Macalester College
403(b) Retirement Plan

Summary
# SUMMARY PLAN DESCRIPTION HIGHLIGHTS

## Eligibility Requirements
- You must be an Eligible Employee
- To receive Employer Contributions for a Plan Year, you must have completed 1 Year of Eligibility Service and either:
  a) be appointed to a position in which you are scheduled to work at least 1,000 Hours of Service per year, or
  b) have actually been credited with 1,000 Hours of Service for that Plan Year

## Benefits Provided
- You may elect to have Salary Reduction Contributions made as Pre-Tax 403(b) Contributions or after-tax Roth 403(b) Contributions
- If you are eligible to receive Employer Contributions, the College makes an Employer Contribution of 10% of your Compensation per pay period
- For Employer Contributions, Compensation is the regular salary stated in the academic year contract for faculty members and the regular salary stated in the annual salary notice for all other employees. Compensation does not include overtime pay, bonuses and shift differential pay.

## Distribution Timing
Distributions are available upon the earlier of:
- Age 59½
- Termination of employment with the College

Latest date to begin distributions is April 1 following later of calendar year in which you reach age 70½ or calendar year in which terminate service with the College; annual minimum distribution required after that date.

## Eligible Employees
All College Employees are eligible to make Salary Reduction Contributions except:
- Student-workers enrolled at the College

All College Employees are eligible for purposes of receiving Employer Contributions, except:
- Student-workers enrolled at the College
- Union Members unless contract provides for participation
- Non-resident aliens

## Vesting
- 100% vested at all times

## Investments
Participant’s choice of:
- Mutual funds
- Annuities

## Rollovers & Transfers
- Certain rollovers and transfers from an eligible retirement plan may be made to and from this Plan
- However, no amounts attributable to after-tax contributions may be rolled over to this Plan

## Optional Forms of Distribution
Depending on the funding vehicle you choose, you may choose from among several types of income options when you retire, including the following:
- Lump Sum
- Series of cash payments
- Non-transferable annuity contract

## Other Distribution Rules
- 20% tax withholding if taken in cash (with exceptions)
- 10% penalty tax if paid before age 59½ (with exceptions)

## Death Benefit
- Paid to beneficiary
- If you are married, your spouse is your beneficiary unless you elect a different beneficiary with your spouse’s consent

**THESE HIGHLIGHTS ARE INTENDED TO BE A BRIEF INTRODUCTION TO SIGNIFICANT PLAN PROVISIONS AND ARE NOT INTENDED TO FULLY SUMMARIZE THE TERMS OF THE PLAN. DETAILS OF THE PLAN ARE EXPLAINED MORE FULLY IN THE SECTIONS THAT FOLLOW.**
About the Plan

Macalester College (the “College”), sponsors a 403(b) retirement plan for its eligible employees. The Macalester College 403(b) Retirement Plan (the “Plan”) allows you to make pre-tax contributions or after-tax Roth contributions to the Plan out of your pay (“Salary Reduction Contributions”), which are credited to your “Salary Reduction Account.” The Plan also allows the College to make contributions to the Plan on your behalf (“Employer Contributions”), which are credited to your “Employer Contribution Account.”

The Plan is intended primarily to provide retirement income for eligible employees. For most employees, a secure retirement will depend on a combination of Social Security, retirement plan benefits, and personal savings and investments. The Plan can be an important part of your retirement planning.

Overview. In general terms, the Plan works as follows:

- You are eligible to elect to make your own contributions out of your pay upon your first day of employment.
- You automatically become eligible for Employer Contributions after satisfying the Plan’s service requirements.
- You decide how much you want to save for yourself under the Plan. The money you put into the Plan is always “100% vested.” This means that you will never forfeit your contributions, no matter how long or short a time you work for us.
- In addition, we make Employer Contributions equal to 10% of compensation for eligible Participants each pay period, whether or not you choose to contribute. These Employer Contributions are also always “100% vested.”
- When you retire or terminate employment for some other reason, you will be eligible to receive benefits from your Accounts. If you die while employed, your Beneficiary is entitled to benefits from your Accounts.

About this Booklet

This booklet is a summary of the Macalester College 403(b) Retirement Plan. It describes the Plan as in effect on January 1, 2017.

Certain provisions in the Plan may change in the future.

It’s Only a Summary. We have tried to include the information that is necessary for a basic understanding of how the Plan works. However, it is important to remember that this booklet is only intended to be a summary, and that it provides only generalized information. A summary cannot deal with every conceivable set of circumstances. The Plan has been established under detailed legal documents which control the rights of participants. If this summary is inconsistent with those documents in any way, the Plan documents will nevertheless control. Copies of the Plan documents are available from the Office of Human Resources for you to review.

Read the Entire Booklet. It is important that you read the entire booklet. Reading only portions can be confusing and misleading.

Legal Requirements. The Plan has been designed to comply with current federal laws and regulations covering qualified retirement plans. Congress or the IRS may change the rules in the future. Of course, the Plan must comply with any changes that may occur.

Topics Covered. The following topics are covered in this booklet:

About the Plan.................................................................2
About this Booklet.....................................................2
Eligibility.................................................................3
Your Own Contributions .........................................3
Our Contributions for You .....................................5
Other Types of Contributions ...............................6
Your Investment Options .....................................6
Withdrawals While Employed..............................7
Borrowing From Your Account .........................8
Benefits After Your Employment Ends ...............8
Benefits For Your Beneficiary ..........................9
General Information .............................................10
Claims Procedure ................................................10
Statement of Rights of Participants ....................11
Other Information..................................................12
Eligibility

Entering the Plan

Salary Reduction Account. If you are an Eligible Employee, you are eligible to make Pre-Tax 403(b) Contributions and after-tax “Roth” 403(b) Contributions to the Plan out of your pay as of the first day of any payroll period coinciding with or following your date of employment.

Employer Contribution Account. You are eligible to receive Employer Contributions for a Plan Year if the following requirements are met:

1. You are an Eligible Employee with respect to Employer Contributions.
2. You have completed a Year of Eligibility Service.
3. You are appointed to a position in which you are scheduled to work at least 1,000 Hours of Service per year, or you have actually been credited with 1,000 Hours of Service for that Plan Year.

“Eligible Employee”.

Salary Reduction Account. Except for student employees who are enrolled and regularly attending classes at the College, all employees of the College are Eligible Employees for the purposes of making contributions to their Salary Reduction Accounts.

Employer Contribution Account. Except for student employees who are enrolled and regularly attending classes at the College, employees in a collective bargaining unit (unless the contract provides for participation), or employees who are non-resident aliens, generally all employees of the College are Eligible Employees for the purposes of receiving Employer Contributions.

“Year of Eligibility Service”. You are credited with a Year of Eligibility Service as of the end of the 12-month period beginning on your date of hire, or any subsequent 12-month period beginning on the anniversary of your date of hire, if you complete 1,000 or more Hours of Service during that period.

You are deemed to have a Year of Eligibility Service on your date of hire if, at any time during the six (6) month period immediately preceding your date of hire by the College, you were employed by an educational institution and you were a participant in a retirement, annuity or deferred compensation plan described in Sections 401(a), 403(b) or 457(b) of the Code sponsored by that employer.

“Hour of Service”. You are credited with an “Hour of Service” for each hour for which you are paid or entitled to payment from the College. This includes both hours worked and paid time off, such as vacation and holidays. However, you never receive more than 501 Hours of Service for any single period of paid time off. Hours of Service are also credited under certain circumstances during periods of absence (whether paid or unpaid) on account of military service.

Your Own Contributions

You Elect the Amount of Your Contributions. You may make contributions to the Plan out of your pay. Under your salary reduction agreement, an amount that would have otherwise been paid to you in cash will instead be contributed to your Salary Reduction Account. You choose the amount of contributions you wish to make, subject to a minimum of $200 per year, and subject to the maximum dollar contribution limit described on pages 4 and 5. You can choose a flat dollar amount or a percentage of your regular pay, up to a maximum of 100% of your net paycheck available after all other applicable deductions (e.g., FICA tax withholding, insurance premiums, etc.).

Pre-Tax 403(b) Contributions or Roth 403(b) Contributions. You may contribute to the Plan by making Pre-Tax 403(b) Contributions and/or after-tax “Roth” 403(b) Contributions.

Pre-Tax 403(b) Contributions are made “pre-tax” – meaning that you do not currently pay federal income taxes on the amounts you contribute. Federal income taxes on your Pre-Tax 403(b) Contributions and on the earnings on those contributions are postponed until you make withdrawals from the Plan. State income taxes in Minnesota and most other states are also deferred on your Pre-Tax 403(b) Contributions, but the contributions are subject to Social Security (FICA) taxes.
Roth 403(b) Contributions are made “after-tax” – meaning that they will be taken from your pay after applicable state and federal income and FICA taxes are withheld. You cannot deduct your Roth 403(b) Contributions on your tax return. Roth 403(b) Contributions will be reported in Box 1 of your Form W-2, just like other taxable wages. However, distributions of Roth 403(b) Contributions are tax free. Distributions of the earnings on your Roth 403(b) Account also are not subject to federal income tax if they are “qualified distributions.”

To make Roth 403(b) Contributions, you must designate your contribution as a Roth 403(b) Contribution before making the contribution. This designation is irrevocable – you cannot convert Pre-Tax 403(b) Contributions to Roth 403(b) Contributions after they are made, or vice versa. If you fail to make a designation, all of your contributions will be designated as (or deemed) Pre-Tax 403(b) Contributions.

Which is Better For You? The idea behind the traditional Pre-Tax 403(b) Contribution is to defer taxes now and pay taxes later upon distribution at retirement. The idea behind the after-tax Roth 403(b) Contribution is to pay the taxes on your contributions now, and receive a distribution of your contributions and earnings tax-free at retirement. Making a decision regarding how to contribute can be difficult. It is a personal decision to make based on your unique circumstances. The College strongly urges you to seek qualified financial or tax advice as to what is likely to be best for you given your personal circumstances.

Some factors that your financial or tax advisor may consider are your current federal and state tax rates and available tax credits, the length of time the money will be in the Plan, predictions of future tax rates, whether you are making the maximum permitted elective deferral, and your expected sources of other income during retirement.

The College will not provide tax or financial advice to you.

You Can Change or Stop Your Contributions. You can stop your elective contributions at any time.

If you stop your contributions, you can generally start them again as of the beginning of any pay period. Your election to start contributions must be made prior to the time you wish contributions to start.

You can generally change the flat dollar amount or percentage rate of your contributions up or down effective as of the beginning of any pay period. Your election to change the rate of contributions must be made prior to the start of the pay period in which it is to take effect.

Your contributions will be changed or stopped as soon as administratively feasible after you make the election.

Contribution Limits. Federal tax law limits the amount of the contribution you may elect for any calendar year. Your combined Pre-Tax 403(b) Contributions and Roth 403(b) Contributions to this Plan for any calendar year, plus any amounts you elect to defer that year under any other retirement plan (401(k), 403(b), SIMPLE IRA or SAR-SEP) which allows you to save on a pre-tax or Roth basis (including the plan of some other employer), cannot be more than a dollar limit set by the tax laws. For 2017, that limit is $18,000 (not including any Age 50 Catch-up Contributions, Lifetime Catch-up Contributions, or Military Service Make-up Contributions that eligible participants may make). This limit is adjusted for inflation after 2017.

If you exceed this limit, you must decide how you want to allocate the excess among your accounts. You must notify the Plan Administrator before March 1 of the next calendar year if you have decided to correct the excess by withdrawing some or all of it from this Plan. Any excess amounts you allocate to this Plan, plus earnings on those amounts, will be refunded to you. For income tax purposes, the refunded contributions plus earnings are included in your taxable income. If you defer more than the limit in any calendar year and do not take timely steps to get a refund of excess deferrals, you will be subject to serious adverse income tax consequences.

Age 50 Catch-up Contributions. The Plan allows certain participants to make additional “Age 50 Catch-up Contributions.” You are eligible to do this if you will be age 50 or older by the last day
of the year. (For example, you can make Age 50 Catch-Up Contributions for 2017 if you will reach your 50th birthday by December 31, 2017.) The Age 50 Catch-up Contribution is limited to $6,000 for 2017. This limit is adjusted for inflation after 2017.

If you are eligible to make Age 50 Catch-up Contributions, the limit on the total contributions you could make in 2017 is therefore $24,000, rather than $18,000.

Age 50 Catch-up Contributions may be made as Pre-Tax 403(b) Contributions, as Roth 403(b) Contributions, or as a combination of the two types, but your combined contributions cannot exceed the applicable catch-up contribution limit for the year.

Lifetime Catch-up Contributions.

If you have completed 15 years of service with the College, the applicable limit may, under certain circumstances, be increased up to an additional $3,000 if your contributions for prior years of employment with the College averaged less than $5,000 per year. These additional Salary Reduction Contributions are called “Lifetime Catch-up Contributions.” The aggregate amount of your Lifetime Catch-up Contributions to the Plan for all years cannot exceed $15,000. You are deemed to use up any available Lifetime Catch-up Contribution limit before making an Age 50 Catch-up Contribution.

Military Service “Make-up” Contributions. If you are absent for a period of military service, upon your return you are permitted to make a “make-up” contribution of the amount you otherwise could have contributed if you had continued working during the period of military service. You can make the make-up contribution any time during the period starting on the date of your return and continuing for up to three times the length of your military service, with a maximum make-up contribution period of five years. If this make-up contribution is made in a year following the year of the military leave for which you are making the make-up contribution, then it is not subject to (and does not affect) the limits for the year in which the contribution is made. If you are interested in making a military service make-up contribution, contact the Office of Human Resources for further instructions.

Annual Limit on Aggregate Contributions Under the 403(b) Plan and Other Plans You Control. If you are a Participant under the Plan and you participate in another 403(b) arrangement or a 401(a) qualified plan sponsored by an employer you control (such as with respect to any trade or business you maintain outside of the College), the total contributions (both employer and employee) for your benefit under any combination of such plans for 2017 cannot exceed $53,000 (plus any Age 50 Catch-up Contributions and Lifetime Catch-up Contributions described above, if applicable). This limit is adjusted for inflation for years after 2017. If you exceed this limit, you will be deemed to have an excess contribution under the Plan. You may contact the Office of Human Resources for more information if you think this limit may apply to you.

What Happens to Your Contributions. Your contributions are credited to your Salary Reduction Account. Investment income and losses on your contributions are also credited or charged to your Account. You select the investments for your Salary Reduction Account from the options the College makes available.

Salary Reduction Contributions will be forwarded to the fund sponsors by the College in the proportions you have selected and shall be accounted for separately by the recipient fund sponsor. The College will report your designation of Pre-Tax 403(b) Contributions and Roth 403(b) Contributions to the applicable fund sponsor, and the fund sponsors will be responsible for separately accounting for such contributions.

Your Salary Reduction Account will also be charged with its pro-rata share of any plan expenses not paid by the College.

Our Contributions for You

Requirements for Receiving Employer Contributions. To begin receiving the Employer Contributions we make to your Employer Contribution Account, you must be an Eligible Employee with respect to Employer Contributions.

If you are an Eligible Employee who is not a non-resident alien and you have completed 1
Year of Eligibility Service. Employer Contributions will be made for each Plan Year:

(1) in which you are appointed to a position in which you are scheduled to work at least 1,000 Hours of Service per year, or

(2) in which you have actually been credited with 1,000 Hours of Service for that Plan Year.

Employer Contributions. For each pay period in which you meet the requirements for receiving Employer Contributions, we will make an Employer Contribution on your behalf equal to 10% of your Compensation for that pay period. You do not have to contribute to the Plan in order to receive these contributions.

Example. Assume Joanne earns $20,000 per year and contributes 10% of her pay each pay period for the entire year. Joanne’s Salary Reduction Contributions and our Employer Contributions are calculated as follows:

Salary Reduction Contributions:  
$20,000 \times 10\% = $2,000

Employer Contributions:  
$20,000 \times 10\% = $2,000

Total contributions: $4,000

Your “Compensation”.

Your Employer Contribution is based on your “Compensation” for service as an Eligible Employee. For Faculty, your Compensation for a particular year is the regular salary stated in the academic year contract. For all other employees, your Compensation for a particular year is the regular salary stated in the annual salary notice. Compensation excludes overtime pay, bonuses and shift differential pay, but includes your contributions to this Plan, a qualified transportation fringe benefit plan, or the College’s flexible benefit plan.

Compensation recognized by the Plan is limited by the tax laws to $270,000 for 2017. This limit will be adjusted by the IRS periodically for inflation after 2017.

What Happens to Our Contributions? Employer Contributions are recorded in an individual account called your “Employer Contribution Account.” Investment income and losses on our contributions are also credited or charged to your Employer Contribution Account. You select the investments for your Employer Contribution Account from the options made available by the College. Your Employer Contribution Account will also be charged with its pro-rata share of any plan expenses not paid by the College.

Other Types of Contributions

Rollover Contributions and Transfers. Under certain circumstances, you may make a rollover contribution to the Plan of a distribution you received from a plan of a previous employer or an IRA. It may also be possible to arrange a direct transfer to the Plan of amounts from another plan. However, you cannot rollover or transfer any amounts attributable to any after-tax contributions made to a retirement plan.

Any funds which are rolled over or transferred to this Plan are placed in a separate Rollover Contribution Account. You are always 100% vested in that Account.

The rules governing rollover contributions and direct transfers are complex. If you are interested in making such a contribution, contact the Office of Human Resources for more information.

Your Investment Options

You Select Investments for Your Accounts. You control the investment of your Accounts. A number of investment options are available to you from the funding vehicles offered in connection with the Plan. If you do not select any investments for your Accounts, your Accounts will be invested in the default investment arrangement designated by the College.

You will periodically receive detailed descriptions and reports regarding the available options (including the default investment arrangement). You should treat those documents as being part of this summary plan description.

The College may add, delete, or change options from time to time as conditions warrant. Any
expenses related to an investment option may be charged to the Account of the persons who chose that option.

Choosing Investments. When you first enter the Plan, and any time thereafter, you may choose how you want the contributions to your Accounts invested. You do this by contacting the fund sponsor for the funding vehicle(s) you have selected. The investment mix must be stated in whatever increments for each option the College may establish from time to time. New contributions will be invested according to your current investment election until you change that election.

Changing Investments. Subject to rules established from time to time by the College, you can change the investment of your existing Account balances and the money to be added to your Accounts in the future effective as of any day by contacting the fund sponsor for the funding vehicle(s) you have selected. (Changes made after a cut-off time or on a weekend or holiday will become effective on the next business day.)

Your Responsibilities for Investments. The Plan is designed to be an “ERISA section 404(c) plan,” which means that it is your responsibility to monitor the investment options and decide what investment mix is right for you. The College has no liability for any losses that result from your investment instructions or from you allowing your Accounts to be invested in the default investment arrangement. We will not give you investment advice.

The investment choices you make (or you allowing your Accounts to be invested in under the default investment arrangement) can result in different rates of increases or decreases in the value of your Account. Different individuals will have different needs and risk tolerance. We urge you to make use of a qualified financial advisor in determining your Plan investment strategy.

If you die, your Beneficiary becomes responsible for selecting investments for the Accounts.

Further Information About Investments. To obtain further information about your investment options, including copies of annuity contracts, prospectuses, financial statements and reports, expenses, listings of assets held, and net asset values, call the Office of Human Resources.

Withdrawals While Employed

The Plan is intended to provide retirement benefits. Thus, you generally cannot withdraw funds from your Accounts while you are working. There are, however, several exceptions to this rule if permitted under the particular funding vehicle for the investment option selected for your Account.

Withdrawals from Rollover Contribution Account. You may withdraw part or all of your Rollover Contribution Account at any time.

Withdrawals After Age 59½. After you reach age 59½, you can make a withdrawal from your Accounts if permitted under the particular funding vehicle for the investment option selected for your Account.

Requesting a Withdrawal. If you qualify, you can request a withdrawal by following the rules adopted by the College. The withdrawal normally will be paid to you shortly after you request it, based on a recent valuation of your Accounts.

Tax Consequences of Withdrawals. Any taxable withdrawals you make will be subject to income taxes. Withdrawals (other than from a Roth 403(b) Account) while employed will be taxed as ordinary income and will not qualify for favorable tax treatment.

There is also a 10% penalty tax on taxable amounts withdrawn by active employees before age 59½, unless you meet certain very limited exceptions.

After-tax Roth 403(b) Contributions and accumulated earnings can be withdrawn tax-free as long as the funds remain in your account for a minimum of five years from your first 403(b) Roth Contribution and you are at least age 59½ when you make the withdrawal. If these two criteria are not met when funds are withdrawn, the accrued earnings will be taxable (and subject to an additional 10% income tax penalty if you are under age 59½).
Because an early withdrawal causes you to lose the advantages of accumulating tax-deferred retirement savings, you may want to consider withdrawals only after all other options have been exhausted.

**Borrowing From Your Account**

If you are a current employee, prior to the commencement of any benefit payments, you may borrow against the balance of your Salary Reduction Account or Rollover Contribution Account only, if permitted under the particular funding vehicle for the investment option selected for your Account.

**Maximum Loan.** Under tax law, the maximum loan amount you can have outstanding is 50% of the aggregate amount of Salary Reduction Contributions and Eligible Rollover Contributions at the time the loan is issued, or $50,000, whichever is less. However, if you had an outstanding loan during the preceding 12 months before you request a new loan, the $50,000 maximum is reduced by the amount of principal on the prior loan that was repaid during that 12 month period. No loan can be taken from the Employer Contribution Account. The particular funding vehicle in which your Account is invested may have additional limitations on the amount you can borrow.

**Spousal Consent in Certain Circumstances.** If you have elected to have your Account invested in an annuity contract funding vehicle, and if you are married when the loan is made, your spouse must give written consent to the loan. Your spouse’s consent must be notarized or witnessed by a Plan representative. The only exception is under certain circumstances where the consent cannot be obtained, such as where a spouse cannot be located.

**Benefits After Your Employment Ends**

**Entitlement to Distributions.** When you cease your employment with the College, you become entitled to a benefit equal to your entire Account balance under the Plan.

If your service with the College has terminated, your Accounts must be distributed no later than April 1 of the year following the year in which you reach age 70½ (or the year after your termination of employment, if later).

**Forms of Payment.** Your Accounts may be distributed in any manner – e.g., lump sum, installments, or annuity payments – permitted under the applicable funding vehicle (i.e., the annuity contract or mutual fund custodial account) in which your Accounts are invested.

However, if you are married on the due date for any distribution from an annuity contract, you cannot elect a single life annuity unless your spouse consents to the waiver of the qualified joint and survivor annuity form of payment. Check with your applicable provider to determine what options are available.

**Tax Consequences.** You will be subject to income taxes when benefits are received. However, distributions of your Roth 403(b) Contributions are not subject to federal income tax. However, you will have to pay income taxes on distributions of earnings credited to your Roth 403(b) Contributions unless the distribution is a “qualified distribution”.

A “qualified distribution” from your Roth 403(b) Contributions is one made:

- After you reach 59½, die or become disabled; AND
- More than five years after the year of your first Roth 403(b) Contribution to this Plan (or previous plan from which you made a Roth rollover.)

If your Roth distribution does not satisfy these two requirements, the portion of the distribution that is attributable to earnings credited to your Roth 403(b) Contributions will be subject to income taxes (unless you roll over the distribution to a Roth IRA or an eligible employer plan).

You may be able to postpone taxes on your Plan benefit by making a rollover to an IRA or to another employer’s retirement plan. If the rollover is attributable to Roth 403(b) Contributions, the rollover must be to a Roth IRA or an employer’s qualified plan that agrees to separately account for the amount not
includible in income. Other amounts may be rolled to a traditional IRA or another employer’s qualified retirement plan, tax free. You may also qualify to complete a taxable rollover of non-Roth distribution amounts to a Roth IRA (a Roth conversion). Note that employer plans are not required to accept rollovers. You should consult with your tax advisor regarding these matters.

NOTE: Most payments received before age 59½ will be subject to an additional 10% penalty tax unless you are disabled, you ceased employment with the College after reaching age 55, or you qualify for certain other very limited exceptions under the tax laws. You can avoid the penalty tax by making a rollover to an IRA or another employer’s plan.

Tax Withholding. Any lump sum distribution you receive from the Plan (other than required minimum distributions after you reach age 70½) will be subject to mandatory withholding of 20% for federal income taxes and any applicable state income tax withholding. You can avoid mandatory withholding only if you arrange to have the payment transferred directly to another qualified retirement plan or an IRA.

Benefits For Your Beneficiary

If you die while employed by the College, your “Beneficiary” will be entitled to all of your Account balances. If you die after your employment ceases but before you have received your entire benefit from the Plan, your Beneficiary will be entitled to any payment remaining that would have been paid to you if you had lived. You designate your Beneficiary by filing an approved form with the Office of Human Resources.

Special Rules for Married Participants. If you are married, you are subject to some special rules. In general, your spouse must be your Beneficiary. If you wish to designate someone else as your Beneficiary (including a trust for your spouse), your spouse must consent to the different Beneficiary. The spouse’s consent must be in writing and must be either notarized or witnessed by a representative of the Plan. The only exception is under certain circumstances where the consent cannot be obtained, such as where a spouse cannot be located.

If your marital status changes, you should check with the Office of Human Resources to see if a new Beneficiary designation should be filed. This should always be done when a single Participant gets married.

Your Beneficiary If None is Designated. If your Beneficiary is not designated on an approved form filed with the Plan’s recordkeeper prior to your death, the determination of who your Beneficiary will be shall be made pursuant to the terms of the applicable custodial account or annuity contract in which your Accounts are invested.

Limits on Payments. The tax laws require that your Beneficiary receive his or her benefit within a certain time after your death.

If your Beneficiary is not your spouse, distributions from your Accounts must begin to be paid over the life expectancy of your Beneficiary by December 31 of the calendar year immediately following the calendar year in which you die, or the entire Account must be paid to your Beneficiary within 5 years following the year in which you die. A Beneficiary who is your surviving spouse can postpone payments until December 31 of the year in which you would have reached age 70½.

Rollover Distributions for Beneficiaries. If your Beneficiary is your spouse, your surviving spouse may request a direct rollover of distributions from the plan to an individual retirement account or annuity (IRA) for your surviving spouse.

If your Beneficiary is not your spouse, your non-spouse Beneficiary can request a direct rollover of the lump sum distribution from the Plan to an inherited individual retirement account or annuity (IRA). (However, non-spouse Beneficiaries cannot receive payments from the Plan and roll over the payments themselves.) An “inherited IRA” is a special type of retirement arrangement under which the non-spouse beneficiary is treated as the beneficiary rather than the owner of the IRA. The amount transferred to the inherited IRA will not be taxed in the year transferred out of the Plan. Instead, the amount will be taxed later when your Beneficiary receives payments from the inherited IRA. Under the rules applicable to the inherited
IRA, if you died before age 70½, then either (1) the entire inherited IRA must be distributed to your Beneficiary within five years after your death, or (2) distributions to your Beneficiary from the inherited IRA must begin within one year after your death and the balance of the inherited IRA must be paid out in installments over your Beneficiary’s life expectancy. Non-spouse beneficiaries should seek additional information about “inherited IRAs” from an IRA provider or financial institution.

**General Information**

**Name of Plan:** The name of the Plan is the Macalester College 403(b) Retirement Plan

**Type of Plan:** The Plan is an arrangement for making contributions to annuity contracts described in section 403(b) of the Internal Revenue Code and mutual fund custodial accounts described in section 403(b)(7) of the Internal Revenue Code.

**Plan Sponsor and Administrator:** For purposes of federal law, the College is the “Plan Sponsor” and “Plan Administrator.” The Plan is self-administered by the College. Communication to the College as the “Plan Administrator” should be directed as follows:

Macalester College
Office of the Treasurer
1600 Grand Avenue
St. Paul, MN 55105
(651) 647-6211

**Plan Year:** The Plan Year is the 12-month period beginning each January 1 and ending December 31.

**Plan Number:** The Macalester College 403(b) Retirement Plan has been assigned identification number 001.

**Employer Identification Number:** The College’s Federal Employer Identification Number is 41-0693962.

**Funding Vehicles:** You choose your own funding vehicle from the selection of fund sponsors and funding vehicles the College makes available to you. Communication to fund sponsors should be directed as provided for in the applicable agreement.

**Agent for Service for Legal Process:** Legal process may be served on the College at the business address listed above. Service of legal process may also be made upon the Trustee.

**Claims Procedure**

**Your Duty to Review Information; and Initial Benefit Claims.** You will receive periodic information regarding your Plan Accounts (benefit statements, investment confirmations, etc.). After your employment ends, you will receive information about your vested benefit and the time and manner in which it can be paid to you.

You are responsible for promptly reviewing any information you receive regarding the Plan. If you have any questions, or if you believe the information is incorrect in any way, you must notify us within 60 days after you receive the information. The College will not be responsible for any mistakes or losses unless you bring it to our attention within the 60 day time period. We anticipate that most such inquiries will be resolved informally, and your initial inquiry is not considered to be a formal claim under the terms of the Plan. If the response to your inquiry does not resolve the matter to your satisfaction, however, you must -- within 60 days of the decision on your inquiry -- file a formal, written claim for benefits in accordance with these claims procedures.

If you do not receive a benefit to which you believe you are entitled, or if you have any other complaint regarding the Plan that is not resolved to your satisfaction using the informal inquiry process previously described, you (or your authorized representative) must file a formal written claim in order to pursue the matter further. Your written claim should explain, as best you can, what you want and why you believe you are entitled to it, and should include copies of any relevant documents. You should specifically designate your claim as a “claim for benefits” and you should send it to us as Plan Administrator at the address listed under General Information in this Summary.
If your claim follows an informal inquiry that was not resolved to your satisfaction, it must be filed within 60 days after you receive the response to your inquiry. Any other claim must be filed within 60 days after you first receive the information on which the claim is based.

We will ordinarily respond to your claim within 90 days after it is received. We may, however, extend this period for an additional 90 days by giving you written notice of the extension, the reason why the extension is necessary, and the date a decision is expected. We will provide you with a written decision on your claim. If your claim is denied in whole or in part, we will explain why, with specific reference to any relevant Plan provisions, and a description of any additional material or information necessary for you to perfect your claim. You will then have the right to appeal that decision.

Appeal of a Denied Claim. If your formal claim is denied and you want to pursue the matter further, you (or your authorized representative) must, within 60 days after you receive the denial letter, file a written appeal with us as Plan Administrator. Your written appeal should describe all reasons why you believe the claim denial was in error, and should include copies of any documents you want us to consider in support of your appeal. Your claim will be decided based on the information submitted, so you should make sure that your submission is complete.

If you wish, you may review and/or obtain copies of all documents that we considered or relied on in deciding your claim. These copies will be provided to you free of charge. If you request copies, the 60-day period for filing your appeal will stop running until we have responded to your request. Once we have responded, the 60-day period will begin running again, and you will have whatever time remained at the time you requested the documents.

We will ordinarily decide your appeal within 60 days after it is filed. We may, however, extend this period for up to an additional 60 days if special circumstances require it. If an extension is required, you will receive notice of the extension, the reason why it is necessary and the date a decision is expected.

We will provide you with written notice of the decision on appeal. If your appeal is denied in whole or in part, we will explain why, including specific reference to any relevant Plan provisions.

Subsequent Legal Action. If your appeal is denied in whole or in part, you have the right to file a lawsuit challenging the denial.

The claims procedures described above are required by federal law and are designed to ensure that disputes regarding the Plan are decided by the Plan Administrator, which is the entity responsible for administering the Plan. Therefore, courts almost always require that a claimant exhaust a plan’s claims procedures before filing suit (both filing the initial claim and appealing a denied claim). If you fail to do so, the court will likely dismiss your lawsuit.

Statement of Rights of Participants

As a Participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (“ERISA”). ERISA provides that all Plan Participants shall be entitled to:

1. Examine, without charge, at the Plan Administrator’s office and at certain other locations, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions.

2. Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. A reasonable charge may be made for the copies.

3. Receive a summary of the Plan’s annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary financial report.

4. Obtain a statement of your total benefits that would be payable under the Plan if you stop work now. You may be required to make a written request for this statement, but the statement must be provided free of charge.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the
people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit under the Plan is denied or ignored, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond its control. If you have a claim for benefits which is denied or ignored, in whole or in part, and you have exhausted the Plan’s claims procedures, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, and you have exhausted the Plan’s claims procedures, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who should pay costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Other Information

Insurance of Benefits. Benefits under certain kinds of pension plans are insured by the Pension Benefit Guaranty Corporation (the “PBGC”), a corporation organized under federal law. However, the PBGC does not insure the benefits under plans such as this Plan where your benefit is based on your own Accounts.

Amendment and Termination. The College has retained the right to amend or terminate the Plan at any time. However, no amendment or termination will take away vested benefits.

The Plan also allows the College to correct any errors that may occur in administering the Plan, including recovering any overpayment from the person who received it. Erroneous contributions can be returned to the College.

Alienation of Benefits. You cannot assign your Plan benefits to anyone else and your benefits are generally not subject to claims of creditors. However, the Plan may be forced to comply with certain “qualified domestic relations orders” which assign part or all of your benefit to a former spouse or to your dependents.

If you have any questions about the Plan, you should contact the Administrator.