

UNIVERSITY OF ARKANSAS RETIREMENT PROGRAM

Effective July 1, 2011, the University of Arkansas Retirement Program is revised according to the attached resolution.

RESOLUTION

1. Establishment of Plan. This Retirement Resolution sets forth the provisions of the retirement plans for the University of Arkansas campuses established by the Board of Trustees of the University of Arkansas (the "University"), as of April 21, 1923, as amended and restated in its entirety effective July 1, 2011. There shall be three plans-the University of Arkansas Optional Retirement Plan as described in section 2, the University of Arkansas Community Colleges Retirement Plan as described in section 3, and the University of Arkansas at Fort Smith Retirement Plan as described in Section 4. Contributions under each Plan shall be made pursuant to a 403(b) plan and 457(b) plan to funding sponsors approved under Section 7. References to the "Retirement Plans" in these resolutions shall refer to both 403(b) Plans and both 457(b) Plans. The President shall adopt Retirement Plan documents which are consistent with this Board Policy.

2. Available Retirement Plans-University of Arkansas Optional Retirement Plan.

A. The following campuses shall be included in the University of Arkansas Optional Retirement Plan ("ORP"):

- University of Arkansas-Fayetteville (including System Administration, Agricultural Experiment Station, Criminal Justice Institute, Arkansas Archaeological Survey and Clinton School of Public Service)
- University of Arkansas for Medical Sciences
- University of Arkansas at Little Rock
- University of Arkansas at Monticello
- University of Arkansas at Pine Bluff
- University of Arkansas-Cooperative Extension
- Arkansas School for Mathematics, Sciences and the Arts

For such campuses, the University is authorized to make Contributions to ORP or the Arkansas Public Employee Retirement System (APERS). The University shall also contribute to Social Security unless the employee is exempt. All newly eligible employees of such campuses shall be participants in ORP unless the employee elects not to participate in this plan. Such election shall be made within 31 days from the date the employee begins employment, and the election shall be irrevocable. If an employee elects not to participate in ORP, that employee shall be a member of APERS, effective on date of hire, in accordance with Ark. Code Ann. §24-7-1003. By accepting employment with the University, the employee consents and agrees to complete all necessary

documents for enrollment in ORP or APERS. Once made, the election as to which plan shall be irrevocable.

B. Notwithstanding paragraph A. above, for those employees of such campuses enrolled in the Arkansas Teachers Retirement System (ATRS) before July 1, 2011, participation shall continue. If an eligible employee of a Community College or UAFS Plan was enrolled in ATRS before July 1, 2011 and transfers to a campus participating in ORP, then the employee shall continue in ATRS. No new employees shall be enrolled in ATRS on or after July 1, 2011.

C. Employees of University of Arkansas at Monticello who were employees of Great Rivers Vocational and Technical Institute and Forest Echoes Technical Institute as of June 30, 2003, were given the option within 31 days of becoming employees of UAM of continuing participation in the State Board of Workforce Education and Career Opportunities (formerly State Board of Vocational Education) Alternate Retirement Plan pursuant to ACA section 24-7-901 et.seq., based on the contribution percentages in effect at such time, or participating in the University of Arkansas Optional Retirement Plan. Employees who pursuant to such election continued to participate in State Board of Workforce Education and Career Opportunities Alternate Retirement Plan may continue to participate in such plan.

D. Certain employees of University of Arkansas-Cooperative Extension participate in the Federal Civil Service Retirement Plan, and may participate in ORP at a reduced employer contribution. Further certain other employees of University of Arkansas-Cooperative Extension participate in the Federal Employees Retirement System and may participate in the Federal Thrift Savings Plan, but do not participate in employer contributions under ORP. New Cooperative Extension employees are not eligible for the federal plans, and have the same retirement options as employees of other campuses.

3. Available Plans- Community Colleges.

The following campuses shall be included in the University of Arkansas Community Colleges Retirement Plan ("Community Colleges Plan"):

University of Arkansas Community College at Batesville
 University of Arkansas Community College at Morrilton
 University of Arkansas Community College at Hope
 Cossatot Community College of the University of Arkansas
 Phillips Community College of the University of Arkansas

For such campuses, the University is authorized to make Contributions to the Community Colleges Plan or the Arkansas Public Employee Retirement System (APERS). The University shall also contribute to Social Security unless the employee is exempt. Each newly eligible employee shall be provided written notice of the right to participate in the above plans, and shall be required to elect as to which plan in which to participate. Such election shall be made within 31 days from the date the employee begins employment,

and the election shall be irrevocable. By accepting employment with the University, the employee consents and agrees to complete all necessary documents for enrollment in this Retirement Plan or APERS. Once made, the election as to which plan shall be irrevocable. Notwithstanding the preceding, for those employees of such campuses enrolled in the Arkansas Teachers Retirement System (ATRS) before July 1, 2011, participation shall continue. If an eligible employee of a campus participating in ORP or UAFS was enrolled in ATRS before July 1, 2011 and transfers to a community college campus, then the employee shall continue in ATRS. No new employees shall be enrolled in ATRS on or after July 1, 2011.

4. Available Plans- University of Arkansas at Fort Smith.

The University of Arkansas at Fort Smith shall be included in the University of Arkansas at Fort Smith Retirement Plan (“UAFS Plan”).

A. For UAFS, the University is authorized to make Contributions to the UAFS Plan or the Arkansas Public Employee Retirement System (APERS). The University shall also contribute to Social Security unless the employee is exempt. All newly eligible employees of such campuses shall be participants in the UAFS Plan unless the employee elects not to participate in this plan. Such election shall be made within 31 days from the date the employee begins employment, and the election shall be irrevocable. If an employee elects not to participate in the UAFS Plan, that employee shall be a member of APERS, effective on date of hire. By accepting employment with the University, the employee consents and agrees to complete all necessary documents for enrollment in the UAFS Plan or APERS. Once made, the election as to which plan shall be irrevocable.

B. Notwithstanding paragraph A. above, for those employees of UAFS enrolled in the Arkansas Teachers Retirement System (ATRS) as of July 1, 2011, participation shall continue. If an eligible employee of a campus participating in ORP or a Community College was enrolled in ATRS before July 1, 2011 and transfers to UAFS, then the employee shall continue in ATRS. No new employees shall be enrolled in ATRS on or after July 1, 2011.

5. Eligibility. Plan provisions concerning eligibility shall be as outlined in each separate 403(b) Plan document and 457(b) Plan document.

6. Employer Contributions.

A. ORP. Employer contributions to ORP for eligible employees will begin to accrue as of date of employment. The University will make a basic Plan Contribution of five percent of Plan Compensation for all eligible employees. Eligible employees may make voluntary Plan Contributions in any amount as agreed by the participant and the University, subject to the contribution limitations of the Internal Revenue Code. Employees who make voluntary Plan Contributions in excess of five percent of Plan Compensation will be eligible for a matching University Plan Contribution on the amount in excess of five percent up to a total University Plan Contribution, both basic and

matching, of ten percent of Plan Compensation. Plan Compensation shall be defined as provided in the 403(b) Plan documents.

Plan Contributions by a participant will be made first to a 403(b) program and then may be made to a 457(b) program, if elected by the participant. University contributions will be made to the 403(b) contract or account.

B. Community College Plan. Employer contributions to the Community Colleges Plan for eligible employees will begin to accrue as of the date of employment. University and employee required contributions for each of the campuses included in the Community Colleges Plan shall be as set forth in the attached Exhibit A attached hereto.

Plan Contributions by a participant will be made first to a 403(b) program and then may be made to a 457(b) program, if elected by the participant. University contributions will be made to the 403(b) contract or account.

C. UAFS Plan. Employer contributions to UAFS Plan for eligible employees will begin to accrue as of date of employment. The University will make a basic Plan Contribution of ten percent of Plan Compensation, as defined in the UAFS Plan document, for all eligible employees. Employee contributions shall not be required.

Plan Contributions by a participant will be made first to a 403(b) program and then may be made to a 457(b) program, if elected by the participant. University contributions will be made to the 403(b) contract or account.

7. Funding Sponsors.

A. Alternative Funding Sponsors-ORP. The Plan has been funded through TIAA and/or CREF annuity contracts since April 21, 1923. A participant may select either TIAA-CREF or Fidelity Investments as a funding sponsor. Contributions to Fidelity Investments shall be applied either to individual or group annuities issued under a Metropolitan Life Guaranteed Account and/or one or more mutual funds held in a custodial account at Fidelity Investments. Contributions to TIAA-CREF shall be applied either to individual or group annuities issued by TIAA-CREF or any mutual funds held in a custodial account at TIAA-CREF. No other alternative funding sponsors are authorized. The President shall establish procedures for selection of a funding sponsor in the event a participant fails to select a funding sponsor.

B. Alternative Funding Sponsors-Community College Plan. Alternative Funding Sponsors for campuses included in the Community Colleges Plan shall be as set forth on Exhibit A attached hereto.

C. Alternative Funding Sponsors-UAFS. TIAA-CREF is the only authorized funding sponsor at UAFS.

8. Vesting.

A. Vesting in the ORP shall be as follows:

- (1) University contributions are immediately vested in the participant for all faculty members and all other non-classified employees.
- (2) For all other employees other than those described in A.(1) above, vesting of benefits attributable to University contributions shall occur on the earlier of:
 - (a) Completion of three years of service,
 - (b) Attainment of age 65, or
 - (c) The participant's having made Plan Contributions of at least five percent of regular salary for six consecutive months.
- (3) A Participant shall be 100% vested in his account in the event of death or disability while employed with the University. Disability shall be as defined in the University's group disability policy covering the participant or as determined for social security purposes.

B. Vesting for campuses included in the Community Colleges Plan shall be as set forth in Exhibit A attached hereto.

C. Vesting in the UAFS Plan shall be as follows:

- (1) Employer contributions are immediately vested in the Participant for (a) all faculty members and all other non-classified employees and (b) all other Employees hired before January 1, 2009.
- (2) For all Employees hired after December 31, 2008, other than faculty members and other non-classified employees, vesting of benefits attributable to Employer contributions shall occur on the earlier of:
 - (a) Completion of three Years of Service, or
 - (b) Attainment of age 65.
 - (c) A Participant shall be 100% vested in his account in the event of death or disability while employed with the University. Disability shall be as defined in the University's group disability policy covering the participant or as determined for social security purposes.

- D. All employee contributions to either the 403(b) plan or 457(b) plan are 100% vested.
9. Distributions. Plan provisions concerning distributions shall be as outlined in the separate 403(b) Plan documents and 457(b) Plan documents.
 10. Spendthrift Clause. No participant in either of the Retirement Plans shall have any right to assign, pledge, encumber, or commute his/her interest in any benefits under the Retirement Plan, either voluntarily or involuntarily, and such benefits shall not in any way be subject to any legal process or levy of execution upon, or attachment or garnishment proceedings against, the same for the payment of any claim against any such person.
 11. Amendment. The Board may amend these policies at any time. The President of the University or his delegate may amend any provision of either 403(b) Plan or 457(b) Plan not in conflict with these Board policies.
 12. Termination. While it is expected that the retirement plans will continue indefinitely, the Board of Trustees reserves the right to discontinue the Retirement Plans at any time. Any termination cannot adversely affect the benefits accrued by participants prior to the date of discontinuance or modification.
 14. Administration. The President of the University or his/her delegate may adopt rules and regulations for interpreting the Retirement Plans and for administering its provisions (including rules and regulations concerning funding sponsors) in a manner consistent with this Board Policy.

May 20, 2011 (Revised)
 November 21, 2008 (Revised)
 November 14, 2003 (Revised)
 June 6, 2003 (Revised)
 April 5, 2002 (Revised)
 January 26, 2001 (Revised)
 November 8, 1996 (Revised)
 June 7, 1996 (Revised)
 April 22, 1994 (Revised)
 January 21, 1994 (Revised)
 (For Revisions Prior to 1994 Refer
 to Previous Board Policies File)

EXHIBIT A to Board Policy 425.5

	Contributions		Vesting		Funding Sponsors			
	<u>Employee</u>	<u>Employer</u>	<u>Non-classified/Faculty</u>	<u>Classified</u>	<u>TIAA-CREF</u>	<u>Fidelity</u>	<u>Valic</u>	<u>Other</u>
UA Community College at Hope			Immediate	Immediate	Yes	No	Yes	None
Employees hired before July 1, 1992	6%	12%						
Employees hired after July 1, 1992	6%	10%						
UA Community College at Morrilton	6%	14%	1 Year	1 Year	Yes	No	Yes	Travelers
Phillips Community College of the U of A	0-5% 6-10%	5% 6-10%	Immediate	Immediate	Yes	No	Yes	None
University of Arkansas Community College at Batesville	6%	11%	1 Year	1 Year	Yes	No	Yes	None
Cossatot Community College of the U of A	6%	13%	1 Year	1 Year	Yes	No	Yes	American Fidelity