

# EACA/QACA

## Summary of Material Modifications

Name of Plan University of Portland Defined Contribution And Tax Deferred Annuity

Name of Adopting Employer University of Portland

Plan Sequence Number 001 Plan Year End 05/31

The Effective Date of this SMM is 07/01/2012.

The purpose of this document is to update several provisions of your Summary Plan Description (SPD). This document is very important and should be kept with your SPD. If any provisions in this Summary of Material Modifications (SMM) conflict with your SPD, the terms of this SMM will apply. To the extent addressed below, the following sections of your SPD are amended to read as follows.

### CONTRIBUTIONS

#### Q1. What if I don't make a specific election to contribute some of my Compensation into the Plan?

You are not required to defer a portion of your Compensation into the Plan. If you elect 0% on the deferral election form and return it to your Employer you will not be enrolled in the Plan as a deferring Participant (i.e., 0% of your Compensation will be deferred into the Plan) unless the Eligible Automatic Contribution Arrangement (EACA) feature is selected below and you are included in a group of employees covered by the EACA.

☒ Yes ☐ No *Eligible Automatic Contribution Arrangement (EACA)*

If "Yes" is selected above and you have satisfied the eligibility requirements but do not make a Deferral election, your Employer will automatically contribute a portion of your Compensation into the Plan as indicated below. Any automatic enrollment elections listed in your SPD will be superseded. You are not required to defer a portion of your Compensation into the Plan and may instruct your Employer to stop Deferrals or to defer a different amount by completing a Deferral election form and delivering it to your Employer. If "No" is selected, the information in the remainder of this question 1 and the information in questions 2 and 3 will not apply to your Plan.

The automatic contribution amount is

☒ 4 % of your Compensation.  
☐ \_\_\_\_\_% of your Compensation, or if greater, the percent of your Compensation deferred into the Plan before your enrollment in the EACA.

Your automatic contribution amount will be reset to the amount described above if no portion of your Deferrals has been automatically contributed to the Plan under the EACA for an entire Plan Year.

You will be automatically enrolled if you are a

- ☒ newly hired employee.  
☐ newly eligible employee.  
☐ current employee who is not deferring into the Plan.  
☐ current employee who has elected to defer less than the percentage listed above.  
☐ current employee.  
☐ the following current employees \_\_\_\_\_.

Automatic Deferrals will be contributed to the Plan as

- ☒ Pre-tax Deferrals.  
☐ Roth Deferrals.

#### Q2. Will the amount of my contributions change?

##### *Deferral Increases*

☐ Yes ☒ No If you were automatically enrolled in the Plan, your Deferral amount will be increased as indicated below.

If "Yes" is selected above, the rate of automatic increase is

- ☐ \_\_\_\_\_% of Compensation per year up to a maximum rate of \_\_\_\_\_%.  
☐ other \_\_\_\_\_.

☐ Yes    ☐ No    If you have chosen to defer a portion of your Compensation into the Plan that is less than \_\_\_\_\_% your Deferral amount will be increased as indicated below.

If "Yes" is selected above, the rate of automatic increase is

☐ \_\_\_\_\_% of Compensation per year up to a maximum rate of \_\_\_\_\_%.

☐ other \_\_\_\_\_.

The automatic increase will occur on

☐ the first day of each Plan Year.

☐ the first day of each calendar year.

☐ each anniversary of your initial Deferral date.

☐ your annual review date.

☐ other \_\_\_\_\_.

**Q3. Will I be permitted to withdraw Deferrals that are automatically contributed to the Plan on my behalf?**

***Withdrawals Under an EACA***

If either question below is answered "Yes," you will be permitted to withdraw (penalty free) that portion of your Deferrals that has been automatically contributed to the Plan under the EACA.

☒ Yes    ☐ No    If you are automatically enrolled in the Plan you will be permitted to withdraw Deferrals that were automatically contributed.

☐ Yes    ☐ No    If you are automatically enrolled in the Plan and have no other Deferrals in the Plan you will be permitted to withdraw Deferrals that were automatically contributed.

If either of the "Yes" boxes is selected above, your election to withdraw must be made within

☐ 30 days following the payroll date that your first Deferral was deducted from your paycheck.

☐ 45 days following the payroll date that your first Deferral was deducted from your paycheck.

☒ 90 days following the payroll date that your first Deferral was deducted from your paycheck.

☐ \_\_\_\_\_ days following the payroll date that your first Deferral was deducted from your paycheck.

If you choose to withdraw your Deferrals, your withdrawal will also consist of any earnings attributable to those Deferrals. Matching Contributions made by your Employer that are related to those Deferrals will be forfeited.

You will be treated as if you have not participated in the EACA before if no portion of your Deferrals has been automatically contributed to the Plan under the EACA for an entire Plan Year. This will affect whether you will be permitted to withdraw that portion of your Deferrals that has been automatically contributed to the Plan under the EACA after you are rehired or your Deferral election expires and you are reenrolled in the EACA.

**Q4. What if I don't make a specific election to contribute some of my Compensation into the Plan?**

You are not required to defer a portion of your Compensation into the Plan. If you elect 0% on the Deferral election form and return it to your Employer you will not be enrolled in the Plan as a deferring Participant (i.e., 0% of your Compensation will be deferred into the Plan) even if the Qualified Automatic Contribution Arrangement (QACA) feature is selected below.

☐ Yes    ☒ No    ***Qualified Automatic Contribution Arrangement (QACA)***

If "Yes" is selected above and you have satisfied the eligibility requirements but you do not make a Deferral election, your Employer will automatically contribute a portion of your Compensation into the Plan as indicated below. In addition, your Employer will make a QACA ACP safe harbor Matching Contribution to the Plan on your behalf. Any automatic enrollment or safe harbor contribution elections listed in your SPD will be superseded. You are not required to defer a portion of your Compensation into the Plan and may instruct your Employer to stop Deferrals or to defer a different amount by completing a Deferral election form and delivering it to your Employer. If "No" is selected, the information in the remainder of this question 4 and the information in questions 5 through 8 will not apply to your Plan.

The QACA Rate Schedule is

	Option 1 <input type="checkbox"/>	Option 2 <input type="checkbox"/>
Initial Rate	3%	_____%
Rate Two	4%	_____%
Rate Three	5%	_____%
Rate Four	6%	_____%
Rate Five	N/A	_____%
Rate Six	N/A	_____%
Rate Seven	N/A	_____%
Rate Eight	N/A	_____%

☐ Yes ☐ No

The percentage of your Compensation deferred into the Plan before your enrollment in the QACA will apply upon your enrollment in the QACA if that rate is higher than the QACA rate in the schedule above.

***QACA Rate Increases***

**QACA Initial Period**

If “Yes” is selected, the QACA rate will increase, if applicable, during your Initial Period.

- ☐ Yes, on the first day of the Plan Year.
- ☐ Yes, on the first day of the calendar year.
- ☐ Yes, on the anniversary of your initial Deferral date.
- ☐ Yes, on your annual review date.
- ☐ Yes, on \_\_\_\_\_.
- ☐ No.

**QACA Subsequent Periods**

QACA rate increases following your Initial Period, if applicable, will occur on

- ☐ the first day of each Plan Year.
- ☐ the first day of each calendar year.
- ☐ each anniversary of your initial Deferral date.
- ☐ your annual review date.
- ☐ other \_\_\_\_\_.

The Initial Period for determining your automatic contribution amount will be reset if no portion of your Deferrals has been automatically contributed to the Plan under the QACA for an entire Plan Year.

Automatic Deferrals will be contributed to the Plan as

- ☐ Pre-tax Deferrals.
- ☐ Roth Deferrals.

**Q5. If I make a specific election, will the amount of my contributions change?**

***Rate Increases If You Have Chosen to Defer***

- ☐ Yes ☐ No If you have chosen to defer a portion of your Compensation into the Plan that is less than \_\_\_\_\_% your Deferral amount will be increased as indicated below.

If “Yes” is selected above, the rate of automatic increase is

- ☐ \_\_\_\_\_% per year up to a maximum rate of \_\_\_\_\_%.
- ☐ other \_\_\_\_\_.

The automatic increase will occur on

- ☐ the first day of each Plan Year.
- ☐ the first day of each calendar year.
- ☐ each anniversary of your initial Deferral date.
- ☐ your annual review date.
- ☐ other \_\_\_\_\_.

**Q6. What contributions will my Employer make?**

Your Employer will make QACA Employer contributions to

- ☐ all employees who are eligible.  
☐ all non-Highly Compensated Employees who are eligible.

***QACA ACP Safe Harbor Contributions***

Your Employer will make a QACA Employer contribution on your behalf based on the following formula.

- ☐ QACA Basic Matching Contribution –

**Base Rate:** If you contribute up to 1% of your Compensation as a Deferral, your Employer will make a QACA Matching Contribution of 100% on these Deferrals plus

**Tier 2:** If you contribute more than 1% but not more than 6% of your Compensation as a Deferral, you will receive a QACA Matching Contribution of 50% on these Deferrals.

- ☐ QACA Enhanced Matching Contribution –

**Base Rate:** Your Employer will make a QACA Matching Contribution of 100% on your Deferrals up to \_\_\_\_\_% of your Compensation plus

**Tier 2:** If you contribute more than \_\_\_\_\_% but not more than \_\_\_\_\_% of your Compensation as a Deferral, you will receive a QACA Matching Contribution of \_\_\_\_\_% on these Deferrals.

- ☐ Other QACA Enhanced Matching Contribution – Your Employer will make a QACA Matching Contribution in an amount equal to the following percentage \_\_\_\_\_.

- ☐ QACA Nonelective Contribution – Once you satisfy the eligibility requirements, your Employer will make a \_\_\_\_\_% nonelective contribution to the Plan on your behalf.

***QACA Additional ACP Safe Harbor Matching Contributions***

In addition to the QACA ACP safe harbor contribution described above, your Employer may choose to make an additional contribution to the Plan on your behalf. If your Employer makes a QACA additional ACP safe harbor Matching Contribution, it will be allocated based on the following formula.

- ☐ Percentage of Contribution Match – Your Employer will match \_\_\_\_\_% on your Deferrals that do not exceed \_\_\_\_\_% of your Compensation.

- ☐ Two-Tiered Percentage of Contribution Match –

**Base Rate:** Your Employer will make an additional Matching Contribution of \_\_\_\_\_% on your Deferrals up to \_\_\_\_\_% of your Compensation plus

**Tier 2:** If you contribute more than \_\_\_\_\_% but not more than \_\_\_\_\_% of your Compensation as a Deferral, you will receive an additional Matching Contribution of \_\_\_\_\_% on these Deferrals.

- ☐ Discretionary Formula – In addition to the QACA safe harbor Matching Contribution, your Employer will decide from year to year whether to make any additional Matching Contributions to the Plan. The additional Matching Contribution will be based on the percentage of Compensation that you contribute to the Plan as a Deferral.

**Q7. Will I be able to keep my QACA ACP safe harbor contributions if I terminate employment or I am no longer eligible to participate in the Plan?**

***QACA ACP Safe Harbor Contributions***

The following vesting schedule will apply to your QACA ACP safe harbor contributions.

YEARS OF VESTING SERVICE	VESTED PERCENTAGE		
	Option 1 <input type="checkbox"/>	Option 2 <input type="checkbox"/>	Option 3 <input type="checkbox"/>
Less than One	100%	0%	_____%
1	100%	0%	_____%
2	100%	100%	100%

Any QACA additional ACP safe harbor Matching Contributions made by your Employer will vest according to the schedule selected by your Employer for Matching Contributions as indicated in your summary plan description.

**Q8. Will I be permitted to withdraw Deferrals that are automatically contributed to the Plan on my behalf?**

***Withdrawals Under an QACA***

If either question below is answered “Yes,” you will be permitted to withdraw (penalty free) that portion of your Deferrals that has been automatically contributed to the Plan under the QACA.

☐ Yes    ☐ No

If you are automatically enrolled in the Plan you will be permitted to withdraw Deferrals that were automatically contributed.

☐ Yes    ☐ No

If you are automatically enrolled in the Plan and have no other Deferrals in the Plan you will be permitted to withdraw Deferrals that were automatically contributed.

If either of the “Yes” boxes is selected above, your election to withdraw must be made within

☐ 30 days following the payroll date that your first Deferral was deducted from your paycheck.

☐ 45 days following the payroll date that your first Deferral was deducted from your paycheck.

☐ 90 days following the payroll date that your first Deferral was deducted from your paycheck.

☐ \_\_\_\_ days following the payroll date that your first Deferral was deducted from your paycheck.

If you choose to withdraw your Deferrals, your withdrawal will also consist of any earnings attributable to those Deferrals. Matching Contributions made by your Employer that are related to those Deferrals will be forfeited.

You will be treated as if you have not participated in the QACA before if no portion of your Deferrals has been automatically contributed to the Plan under the QACA for an entire Plan Year. This will affect whether you will be permitted to withdraw that portion of your Deferrals that has been automatically contributed to the Plan under the QACA after you are rehired or your Deferral election expires and you are reenrolled in the QACA.

<b>DEFINITIONS</b>
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**Initial Period** – Your Initial Period begins on the date you first participate in the QACA and ends on the last day of the Plan Year that starts after the date you first participate in the QACA.