provided above, the Participant's Account(s) shall be distributed in accordance with item (i).

(4) Any distribution required under the incidental death benefit requirements of Code Section 401(a) shall be treated as distributions required under this Section 9.07(e).

(f) Each Vendor shall be separately and solely responsible for complying with the provisions of this Section 9.07 with respect to its Investment Arrangements under the Plan. The Vendor(s) shall calculate the amounts required to be distributed to a Participant under this Section and notify such Participant of such distributions at least 60 days prior to the date distributions must begin.

Section 9.08. Additional Tax on Early Withdrawals.

(a) Generally, and except as described in paragraph (b), if a Participant receives any amount under the Plan, his or her tax for the taxable year in which such amount is received is increased by an amount equal to 10% of the portion of such amount which is includible in gross income. Such amount shall be included in gross income to the extent allocable to income on the Investment Arrangement and shall not be included in gross income to the extent allocable to the investment in the Investment Arrangement as provided in Code Section 72(e)(2)(b).

(b) The penalty described in paragraph (a) generally does not apply to any distribution (i) made on or after the date on which the Participant attains age 59½, (ii) made on or after the death of the Participant, (iii) attributable to the Participant becoming disabled within the meaning of Code Section 72(m)(7), (iv) which is part of a series of substantially equal periodic payments made (not less frequently than annually) for the life or life expectancy of the Participant or the joint lives (or joint life expectancies) of such Participant and his or her designated Beneficiary, (v) made to a Participant after Severance from Employment following the attainment of age 55, (vi) which is a qualified reservist distribution within the meaning of Code Section 72(t)(2)(G)(iii), or (vii) any other circumstance permitted by the Code or the Internal Revenue Service.

ARTICLE X. **LOANS**

Loans are not permitted from the Plan.

ARTICLE XI.
VESTING

A Participant shall be 100% Vested in his or her Account at all times.

ARTICLE XII.
ROLLOVERS FROM THIS PLAN

Section 12.01. Definitions for this Article. For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means a Participant, the Spouse of the Participant, the Participant's former Spouse who is an alternate payee within the meaning of Code Section 414(p)(8), and a Participant's non-Spouse Beneficiary, any of whom is eligible to receive a distribution from the Plan.

(c) "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);
- (3) a simple retirement account described in Code Section 408(p)(1) following the two year period described in Code Section 72(t)(6);
- (4) any annuity plan described in Code Section 403(a);
- (5) a plan described in Code Section 403(b);
- (6) a qualified plan described in Code Section 401(a);
- (7) a Code Section 457(b) eligible deferred compensation plan 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; and
- (8) a Roth individual retirement account described in Code Section 408A(e), provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year in which the distribution occurs.

In the case of a distribution to a Participant's non-Spouse Beneficiary, an Eligible Retirement Plan means the plans described in subparagraphs (1) and (2) only, to the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

(d) "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under this Plan, except that an Eligible Rollover Distribution does not include:

(1) 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 period of ten years or more;

(2) any distribution to the extent such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includible in gross income; provided, however, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only:

(A) to an individual retirement account or annuity described in Code Section 408(a) or 408(b), respectively, or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of such distribution which is not so includible;

(B) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or

(C) to a Roth IRA described in Code Section 408A;

(4) any distribution which is made upon the financial hardship of the Participant; and

(5) other items designated by regulations, or by the Commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

Section 12.02. Direct Transfer of Eligible Rollover Distribution. A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Vendor. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover

Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 403, or 408.

Section 12.03. Mandatory Withholding of Eligible Rollover Distributions.

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory 20% federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e), and only to the extent such amount would otherwise be includible in the Distributee's taxable gross income.

(b) If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the 60th day following the day on which the Distributee received the distribution.

(c) If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

Section 12.04. Explanation of Plan Distribution and Withholding Requirements.
Not fewer than 30 days nor more than 180 days before an Eligible Rollover Distribution, the Vendor shall provide each Distributee a written explanation as required under Code Section 402(f), which explains the rules:

(a) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(b) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(c) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within 60 days after the date the Distributee receives the distribution; and

(d) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

Notwithstanding the above, a distribution may begin fewer than 30 days after the notice discussed in the preceding sentence is given, provided that the Vendor clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution and the Participant, after receiving a notice, affirmatively elects a distribution.

ARTICLE XIII.
PLAN ADMINISTRATION

Section 13.01. Authority of the Administrator. The Administrator shall have the authority to control and manage the operation and administration of the Plan. The Administrator shall have all power necessary or convenient to enable it to exercise its authority under the Plan. The Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan, and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.

Section 13.02. Powers of the Administrator. The Administrator shall have the power and discretion to construe and interpret the Plan, including any ambiguities, to determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as the Administrator may deem expedient and, subject to the Plan's claim procedures, the Administrator shall be the sole and final judge of such expediency. Benefits are payable under the Plan only if the Administrator, in its sole and absolute discretion, determines the benefits are payable under the provisions the Plan.

Section 13.03. Delegation by Administrator. The Administrator may from time to time delegate in writing to a committee or any duly authorized officer certain of its fiduciary duties or other responsibilities under the Plan. Any such committee or officer delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator's duties or responsibilities may be revoked without cause or advance notice. To the extent permitted under applicable law, such committee or officer shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Administrator has under the Plan. The Administrator shall not be liable for any act or omission of such fiduciary in carrying out such responsibilities.

Section 13.04. Employment of Consultants. The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

ARTICLE XIV.
REQUESTS FOR INFORMATION AND OTHER CLAIMS PROCEDURES

Section 14.01. Requests for Information Concerning Eligibility, Participation and Contributions. Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Administrator.

Section 14.02. Requests for Information Concerning Investment Arrangements. Requests for information concerning the Investment Arrangements and their terms, conditions, and interpretations thereof, claims thereunder, and any requests for review of such claims, should be in writing and directed to the Vendor(s).

Section 14.03. Claim for Benefits.

(a) The Administrator or Vendor, as applicable, shall within 90 days after receipt of the claim, notify the claimant of its decision on the claim. If an extension of time for processing is required, the Administrator or Vendor shall provide written notice to the Participant of the reason for the extension and the extended due date, which shall not be longer than an additional 90 days, prior to the termination of the initial 90 day period. If a Participant's claim is denied, in whole or in part, the Administrator or Vendor, as applicable, shall provide notice to the Participant, written in a manner calculated to be understood by the Participant, which shall include (i) the specific reasons for denial, (ii) specific reference to the provisions of the Plan and/or Investment Arrangement on which the denial is based, and (iii) how to apply for a review of the denied claim, including the time limits for requesting a review. Where appropriate, the written denial shall also include a description of any information or material which is needed to complete or perfect a claim and why such information or material is necessary.

(b) Within 60 days after the Participant receives notification of a denial, the Participant or the Participant's duly authorized representative may request in writing that the Administrator or Vendor, as applicable, review a denied claim. The Participant or the Participant's duly authorized representative must be provided, upon request and free of charge, access to and copies of all documents, records and other information and materials relevant to the claim. The Participant or the Participant's duly authorized representative may submit written comments, documents, records and other information related to the claim on appeal for consideration. If the Participant or the Participant's duly authorized representative does not request a review of the denial of the Participant's claim within the 60 day period, the Participant shall be barred and estopped from challenging the Administrator's or Vendor's decision, as applicable.

(c) The Administrator or Vendor, as applicable, shall provide a written decision to the Participant on his or her appeal within 60 days following receipt of the Participant's written request for review. However, if an extension of time for considering the appeal is required, the Administrator or Vendor, as applicable, shall provide a written notice to the Participant of the reason for the extension and the extended due date, which shall not be longer than an additional 60 days, prior to the termination of the initial 60 day period. The Administrator or Vendor, as applicable, shall consider all comments, documents, records and other information submitted by the Participant without regard to whether such information was submitted or considered in the initial review. If the Participant's claim is denied on appeal, the Administrator's or Vendor's, as applicable, decision shall be written in a manner calculated to be understood by the Participant, and shall include (i) the specific reasons for denial, (ii) specific reference to the provisions of the Plan on which the denial is based, and (iii) a statement that the Participant is entitled to receive upon request and free of charge reasonable access to and copies of all documents, records, and other information relevant to the claim. Any such decision by the Administrator or Vendor, as applicable, shall be final.

ARTICLE XV.
AMENDMENT AND TERMINATION

Section 15.01. Amendment and Termination. While it is expected that the Plan shall continue indefinitely, the Board reserves the right to amend, freeze, or terminate the Plan, or to discontinue any further Contributions to the Plan at any time. A certified copy of the resolution of the Board taking such action shall be delivered to the Administrator and the Plan shall be amended or terminated in the manner and effective as of the date set forth in such resolution, and the Administrator, University, Employees, Participants, Beneficiaries, and all other persons having any interest under the Plan shall be bound thereby. The Board has delegated its authority under this Section to amend the Plan to the University's Vice President for Business Affairs and Treasurer, provided, however, that unless an amendment is legally required under federal or state law, any amendment that materially increases the cost of the Plan or significantly changes employee eligibility or University contributions under the Plan shall be subject to the approval of the Board.

Section 15.02. Adverse Effects. Any amendment or termination of the Plan cannot adversely affect the benefits accrued by Participants prior to the date of amendment or termination. The Plan may not be amended in a manner that violates any provision of the Code.

Section 15.03. Distribution Upon Termination of the Plan. The University may provide that, in connection with a termination of the Plan, all Accounts shall be distributed, provided that the University on the date of the termination does not make contributions to an alternative Code Section 403(b) plan that is not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the regulations. For purposes of distributing all accumulated benefits under the Plan in the event of Plan termination, delivery of a fully paid individual insurance annuity contract shall be treated as a distribution.

ARTICLE XVI.
MISCELLANEOUS

Section 16.01. Non-Alienation.

(a) A Participant's Account under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntarily or involuntarily alienation or other legal or equitable process, nor transferable by operation of law.

(b) Notwithstanding paragraph (a), the Plan shall comply with any judgment, decree or order ("domestic relations order") which establishes the right of an alternate payee within the meaning of Code Section 414(p)(8) to all or a portion of a Participant's benefit under the Plan to the extent that it is a "qualified domestic relations order" ("QDRO") under Code Section 414(p). The Vendor shall establish reasonable written procedures to determine whether a domestic relations order is a QDRO and to administer the distribution of benefits with respect to such orders, which procedures may be amended from time to time, and which shall be provided to

Participants upon request. Notwithstanding any other provisions in the Plan, the Plan may make an immediate distribution to the alternate payee pursuant to a QDRO.

(c) Notwithstanding paragraph (a), the Plan shall offset from the benefit otherwise payable to a Participant or his or her Spouse such amounts as are permitted to be offset under a court order, civil judgment, or settlement agreement in accordance with Code Section 401(a)(13)(C).

Section 16.02. Military Service.

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with USERRA, HEART, Code Section 414(u), and effective January 1, 2007, Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) If a Participant who is an Eligible Employee timely resumes employment with the University in accordance with USERRA, the University shall make the Non-Elective Contributions that would have been made if the Participant had remained employed during the Participant's qualified military service. Non-Elective Contributions must be made no later than 90 days after the date of reemployment or when Non-Elective Contributions are normally due for the year in which the qualified military service was performed, if later.

(c) Effective January 1, 2007, to the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then, on the next day, terminated employment on account of death

(d) Effective January 1, 2009, differential wage payments within the meaning of Code Section 414(u)(12)(D) shall be treated as Compensation and Includible Compensation under the Plan.

Section 16.03. Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor the purchase of any insurance contract, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(a) as conferring upon any Participant, Beneficiary, or any other person a right or claim against the University or the Administrator, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(b) as a contract or agreement between the University or the Administrator and any Participant or other person; or

(c) as an agreement, consideration, or inducement of employment or as effecting in any manner or to any extent whatsoever the rights or obligations of the University or any Employee to continue or terminate the employment relationship at any time.

Section 16.04. Federal and State Taxes. It is intended that Contributions under this Plan, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries. However, the Administrator does not guarantee that any particular Federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

Section 16.05. Erroneous Payments. If the Administrator or Vendor makes any payment that, according to the terms of the Plan and the benefits provided hereunder, should not have been made, the Administrator or Vendor may recover that incorrect payment, by whatever means necessary, whether or not it was made due to the error of the Administrator or Vendor, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Administrator or Vendor may deduct it when making any future payments directly to that Participant.

Section 16.06. Benefit Payment Issue Resolution. The Administrator, or its designee, if in doubt regarding the correctness of its action with respect to a benefit payment, may direct suspension of payment until satisfied as to the correctness of the payment or the person to receive the payment. Alternatively, the Administrator, or its designee, may file, in any state court of competent jurisdiction, a suit, in the form it deems appropriate, for legal determination of the benefits to be paid and the persons to receive them. The Administrator, or its designee, may also bring a suit, or take other action as it deems appropriate, to resolve questions involving investment directions. The Administrator shall comply with the final order of the court in any such suit, and Participants and the Administrator shall be bound by such an order, insofar as it affects the benefits payable under this Plan, or the method or manner of payment.

Section 16.07. Release. Any payments to any Participant shall, to the extent thereof, be in full satisfaction of the claim of such Participant being paid thereby and the Administrator may condition payment thereof on the delivery by the Participant of the duly executed receipt and release in such form as may be determined by the Administrator.

Section 16.08. Liability. The Administrator shall not incur any liability in acting upon any notice, request, signed letter, telegram, or other paper or document believed by the Administrator to be genuine or to be executed or sent by an authorized person.

Section 16.09. Necessary Parties. The Administrator is the only party necessary to any accounting, litigation, or other proceeding relating to the Plan. The settlement or judgment in any such case in which the Administrator is duly served shall be binding upon all affected Participants in the Plan, their estates, and upon all persons claiming by, through, or under them.

Section 16.10. Information Provided by the Participant. Each Participant should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan.

Section 16.11. Family Medical Leave Act. Notwithstanding any provisions of this Plan to the contrary, Contributions and benefits with respect to qualified leave will be provided in accordance with the Family Medical Leave Act of 1993, 29 U.S.C. Section 2601 et. seq.

Section 16.12. Payments to Minors or Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is determined to be legally incapable of giving valid receipt and discharge for such benefits by a court or by the Administrator, benefits shall be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to the Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

Section 16.13. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include: (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the University's records or the records of another plan maintained by the University has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them.

Section 16.14. Indemnification. The University shall satisfy any liability actually and reasonably incurred by any members of the Board or any person to whom any power, authority or responsibility of the University is delegated pursuant to Section 13.03, except a Vendor or other service provider. These liabilities include expenses, attorney's fees, judgments, fines, and amounts paid in connection with any threatened, pending or completed action, suit or proceeding related to the exercise (or failure to exercise) of this authority. This is in addition to whatever rights of indemnification exist under the regulations or by-laws of the University, under any provision of law, or under any other agreement; provided, however, that the University will not satisfy any such liability to the extent that the person did not act in good faith.

Section 16.15. No Reversion. Under no circumstances or conditions will any Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the University, but shall be held for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan. However, if Contributions are made by the University by mistake of fact, these amounts and, if applicable, any interest earned therein, may be returned to the University within one year of the date that they were made.

Section 16.16. Finality of Determination. All determinations with respect to crediting of service under the Plan are made on the basis of the records of the University, and all determinations made are final and conclusive upon Employees, former Employees, Eligible Employees, former Eligible Employees, and all other persons claiming a benefit under the Plan.

Section 16.17. Counterparts. The Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

IN WITNESS WHEREOF, the University has caused this amended and restated Plan to be executed by its duly authorized representative as of the date written below, but effective as of July 1, 2020.

BALL STATE UNIVERSITY

APPENDIX A

BALL STATE UNIVERSITY ALTERNATE PENSION PLAN

APPROVED VENDORS

The current selection of Vendor(s) is not intended to limit future additions or deletions of Vendor(s). The Administrator from time to time may add or delete Vendor(s) which shall be effective on the date adopted by the Administrator and shall be reflected in a revised Appendix A.

1.1 Approved Vendors

As of July 1, 2020, the approved Vendors under the Plan are:

- (1) Fidelity Investments
- (2) Lincoln Financial Group
- (3) TIAA
- (4) Voya

1.2 Former Vendors

As of July 1, 2020, there are no Former Vendors under the Plan.

**AMENDMENT NUMBER ONE TO
BALL STATE UNIVERSITY ALTERNATE PENSION PLAN**

WHEREAS, the Ball State University Alternate Pension Plan ("Plan") was most recently amended and restated effective July 1, 2020;

WHEREAS, Ball State University ("University") reserved the right to amend the Plan pursuant to Article XV; and

WHEREAS, the University now desires to amend the Plan to reflect changes made pursuant to the Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES Act") and to make certain other changes;

NOW THEREFORE, this Amendment Number One is hereby adopted effective as stated herein to amend the Plan as follows:

1. Effective March 31, 2020, Section 2.02(k) of the Plan is amended to be and read as follows:

(k) "Coronavirus-Related Distribution" means a distribution made on or after March 31, 2020, but before December 31, 2020, or such later date as provided in legislation modifying or extending the CARES Act or regulatory guidance under the CARES Act, to a Qualified Individual in accordance with Section 9.04.

2. Effective March 31, 2020, Section 2.02(bb) of the Plan is amended to be and read as follows:

(bb) "Qualified Individual" means a Participant:

(1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(3) who experiences adverse financial consequences as a result of:

(i) the Participant, the Participant's Spouse, or a member of the Participant's household (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) having a reduction in pay (or self-employment income) due to such virus or disease, or (v) having a job offer rescinded or start date for a job delayed due to such virus or disease;

(ii) closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or a member of the Participant's household due to such virus or disease; or

(iii) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate); or

(4) any other Participant who satisfies the definition of a Qualified Individual as provided in legislation modifying or extending the CARES Act or regulatory guidance under the CARES Act.

For purposes of this Section 2.02(bb), a member of the Participant's household means someone who shares the Participant's principal residence.

3. Effective March 27, 2020, a new definition is added as paragraph (mm) to Section 2.02 of the Plan, to be and read as follows:

(mm) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act of 2020.

4. Effective November 1, 2020, Section 9.01(a) of the Plan, relating to Commencement of Distributions, is amended to be and read as follows:

(a) A Participant or, if applicable, a Beneficiary, shall be eligible to receive a distribution of his or her Vested Account under the Plan at any time after the earlier of the date that the Participant (i) has a Severance from Employment or (ii) commences participation in the Ball State University Phased Retirement Program provided that he or she has attained age 59 ½.

5. Effective March 31, 2020, a new paragraph (d) is added to Section 9.04 of the Plan, relating to Coronavirus-Related Distributions, to be and read as follows:

(d) Notwithstanding any other provision of the Plan, Coronavirus-Related Distributions shall be made in accordance with the CARES Act, any subsequent legislation addressing Coronavirus-Related Distributions, and any regulatory guidance issued thereunder.

6. Effective March 27, 2020, a new paragraph (g) is added to Section 9.07 of the Plan, relating to Required Distribution Rules, to be and read as follows:

(g) Notwithstanding anything in this Section 9.07 to the contrary, for 2020 or such longer period as provided in legislation modifying or extending the CARES Act, the minimum distribution requirements will be satisfied as provided in this section, as determined by the terms of the Investment Arrangement governing the Participant's or Beneficiary's required minimum distribution.

(1) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning

date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Beneficiary, or for a period of at least ten (10) years ("Extended 2020 RMDs"), will not receive this distribution unless the Participant or Beneficiary chooses to receive the distribution. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distribution described in the preceding sentence.

(2) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a 2020 RMD, and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2020 RMDs or (ii) Extended 2020 RMDs, will receive this distribution unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distribution described in the preceding sentence.

(3) In addition, subject to the terms of the Investment Arrangement, solely for purposes of applying the direct rollover provisions of Article XII, 2020 RMDs and Extended 2020 RMDs will be treated as eligible rollover distributions in 2020.

7. Effective November 1, 2020, Appendix A to the Plan is hereby replaced in its entirety with the revised Appendix A attached hereto.

8. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the University has caused this Amendment Number One to be executed by its duly authorized representative as of the date written below, but effective as provided herein.

BALL STATE UNIVERSITY

APPENDIX A

BALL STATE UNIVERSITY ALTERNATE PENSION PLAN

APPROVED VENDORS AND FORMER VENDORS

The current selection of Vendor(s) is not intended to limit future additions or deletions of Vendor(s). The Administrator from time to time may add or delete Vendor(s) which shall be effective on the date adopted by the Administrator and shall be reflected in a revised Appendix A.

1.1 Approved Vendors

Effective November 1, 2020, the approved Vendor under the Plan is Fidelity Investments.

1.2. Former Vendors

Effective November 1, 2020, the Former Vendors under the Plan are the following:

- (1) Lincoln Financial Group
- (2) TIAA
- (3) Voya