California State University

403(b) Supplemental Retirement Plan (SRP)

Summary Plan Description

Effective January 1st, 2019

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Introduction

This Summary Plan Description ("SPD") summarizes the California State University ("CSU") Supplemental Retirement Plan (the "Plan") restated as of 01/01/2010 (the "Effective Date") and as amended from time to time. This Plan is intended to meet the requirements of section 403(b) of the Internal Revenue Code ("IRC"). The SPD contains a summary in understandable language of your rights and benefits under the Plan. If you have difficulty understanding any part of this SPD, you should contact your campus benefits office.

This SPD is a brief description of the principal features of the Plan Document and is not meant to interpret, extend or change these provisions in any way. A copy of the Plan Document is on file with Systemwide Human Resources at the Office of the Chancellor and may be requested by any employee. The Plan Document shall govern if there is a discrepancy between this SPD and the actual provisions of the Plan. The terms "Plan" and "Plan Document" include the terms of the investment choices under the Plan or other documents incorporated by reference.

This SPD is based on the Federal tax implications of your participation in the Plan, transactions made within your Account, and distributions you may receive from the Plan. The state tax implications of your participation and these transactions should be determined based on an examination of appropriate state law. Please consult with your tax advisor if you have any questions regarding state tax law.

Plan Administration
This Plan is administered by the CSU, which has discretionary authority to interpret and apply Plan provisions. Fidelity, is the Plan Recordkeeper responsible for maintaining and reporting participant elections and account balances. CSU has the right to amend or terminate the Plan, in whole or in part, at any time. No amendment or termination of the Plan will retroactively reduce any amounts allocated to your account.

Below is contact information routinely used by CSU participants:

CSU Systemwide Human Resources
Office of the Chancellor
Phone number: 1-562-951-4411
401 Golden Shore
Long Beach, CA 90802
Website: calstate.edu
Internal Employee Website: https://csyou.calstate.edu/SRP
Federal tax identification number: 94-6001347

CSU Retiree Website
Website: csuretirees.calstate.edu/

Campus Benefits Offices
Your campus benefits office at your campus of employment

Recordkeeper - Fidelity Investments
Fidelity Workplace Services LLC is the Recordkeeper of the Plan. To the extent agreed upon in separate custodial agreements, Fidelity Management Trust Company is the Plan's Custodian. To view the portion of your account invested through Fidelity, make changes to investments, or perform transactions, please use the contact information below:

Website: netbenefits.com/calstate
Phone number: 1-800-343-0860

403(b) Supplemental Retirement Plan At-A-Glance

Plan Feature	How It Works
Eligibility	- Generally, any employee who works for the CSU, is paid directly from the State Controller's Office, and receives an IRS Form W-2 from the State is eligible to enroll.
Your Contributions	· You can contribute a portion of your compensation as pre-tax or after-tax Roth deferrals. · The minimum you can contribute to the Plan is $15 a month. · The maximum amount you can set aside is determined annually by the IRS (for 2019 the maximum pre-tax or Roth deduction is $19,000, plus an additional $6,000 if you are over the age of 50). · Special Catch-up Contributions (Restriction Apply)
Vesting	- Your contributions are 100% Vested at all times.
Investing in your account	- Your contributions are invested as directed by you. - The Plan offers a broad range of investment choices through one Recordkeeper. - Access to a brokerage link to invest in Mutual Funds of your choice outside the Plan available funds.
When can you request a distribution	· If you chose to - you are eligible to receive your full account balance when your CSU employment ends. · 59.5 (regard-less of employment status) - receive Plan pay-out without tax penalty. · Required Minimum Distributions at age 70.5 - unless active. · Hardship withdrawal for severe financial hardship (as defined by the IRS)
Distribution Options	· Lump-sum payment · Installments over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary) · Ad-hoc distributions. You may request a distribution of some or all of your Plan accounts, at any time following termination of employment.
Rollovers/Transfers	· You are able to transfer your former employer 401(k), 457, or 403(b) balance to the Plan. · Transfer your CSU 403(b) Legacy Recordkeepers balances and consolidate your accounts. · IRA to 403(b) transfer is available
Survivor Benefits	· Death benefits for your beneficiaries, funded by your Plan contributions and earnings. · Designate your Beneficiary online
Loans	· Minimum Loan amount is $1,000 · The Plan allows you to borrow the lesser of 50% of your account balance, or $50,000 (Certain restrictions apply).
Fees	· Participants pay a fixed plan administration fee of $11.50 quarterly. · Investment choice fees - vary by investment
Dual Participation	· Contributions to the Plan are offset by any contributions to a 401(k) plan in the same tax year. Contributing to both a 403(b) and a 401(k) plan are restricted by IRS regulations to a combined annual limit. This includes contributions to the Savings Plus 401(k) administered by the California Human Resources Department (CalHR). · You are responsible for your own calculations and must make sure the IRS limits are not exceeded.

PLAN OVERVIEW AND BENEFITS

The California State University Supplemental Retirement Plan (CSU SRP) is a voluntary 403(b) plan that allows eligible employees to save for retirement by investing monthly contributions in tax-deferred accounts under Internal Revenue Code Section 403(b). The CSU Supplemental Retirement Plan can help you save on current taxes and invest towards your retirement at the same time.

Benefits of Participating in the Plan

Saving for Retirement Starts Today!

No excuses!
Ask you Benefits Office for the next SRP workshop!

Convenience - Your contributions are automatically deducted from your paycheck.

Deferred Taxes - Save money on taxes and invest in your future at the same time. You pay no taxes on any earnings until you withdraw them from your account, enabling you to keep more of your money working for you now.

Roth Contributions Option - allows you to make after-tax contributions to your account and withdraw those contributions and accumulated earnings tax-free.

Catch-Up Contributions - If you are 50 years of age or older or if you have at least 15 years of full-time service you may be eligible for an additional "catch-up" contributions.

Select from a variety of investment choices - You have the flexibility to select from investment choices that range from more conservative to more aggressive, making it easy for you to develop a well-diversified investment portfolio.

Fidelity Portfolio Advisory Service at Work - Fidelity will partner with you to create an investment plan, eliminating the time and effort of managing investments.

DEFINITIONS

The information in this section contains general Plan information and definitions for some of the terms used in this SPD.

A. Beneficiary - This is the person or persons (including a trust) you designate, or who are identified by the Plan Document if you fail to designate or improperly designate, who will receive your benefits in the event of your death based on the provisions of the investment choices and distribution options under the Plan.

B. Participant - A Participant is an eligible Employee who has satisfied the eligibility and entry date requirements and is eligible to participate in the Plan or a formerly eligible Employee who has an account balance remaining in the Plan.

C. Plan Administrator - The Plan Administrator is responsible for the administration and operation of the Plan and its duties are identified in the Plan Document. In general, the Plan Administrator is responsible for providing you and your Beneficiaries (when entitled to benefits) with information about your rights and benefits under the Plan. The Plan Administrator will also allow you to review the formal Plan Document and certain other materials related to the Plan. If you have any questions about the Plan or your participation, you should contact your campus benefits office.

The Plan Administrator may designate other parties to perform some duties of the Plan Administrator, and some duties are the responsibility of the investment provider(s) or the Recordkeeper to the Plan. The Plan Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Plan Administrator is conclusive and binding upon all persons. The CSU is the Plan Administrator and has designated a recordkeeper to perform some plan administration duties.

D. Plan Type - The California State University Supplemental Retirement 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 403(b) plan. More information about the contributions made to the Plan can be found in Section III, Contributions.

E. Plan Year - The Plan Year is the 12 month period ending on December 31st.

F. Service of Process - Service of legal process may be made upon the Employer at the Employer's address.

ELIGIBILITY

A. Eligible Employees

Eligible - All employees who work for the CSU, and are paid directly from the State Controller's Office and receive an IRS Form W-2 from the State are eligible to participate in the Plan.

Not Eligible - You are not eligible to participate if you are a leased employee or an individual who is a signatory to a contract, letter of agreement, or other document that acknowledges your status as an independent contractor not entitled to benefits under the Plan and you are not otherwise classified by the CSU as a common law employee or the CSU does not withhold income taxes, file Form W-2 (or any replacement form), or remit Social Security payments to the Federal government for you, even if you are later adjudicated to be a common law employee.

B. Eligibility Requirements and Entry Dates

Your elective deferrals have no requirements and you may begin participating immediately once employed. You can enroll at any time while eligible by the CSU.

COMPENSATION AND CONTRIBUTIONS

A. Compensation

Generally, eligible compensation for computing contribution allocations under the Plan is the taxable compensation for a Plan Year reportable by the CSU on your IRS Form W-2.

B. Contributions

1. Elective Deferrals

You may elect to have a specific dollar amount be contributed to the Plan as an elective deferral by reducing your compensation. The amount you defer is treated as compensation for purposes of Social Security taxes. Such election will become effective as soon as administratively feasible after it is received by the Recordkeeper. Your election will remain in effect until you modify or terminate your election or separate from CSU. Your elective deferrals cannot be forfeited for any reason, however, there are special Internal Revenue Code rules that must be satisfied and may require that some of your contributions be returned to you.

*The monthly cutoff date to make a **Contribution Election** (start, change, or stop) is the 5th of the month.*

The change will generally be effective with your next pay period.

***Important!** If you contribute to a 401(k) and a 403(b) in the same year, your deferrals in both plans must not exceed the annual limit set by the IRS.*

If you exceed the annual limit, the excess must be returned from the plan of your choice to avoid tax consequences.

If you have questions about how these limits apply to you, you should consult a tax advisor.

Your total elective deferrals in any taxable year cannot exceed a dollar limit which is set by law. The limit is $19,000 (in 2019; thereafter as adjusted by the Secretary of the Treasury). This is an aggregate limit that applies to all deferrals you may make under this Plan and any other cash or deferred arrangements (including 401(k) plans, simplified employee pensions or other 403(b) plans, but excluding 457 plans) in which you are participating. Generally, if your total deferrals under all cash or deferred arrangements for a calendar year exceed the annual dollar limit, then the excess must be returned to you in order to avoid adverse tax consequences. If you participate in more than one plan, you must decide from which plan you would like to return the excess. If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Recordkeeper no later than March 1st following the close of the calendar year in which such excess deferrals were made.

a. **Pre-Tax Deferrals:** If you elect to make Pre-Tax Deferrals, then your taxable income is reduced by the deferral contributions so you pay less in income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. With a Pre-Tax Deferral, income taxes on the elective deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

b. **Roth Deferrals:** If you elect to make Roth Deferrals, the elective deferrals are subject to income taxes in the year of elective deferral. However, the elective deferrals and, in certain cases, the earnings on the elective deferrals are not subject to income taxes when distributed to you. In order for the earnings to be tax free, you must meet certain conditions. For purposes of this SPD, "elective deferrals" generally means both Pre-Tax Deferrals and Roth Deferrals.

c. **Age 50 Catch-Up Deferrals:** If you are at least age 50 or older by the end of the calendar year, you may elect to defer up to an additional $6,000 (in 2019; thereafter as adjusted by the Secretary of the Treasury) as an Age 50 Catch-Up Deferral. You can defer the additional amounts regardless of any other limitations on the amount you can defer to the Plan.

How much can I defer per year?

2019 Annual Limit	*$19,000*
Age 50 (Catch-Up)	*$6,000*
Qualified Organization Catch-Up	*$3,000*
For 2019 you could possibly save towards your retirement.	***$28,000***

- *Age 50 Catch-Up - You are automatically qualified at age 50.*
- *Qualified Organization Catch-Up worksheet available online at CSYOU – an additional $3,000 per year up to $15,000*

Contribution Limits Change periodically by the IRS.

d. **Qualified Organization Catch-Up Deferral:** If you have completed at least 15 years of service with the CSU, then you may elect to defer additional amounts (called Qualified Organization Catch-Up Deferrals) to the Plan which exceed the elective deferral limit. A Qualified Organization Catch-Up Deferral increases the elective deferral limit by the lesser of: (1) $3,000; (2) $15,000 reduced by all amounts excluded from your gross income for prior taxable years by reason of your prior Qualified Organization Catch-Up Deferrals; or (3) the excess of $5,000 multiplied by the number of years of service with the CSU, over your elective deferrals (including Qualified Organization Catch-Up Deferrals, but excluding Age 50 Catch-Up Deferrals if applicable) made for prior calendar years.

This means that the maximum Qualified Organization Catch-Up Deferral you can contribute is $3,000 in any calendar year. If you qualify for both Age 50 Catch-Up Deferrals and Qualified Organization Catch-Up Deferrals, you may contribute both types of Catch-Up Deferrals; however, your contributions must be applied to the Qualified Organization Catch-up Deferrals before they are applied to the Age 50 Catch-Up Deferrals. Contact your campus benefits office for further information on how to qualify.

2. Rollover Contributions

If you are an eligible employee, you are generally permitted to roll into the Plan distributions you have received from other plans and certain IRAs. You may ask the Plan Administrator of the other plan or the trustee or custodian of the IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, you may elect to deposit any amount eligible to be rolled over within 60 days of your receipt of the distribution. Your rollover contribution will be accounted for in a "rollover account" and will always be 100% vested. Rollover contributions will be affected by any investment gains or losses. Any Roth deferrals that are accepted as rollovers in this Plan will be accounted for separately.

3. In-Plan Roth Rollover Conversions

You may elect to change the tax treatment of certain accounts from pre-tax accounts to after-tax Roth accounts. These are referred to as In-Plan Roth Rollover Conversions because you are electing to change the tax treatment of an account so that it becomes a Roth account.

If you make such an election, then the amount that is converted will be included in your income for the year of the election. Once you make an election, it cannot be changed. It is important that you understand the tax effects of making the election and ensure you have adequate resources outside of the Plan to pay the additional taxes. The In-Plan Roth Rollover Conversion does not affect the timing of when a distribution may be made to you under the Plan; the conversion only changes the tax character of your account. You should consult with a tax advisor prior to electing a conversion.

Pre-Tax vs. Roth

Pre-tax account: you pay no taxes on amounts contributed to the Plan but you pay taxes on all amounts, including earnings, when they are withdrawn.

Roth account: you pay taxes on the amounts contributed to the Plan and generally pay no taxes on these amounts (and earnings if it is a "qualified distribution") when they are withdrawn.

a. **Amounts that may be converted:** You may elect an In-Plan Roth Rollover Conversion for amounts that cannot currently be distributed to you.

INVESTMENTS, STATEMENTS, AND EXPENSES

A. Investment Choices

The investment products you select (known as investment choices or arrangements) may also affect the provisions of the Plan. In some cases the investment choices may limit your options under the Plan. This SPD does not address the provisions of the various investment choices. The Plan assets may be invested in Mutual Funds and Annuity Contracts. You should contact the Recordkeeper if you have questions about the provisions of your specific investment choices.

The Recordkeeper 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. You will be able to direct the investment of your Plan account. When you direct investments, your account is segregated for purposes of determining the earnings or losses on these investments.

It is HIGHLY recommended that you visit your online account periodically. You are able to change your investment allocation on a daily basis by visiting Fidelity's Net Benefits netbenefits.com/calstate or by calling Fidelity at 800.343.0860

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 the CSU and the Recordkeeper will not provide investment advice or guarantee the performance of any investment you choose. If you do not direct the investment of your Plan account when you initially establish your account, then your account will be invested in accordance with the default investment alternatives CSU establishes under the Plan.

CSU has the responsibility to review the investment choices available and to select the investment choices that will be made available to you. You may allocate your Plan contributions among the available investment choices in any whole number, including full allocation to any single investment choice. The Plan also offers a Self-Directed Brokerage window that allows you to invest in any mutual fund, but this brokerage option is not monitored by the CSU.

"Self-Directed Brokerage window …*not monitored by the CSU"*

Choosing Your Investments!

As a CSU participant, you are entitled to free unlimited complimentary consultations with a Fidelity Retirement Planner at your campus. It is your opportunity to get one-on-one help to answer your specific questions.

You can get more information through Fidelity's regular Workshops, Webinars, or by phone.

You may select from the investment choices offered under the Plan to meet your individual needs. You may change your allocation of future contributions and exchange existing balances among the funds at any time by contacting the Recordkeeper. In general, these funds will fluctuate in value and their yields will vary. For information on any of the investment funds available through the Plan, including share price and performance information, or for your account balance, contact the Recordkeeper. Information on the investment choices is also available in each fund's prospectus.

B. Legacy Recordkeeper with Investment Choices Frozen for New Contributions

The Plan also contains investments from "Legacy Recordkeepers" that are no longer eligible to accept new contributions or transfers. Investment choices remaining with the Legacy Recordkeepers were fund options offered prior to 2016. These Recordkeepers include Voya, MetLife, Valic, TIAA, Ameriprise Financial, AXA Equitable, Lincoln Financial and National Life Group, LSW. The CSU may, subject to the terms of the investment choices, transfer accounts from the Legacy Recordkeepers to accounts maintained by the current Recordkeeper.

C. Statements

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 Recordkeeper of any errors you see on any statements within 30 days after the statement is provided or made available to you.

D. Plan expenses

Participants pay recordkeeping service fees and investment choices fees in the CSU SRP.

> ***Plan Fees:***
> *No Minimum Balance fee*
> *No Sales Loads*
> *Competitive Investment Choices Fees (starting at 0.04%)*
> *Fixed Quarterly recordkeeping fee $11.50*

1. **Recordkeeping Fees** You pay a fixed dollar administrative fee of $46 per year ($11.50 per quarter). The administrative fee is assessed to any participants with a balance in a CSU SRP account held by the current Recordkeeper.
2. **Investment Choice Fees** Investment choice fees are incorporated in the Net Asset Value (NAV) of each investment choice. The fees are not deducted from your CSU SRP account so you do not see an explicit fee deduction on your quarterly benefit statement. These fees are expressed as a percentage (which varies by investment choice) of the investment choice's assets, called an expense ratio. Expense ratios vary from fund to fund, depending on many factors, such as investment objectives, investment style, management fees, and fees associated with a fund's daily operations. These fees reduce the returns of each investment choice in your account. To view the investment management fees for your funds, please view the prospectus at NetBenefits.com/calstate.
3. **Individual Fees and Expenses** Individual fees and expenses include those associated with a service or transaction you may select. If you have an account, and you select or execute the following service(s) or transaction(s), the fee(s) outlined below may be deducted from your account
   - Loan Setup Fee: $75 per loan
   - Express (overnight) delivery: $25 per transaction

VESTING

A. Vesting

You are always 100% vested in your accounts (which means that you are entitled to all of the amounts).

LOANS

A. Loans

Loans give participants access to their savings before retirement, and provided all repayments are made on time, there are no tax penalties. Loans are offered by CSU on the active SRP accounts held under the current Recordkeeper. Balances held at Legacy Recordkeepers must be transferred/rolled over to the current Recordkeeper to review and approve any loan requests.

Certain procedures apply to all loans from the Plan. Details of the loan program are contained in the Loan Administration Policy, which can be obtained from the CSU or the current Recordkeeper.

IN-SERVICE DISTRIBUTIONS

An in-service distribution, is allowed and is available to you. In-service distributions will reduce the value of the benefits you will receive at retirement. This distribution is made at your election subject to possible administrative limitations on the frequency and actual timing of such distributions. The terms of the investment choices that you selected for your Plan contributions might contain additional limits on when you can take a distribution, the form of distribution that is available, as well as your right to transfer among approved investment choices. Please review both this SPD and the terms of your investment choices before requesting a distribution.

In-Service Distributions

Rollover Contributions – distributed as requested

Conditional Distributions – distributions are allowed if you attain the of 59.5 or if you incur a disability.

Hardship Distributions – Immediate and heavy financial needs (certain requirements must be met)

**Possible taxes and penalties.*

A. Withdrawal of Rollover Contributions

In general, you may withdraw amounts in your rollover account that have been rolled over to the Plan from another employer's plan or an IRA at any time.

B. Conditional Distributions

You may receive a distribution prior to termination of employment upon the attainment of age 59.5 or if you incur a disability. The form of distribution may be restricted by the terms of the investment choices.

C. Hardship Distributions

You may withdraw money on account of financial hardship if you satisfy certain conditions. A hardship distribution may be made to satisfy certain immediate and heavy financial needs. Generally, hardship distribution may only be made for payment of the following:

- Expenses for medical care (described in Section 213(d) of the Internal Revenue Code) for you, your spouse, your dependents or your beneficiary.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children, your dependents or your beneficiary.
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children, your dependents or your beneficiary.
- Expenses for the repair of damage to your principal residence (that would qualify for the casualty loss deduction under Internal Revenue Code Section 165).

If you have any of the above expenses, a hardship distribution can only be made if you certify and agree that all of the following conditions are satisfied:

- The distribution is not in excess of the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution; and
- You have obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans that CSU or CalHR maintains.

In addition, there are restrictions placed on hardship distributions which are made from your elective deferral accounts. Generally, the earnings on your elective deferrals may not be distributed to you on account of a hardship as the amount of any hardship distribution from your deferral account is limited to the amount of your prior deferrals, less any deferrals previously distributed. Ask the Recordkeeper if you need further details. Keep in mind that different investment choices may have different conditions and restrictions than those noted above.

Only the active CSU 403(b) SRP accounts held under the current Recordkeeper are approved for hardship distributions. Balances held at Legacy Recordkeepers must be transferred/rolled over to the active plan at the current Recordkeeper to review and approve any hardship requests.

DISTRIBUTIONS

The terms of the investment choices that you select for your Plan contributions might contain additional limits on when you can take a distribution, the form of distribution that is available, as well as your right to transfer among approved investment choices. Please review both this SPD and the terms of your investment choices before requesting a distribution.

A. Distributions upon Termination of Employment

If you terminate employment, you will be entitled to a distribution within a reasonable time.

> ***Post Service Distributions***
>
> *Separation – Distributions commences only at your election.*
>
> *Disability – Continuous period of 12 months or more with a physical or mental impairment (see definition for more details).*
>
> **Possible taxes and penalties.*

1. **Retirement or Separation:** The actual payment of benefits will not begin until you have terminated employment. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your retirement age, you may generally defer the receipt of benefits until you actually terminate employment. In such event, benefit payments will begin as soon as feasible at your request, but generally not later than age 70.5.

2. **Definition of Disability:** Under the Plan, disability is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment must be supported by medical evidence. The Recordkeeper may require that your disability be determined by a licensed physician.

B. Payment of Benefits

The following provisions apply to the extent permitted under the investment choices in which the Plan assets are invested.

1. **Distribution Methods:** If you terminate employment, your vested account balance might be distributed to you under the following methods provided they are permitted under your investment choices:
   - A single lump-sum payment.
   - Installments over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary).
   - An annuity contract that the Recordkeeper provides or purchases with your account balance.
   - Ad-hoc distributions. You may request a distribution of some or all of your Plan accounts, at any time following your termination of employment, subject to any reasonable limits regarding timing and amounts as the CSU or your investment choices may impose.

> ***Distribution Payments***
>
> *Lump Sum – Receive your account balance all in one payment.*
>
> *Installment – Monthly, quarterly or annual installments.*
>
> *Annuity – Purchase an annuity.*
>
> *Ad-hoc – Distributions as needs arises.*
>
> *Distributions must commence the later of reaching age 70.5 or your separation.*
>
> **Possible taxes and penalties.*

2. **Required Beginning Date:** There are rules that require that certain minimum distributions be made from the Plan. Distributions are required to begin no later than the April 1st following the end of the year in which you reach age 70.5 or terminate employment, whichever is later. Contact the Recordkeeper if you think you might be affected by these rules.

Death Benefits - Beneficiary Order

Beneficiary Designated
Surviving Spouse
Estate

You should immediately report any change in your marital status to the Recordkeeper.

C. Distributions Upon Death

If you die while still employed by the CSU, then your vested account balance will be used to provide your beneficiary with a death benefit.

1. Beneficiary of Death Benefit

- You may designate a beneficiary of your choosing.
- No beneficiary designation. Subject to the terms of the investment choices, at the time of your death, if you have not designated a beneficiary or your beneficiary is not alive, the death benefit will be paid (in the following order of priority) to your surviving spouse, then to your estate.

2. Required Minimum Distributions

If your designated beneficiary is a person (other than your estate or most trusts) then minimum distributions of your death benefit must generally begin within one year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, the start of payments may be delayed until the year in which you would have attained age 70.5. Generally, if you die before you are required to begin minimum distributions (which for most people is shortly after the later of age 70.5 or retirement) and your beneficiary is not a person, then your entire death benefit must be paid within five years after your death. Some investment products may allow a person to use this five-year rule. Since a spouse has certain rights in the death benefit, you should immediately report any change in your marital status to the Recordkeeper.

Required Minimum Distribution at Death

- *Distributions generally begin within 1 year of death and paid over the beneficiary's life expectancy.*
- *Payments may be delayed until the year in which you would have attained age 70.5 if your spouse is the beneficiary.*
- *Death after starting RMD – distribution are made to beneficiaries as were scheduled to you.*

3. Death Occurs After Beginning Required Minimum Distributions

Your beneficiary will be entitled to your remaining vested interest in the Plan at the time of your death. Payments must generally come out at least as rapidly as the required minimum distributions. Contact the Recordkeeper for more information regarding the timing and method of payments that apply to your beneficiary.

D. Tax Treatment of Distributions

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59.5 could be subject to an additional federal 10% penalty tax.

You will not be taxed on distributions of your Roth deferrals. In addition, a distribution of the earnings on the Roth deferrals will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59.5 or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a five-year participation period. The five-year participation period is the five-year period beginning the calendar year in which you first make a Roth deferral to the Plan (or to another 401(k) plan or 403(b) plan if such amount was rolled over into this Plan) and ending on the last day of the calendar year that is five years later.

1. Rollover or Direct Transfer

You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

- **60-day rollover:** You may roll over all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, MUST be made within strict time frames (normally, within 60 days after you receive your distribution).

Under certain circumstances, all or a portion of a distribution (such as a hardship distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory Federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, then the direct rollover option described in the paragraph below would be the better choice.

- **Direct rollover:** For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of a distribution be made to either an Individual Retirement Account or Annuity or another employer retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other employer plan. Like the 60-day rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

2. Tax Notice

WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE RECORDKEEPER WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

PARTICIPANT RIGHTS AND CLAIMS

Are my benefits protected?

As a general rule, your interest in your account, including your "vested interest," may not be anticipated, assigned or alienated. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred (except at death to your beneficiary). In addition, except as provided by applicable law, your creditors (other than the IRS) may not attach, garnish, levy or otherwise interfere with your benefits under the Plan.

There are some exceptions to this general rule. For example, your interest in your account can be used as collateral for a Plan loan, if allowed under the Plan. In addition, the Recordkeeper and CSU must honor a qualified domestic relations order (QDRO). A QDRO 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. If a QDRO is received by the Recordkeeper, all or a portion of your benefits may be used to satisfy that obligation. The Recordkeeper will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Recordkeeper, without charge, a copy of the procedure used by the Recordkeeper or CSU to determine whether a qualified domestic relations order is valid. Finally, the Federal government is able to use your interest in the Plan to enforce a federal tax levy and to collect a judgment resulting from an unpaid tax assessment.

Plan Amendment

CSU has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of Participants or their beneficiaries.

Plan Discontinuance or Termination

Although CSU intends to maintain the Plan indefinitely, CSU reserves the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will become 100% vested in all of your accounts under the Plan (assuming you are not already fully vested). CSU will direct the distribution of your accounts in a manner permitted by the Plan, your investment choices and applicable law as soon as practicable. You will be notified if the Plan is terminated.

Submitting a Claim for Plan Benefits

Benefits will generally be paid to you and your beneficiaries without the necessity for formal claims. Contact the CSU or Recordkeeper 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 Recordkeeper or CSU 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.

Denial of Benefits

CSU may adopt a separate claims procedure which will apply to claims under the Plan. In the absence of such a procedure, the relevant Recordkeeper may have a claims procedure which will apply to the portion of your account held by the Recordkeeper. You must exhaust all claims and review procedures, and other administrative remedies, required the CSU and/or Recordkeeper before filing suit in state or federal court related to a denied claim.

When to Bring an Action in Court

If you have a claim for benefits which is denied, then you may file suit in a state or federal court. With respect to all denied claims, and in addition to the requirements of separate claims procedures adopted by the CSU or Recordkeeper, if you (or your beneficiaries) want to obtain judicial review of an adverse benefit determination under the Plan, whether in whole or in part, your suit or legal action must be filed within 12 months after the date the final adverse benefit determination is issued by the CSU or Recordkeeper (or, in the absence of final decision, within a reasonable period of time following the date the final decision should have been issued). If you do not follow the claims and review procedures required by the CSU and/or Recordkeepers, your suit or legal action must be filed within 12 months of the date of the alleged facts or conduct giving rise to the your claim. If you fail to file your suit or legal action within the applicable 12 month limitations period, you will lose all rights to bring any such suit or legal action thereafter. Furthermore, if you fail bring any important facts or evidence to the attention of the CSU and/or Recordkeeper while they are conducting their administrative review, you cannot later include those facts or evidence in your suit or legal action.