

BAYLOR 457(b) PLAN
SUMMARY OF PLAN PROVISIONS

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**BAYLOR 457(b) PLAN
SUMMARY OF PLAN PROVISIONS**

INTRODUCTION TO YOUR PLAN

The Baylor 457(b) (“Plan”) has been adopted to provide you with the opportunity to save for retirement on a tax advantaged basis. This Plan is a type of retirement plan known as a 457(b) plan. The Plan has been established and is maintained as a “church plan” within the meaning of Code Section 414(e) and Section 3(33) of the ERISA that is exempt from the requirements of ERISA. This Summary of Plan Provisions (“Summary”) contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and other features of the Plan. You should take the time to read this Summary to understand the features of the Plan.

This Summary addresses the most common questions you might have regarding the Plan. If this Summary does not answer all your questions, please contact the Committee or other Plan representative. The Committee is generally responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan, unless those responsibilities have been delegated to other parties. Contact information for the Committee can be found at the end of this Summary in the Article entitled “General Information about the Plan.”

This Summary describes the Plan’s benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this Summary and the technical, legal language of the Plan document conflict, the Plan document always governs. The capitalized terms in this Summary have the meaning set forth in the Plan document. If you wish to receive a copy of the legal Plan document, please contact the Committee.

This Summary describes the current provisions of the Plan. The Plan is subject to the Internal Revenue Code and other federal and state laws which might affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS). Your Employer may also amend or terminate the Plan at any time.

**ARTICLE I
PARTICIPATION IN THE PLAN**

How do I participate in the Plan?

Provided you are not an Excluded Employee, you can begin participating under the Plan on your date of hire. An Excluded Employee is an Employee who has not been determined by the Employer to be eligible to participate in the Plan.

**ARTICLE II
CONTRIBUTIONS**

What Contributions may be made to the Plan?

Tax Sheltered Contributions. The Employer will make Tax Sheltered Contributions to the Plan in an amount you elect under a Salary Reduction Agreement. A Salary Reduction Agreement is a written agreement between you and the Employer by which you elect to take a reduction in taxable compensation

not available as of the date of the election and which is contributed by the Employer as a Tax Sheltered Contribution to your Account.

Election Timing. If you are a new Employee and make your election before your first day of employment and state that the election is to be effective as soon as possible, your election will be effective as of your first pay date. In all other cases, your election will be effective no earlier than the first day of the following month. Your election will generally remain in effect until you modify or terminate it.

Changing Elections. You may change your election by completing a new Salary Reduction Agreement. A change in your election will generally be effective no earlier than the first day of the following month.

Matching Contributions. The Employer may make Matching Contributions in an amount determined by the Employer.

Non-Matching Contributions. The Employer may make Non-Matching Contributions in an amount determined by the Employer. However, the Employer will make Non-Matching Contributions on your behalf if specified in your employment agreement with the Employer, subject to any conditions the employment agreement.

What is the limit on Contributions to the Plan?

Regular Contribution Limit. Unless you are eligible for a catch-up Contribution, the total of all Contributions made to the Plan on your behalf for the Taxable Year may not exceed the dollar amount specified in Code Section 457(e)(15) or, if less, your Includible Compensation. The dollar limit under Code Section 457(e)(15) for 2020 is \$19,500.

Special Catch-Up Contribution Limit. If you are near to your Normal Retirement Age, you may be eligible for a special catch-up provision that increases your Contribution limit in one or more of the three consecutive years ending before the year you attain your Normal Retirement Age. Your Normal Retirement Age is 65, unless you designate on a form provided by the Committee another age between 65 and 72. Under this provision, your Contribution limit is the lesser of (1) twice the regular contribution limit for the Taxable Year, or (2) the regular Contribution for the Taxable Year plus the difference between the regular Contribution limits during previous Taxable Years in which you were eligible to participate and your actual Contributions for such Taxable Years.

What Compensation is considered for Contributions?

The Compensation considered for purposes of Contributions is your W-2 wages, plus your elective deferrals to another plan maintained by the Employer and any minister's housing allowances you receive. Amounts paid to you after a Severance from Employment are not included in Compensation.

Are Contributions vested?

All Contributions are always fully vested.

ARTICLE III DISTRIBUTIONS

When can I get money out of the Plan?

Your Account will generally be distributed to you or your Beneficiary following a Severance from Employment or death. However, as described further below, you may have the right to a distribution while you are still employed with the Employer under certain circumstances.

Distributions upon Severance from Employment. Your Account will be payable commencing 60 days following your Severance from Employment. However, you may elect to change the commencement date of the distribution to a later date, provided your election is received by the Employer within such 60-day period. If you timely elect to delay the commencement of distributions to a later date, you may make one additional election to further delay the commencement of distribution, provided that your election is received by the Employer before distribution actually begins.

Distributions upon Death. Your Account will be payable to your Beneficiary commencing 60 days after receipt by the Employer of satisfactory proof of your death. However, your Beneficiary may elect to change the commencement date of the distribution to a later date, provided the election is received by the Employer within such 60-day period. If your Beneficiary makes a timely election to delay the commencement of distributions to a later date, your Beneficiary may make one additional election to further delay the commencement of distribution, provided that the election is received by the Employer before distribution actually begins.

Unforeseeable Emergency. If you or a Beneficiary experience an Unforeseeable Emergency, you may be entitled to a distribution of an amount reasonably necessary to satisfy the emergency need, including amounts necessary to pay taxes or penalties on the distribution. Payments may also be accelerated to you or your Beneficiary in the case of an Unforeseeable Emergency. No distribution will be made to the extent the financial hardship may be relieved by cessation of Contributions to the Plan, through insurance or other reimbursement, or by liquidation of assets to the extent the liquidation would not cause severe financial hardship.

An Unforeseeable Emergency is a severe financial hardship of you or your Beneficiary resulting from:

- the illness or accident of you, your Beneficiary, or a spouse or dependent of you or your Beneficiary;
- the loss of your or your Beneficiary's property due to casualty;
- the need to pay for the funeral expenses of your or your Beneficiary's spouse or dependent;
- or
- other similar extraordinary and unforeseeable circumstances arising from events beyond your or your Beneficiary's control.

Military Service. If you perform services in the uniformed services (as defined in Code Section 414(u)(12)(B)) on active duty for a period of more than 30 days, you may elect to receive a distribution as if you had incurred a Severance from Employment. No distribution will be made under this provision unless you specifically request a distribution. If you elect such a distribution, you may not make a Tax Sheltered Contribution during the 6-month period beginning on the date of the distribution.

De Minimis Distribution. The Employer may direct that your Account be distributed where the following requirements are met:

- your account does not exceed \$5,000;
- you have had no Contributions under the Plan during the two-year period ending on the date of distribution; and
- you have not received a prior distribution under this provision.

Age 72 Distribution. Your Account may be distributed to you (or your Beneficiary, as applicable) prior to your Severance from Employment once you (or your Beneficiary) reach age 72.

Notwithstanding anything in this Summary to the contrary, distributions will be made in accordance with the required minimum distribution rules of Code Section 401(a)(9) and related Treasury Regulations. Generally, such rules require that distributions begin no later than April 1 of the year following the later of: (1) the year you attain age 72, or (2) the year you retire.

How will my Account be distributed?

You or your Beneficiary may elect to receive benefits in the form of a lump sum, periodic payments, or a combination of the two. However, if distributions are payable due to your Severance from Employment or death and you or your Beneficiary do not make a timely election as described above, your Account will be paid in a single lump sum.

ARTICLE IV MISCELLANEOUS

How is money in the Plan invested?

The Plan assets may be invested in mutual funds. See the Committee for further details regarding permissible investments.

You will be able to direct the investment of your Account. The Committee will provide you with information on the investment choices available to you, the frequency with which you can change your investment choices and other information. If you do not direct the investment of your Plan account, then your account will be invested in accordance with the default investment alternatives your Employer establishes under the Plan.

When you direct investments, your account is segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance for other Participants who have directed their own investments.

You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and your Employer and the Committee will not provide investment advice or guarantee the performance of any investment you choose.

Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. It is your responsibility to notify the Committee of any errors you see on any statements within 30 days after the statement is provided or made available to you.

Who is my Beneficiary?

A Beneficiary is the individual(s) or entities, including a trust, charitable organization or estate, you designate and who is or may become entitled to your benefits in the event of your death. A Beneficiary must be designated in writing or electronically as required by the Committee. When a Beneficiary designation is made, all prior designations will be revoked. Marriage will not revoke your previous designation; however, a divorce decree, or a decree of legal separation, will revoke your previous designation, if any, of your spouse as your Beneficiary. Upon your death, your Beneficiary may designate a Beneficiary for your remaining Account balance.

If no valid Beneficiary is designated at the time of your death, your Account will be paid to your surviving spouse. If you do not have a surviving spouse at the time of your death, your Account will be paid to your estate.

What happens if a domestic relations order is issued with respect to my benefits in the Plan?

The Committee must honor a domestic relations order (DRO). A DRO is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, children or other dependents (referred to as alternate payees). If a DRO is received by the Committee, all or a portion of your benefits may be used to satisfy that obligation. The Committee will determine the validity of any domestic relations order received.

Can the Employer amend the Plan?

Your Employer has the right to amend the Plan at any time.

What happens if the Plan is discontinued or terminated?

Although your Employer intends to maintain the Plan indefinitely, your Employer reserves the right to terminate the Plan at any time. Upon termination, no further Contributions will be made to the Plan. Your Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. You will be notified if the Plan is terminated.

How do I submit a claim for Plan benefits?

Benefits will generally be paid to you and your Beneficiaries without the necessity for formal claims. Contact the Committee if you are entitled to benefits or if you think an error has been made in determining your benefits. Any such request should be in writing.

If the Committee determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

Is the Plan funded?

The Plan is intended to constitute an unfunded plan and all amounts held under the Plan are allocated to the Employer. Any amount payable under the Plan will be paid from the general assets of the Employer or a

grantor trust established by the Employer, and all assets used to provide benefits under the Plan will be subject to claims of creditors of the Employer. Neither you nor any Beneficiary will have an interest in any specific asset of the as a result of participation in the Plan. The Employer shall have no obligation to set aside any funds for the purpose of making any benefit payments under the Plan. Nothing contained herein shall give you or a Beneficiary any rights that are greater than those of an unsecured creditor of the Employer with respect to any unpaid amount as to which you or a Beneficiary has an interest. No action taken pursuant to the terms of the Plan shall be construed to create a funded arrangement, a plan asset, or fiduciary relationship among the Employer, the Committee, or their designees, and you or a Beneficiary.

ARTICLE V GENERAL INFORMATION ABOUT THE PLAN

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

Plan Name

The full name of the Plan is the Baylor 457(b) Plan.

Plan Effective Dates

This Plan was originally effective on January 1, 2002. The provisions of the Plan described in this Summary are effective as of January 1, 2020.

Other Plan Information

Plan Year. The Plan's records are maintained on a twelve-month period of time. This is known as the Taxable Year. The Taxable Year ends on December 31st.

The Plan will be governed by the laws of the state of Texas to the extent not governed by federal law.

Employer Information

The Employer's name, address, business telephone number and identification number are:

Baylor University
One Bear Place
Waco, Texas 76798
800-229-5678
74-1159753

Committee Information

The Committee is the administrator of the Plan and is responsible for the day-to-day administration and operation of the Plan. For example, the Committee maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. If you have any questions about the Plan or your participation, you should contact the Committee. The Committee may designate other parties to perform some duties of the Committee, and some duties are the responsibility of the investment provider(s) to the Plan.

The Committee may be contacted through Baylor Human Resources at:

Address: One Bear Place
Waco, Texas 76798
Telephone: (254) 710-2000