

**LANSING COMMUNITY COLLEGE OPTIONAL RETIREMENT PLAN**  
**SUMMARY OF PLAN PROVISIONS**

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# LANSING COMMUNITY COLLEGE OPTIONAL RETIREMENT PLAN

## SUMMARY OF PLAN PROVISIONS

### INTRODUCTION TO YOUR PLAN

#### What kind of Plan is this?

Lansing Community College Optional Retirement Plan ("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 qualified retirement plan commonly referred to as a Money Purchase Plan. Generally, you are not taxed on the amounts we contribute to the Plan until you withdraw these amounts from the Plan.

#### What information does this Summary provide?

This Summary of Plan Provisions contains information regarding your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Summary to get a better understanding of your rights and obligations under the Plan.

If you have any questions about the Plan, please contact the Administrator or other plan representative. The Administrator is responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan. The name and address of the Administrator 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 conflicts with the language of the Plan document, then the Plan document always governs.

All amounts in the Plan will be invested either in annuity contracts or in mutual funds held in a trust account. The agreements constituting or governing the annuity contracts (the "Individual Agreements") explain your rights under the contracts and the unique rules that apply to each Plan investment which may, in some cases, limit your options under the Plan. You should review the Individual Agreements along with this Summary to gain a full understanding of your rights and obligations under the Plan. Contact your Employer or the investment vendor to obtain copies of the Individual Agreements or to receive more information regarding the investment arrangements available under the Plan.

The Plan and your rights under the Plan are subject to various laws, including the Internal Revenue Code. The provisions of the Plan are subject to revision due to a change in laws. Your Employer may also amend or terminate this Plan.

**Types of Contributions.** The Plan includes provisions for the following types of contributions:

- Employer nonelective contributions
- Mandatory employee contributions
- Employee rollover contributions

## ARTICLE I PARTICIPATION IN THE PLAN

#### How do I participate in the Plan?

Provided you are not an Excluded Employee, you may begin participating under the Plan once you have satisfied the eligibility requirements and reached your "Entry Date." The following describes the eligibility requirements and Entry Dates that apply. You should contact the Administrator if you have questions about the timing of your Plan participation.

**Excluded Employees.** If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States
- leased employees
- seasonal employees.
- all part-time employees, full-time support, full-time police, full-time facilities, contractors, coaches, specialized professionals, student employees

**Eligibility Conditions.** You will be eligible to participate in the Plan on your date of hire. However, you will actually become a Participant in the Plan once you reach the Entry Date as described below.

**Entry Date.** Your Entry Date will be the date on which you satisfy the eligibility requirements. If you are rehired, your service is disregarded and you are treated as a newly hired employee.

#### **What happens if I'm a participant, terminate employment and then I'm rehired?**

If you are no longer a participant because you terminated employment, and you are rehired, then you will be able to participate in the Plan on your date of rehire provided you are otherwise eligible to participate in the Plan.

## **ARTICLE II EMPLOYEE CONTRIBUTIONS**

#### **What are rollover contributions?**

**Rollover contributions.** Subject to the provisions of your investment arrangements and at the discretion of the Administrator, if you are a Participant who is currently employed, you may be permitted to deposit into the Plan distributions you have received from other retirement plans. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask the Administrator or Trustee of the other plan 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. You should consult qualified counsel to determine if a rollover is in your best interest.

**Rollover account.** Your rollover will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this Summary entitled "Vesting"). This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses.

#### **What are mandatory employee contributions?**

**Mandatory contributions.** As a condition of employment, prior to your first becoming eligible to participate you must agree to contribute 4.3% of your compensation to the Plan and you cannot revoke this election. You will always be 100% vested (your ownership rights) in any required amounts you elect to contribute to the Plan.

**Withdrawal of mandatory contributions.** You may not withdraw required contributions prior to your termination of employment.

**Treatment as Employer contributions.** The mandatory contribution you make is considered, for purposes of federal taxes, to be an Employer contribution (many people refer to these as pick-up contributions because the Employer is picking up the contribution as though it were making the contribution). This means that the mandatory contribution is not subject to federal income taxes, and in most cases, will not be subject to Social Security and Medicare taxes. This summary still refers to these contributions as mandatory employee contributions in order to avoid confusion with respect to other Employer contributions that may be made under the Plan.

## **ARTICLE III EMPLOYER CONTRIBUTIONS**

This Article describes Employer contributions that will be made to the Plan.

#### **What is the Employer nonelective contribution and how is it allocated?**

**Nonelective contribution.** Your Employer will make a nonelective contribution equal to 12% of your Compensation for each Plan Year.

**Allocation conditions.** In order to share in the nonelective contribution for a Plan Year, you must satisfy the following conditions:

- If you are employed on the last day of the Plan Year, you will share employee makes mandatory contribution.
- If you terminate employment (not employed on the last day of the Plan Year), you will receive a nonelective contribution employee makes mandatory contribution.

#### **What are forfeitures and how are they allocated?**

**Definition of forfeitures.** In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that your Employer makes to the Plan. This means that you will not be "vested" in (entitled to) all of the contributions until you have been employed with the Employer for a specified period of time (see the Article entitled "Vesting"). If a participant terminates employment before being fully vested, then the non-vested portion of the terminated participant's account balance remains in the Plan and is called a forfeiture.

**Allocation of forfeitures.** The Employer may use forfeitures to pay Plan expenses or to reduce amounts otherwise required to be contributed to the Plan. In some cases, remaining forfeitures will be used to reduce Employer contributions.

## **ARTICLE IV COMPENSATION AND ACCOUNT BALANCE**

### **What compensation is used to determine my Plan benefits?**

**Definition of compensation.** For the purposes of the Plan, compensation has a special meaning. Compensation is generally defined as your total compensation that is subject to income tax and paid to you by your Employer during the calendar year ending within the Plan Year.

**Adjustments to compensation.** The following adjustments to compensation will be made:

- compensation paid after you terminate is generally excluded for Plan purposes. However, the following amounts will be included in compensation even though they are paid after you terminate employment, provided these amounts would otherwise have been considered compensation as described above and provided they are paid within 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment:
  - compensation for services performed during your regular working hours, or for services outside your regular working hours (such as overtime or shift differential) or other similar payments that would have been made to you had you continued employment
  - compensation paid for unused accrued bona fide sick, vacation or other leave, if such amounts would have been included in compensation if paid prior to your termination of employment and you would have been able to use the leave if employment had continued
  - nonqualified unfunded deferred compensation if the payment is includible in gross income and would have been paid to you had you continued employment

### **Is there a limit on the amount of compensation which can be considered?**

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2025 is \$350,000. After 2025, the dollar limit may increase for cost-of-living adjustments.

### **Is there a limit on how much can be contributed to my account each year?**

Generally, the law imposes a maximum limit on the amount of contributions that may be made to your account and any other amounts allocated to any of your accounts during the Plan Year, excluding earnings. Beginning in 2025, this total cannot exceed the lesser of \$70,000 or 100% of your annual compensation. After 2025, the dollar limit may increase for cost-of-living adjustments.

### **How is the money in the Plan invested?**

The assets of the Plan are held in annuity contracts for the benefit of Plan participants and their beneficiaries in accordance with the terms of this Plan. These contracts will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

### **What investments are permitted?**

Your Employer (or someone appointed by your Employer) will select the investment vendors and investment options that will be available under the Plan. The investment options will be limited to annuity contracts and/or mutual funds purchased through a trust account. The list of approved investment options and vendors may change from time to time as your Employer considers appropriate. Your Employer may restrict the list of vendors who may accept new contributions to the Plan and it may be different from the list of vendors and investment options available once the contributions have been made to the Plan through a contract exchange. You should carefully review the Individual Agreements governing the annuity contracts and trust account, the prospectus, or other available information before making investment decisions.

### **Who is responsible for selecting the investments for my contributions under the Plan?**

You have the right to decide how your Plan balance will be invested. Your Employer will establish administrative procedures that you must follow to select your investments. Your Employer will designate a list of vendors and investment options that you may select for new contributions to the Plan. You will have the ability to transfer your Plan balance among these vendors and investment options to the extent permitted by the Individual Agreements. Contact your Employer if you are not certain whether a particular vendor or investment option is permitted under the Plan. If you do not select investments for your Plan account, the Employer will determine how your account will be invested.

### **How frequently can I change my investment elections?**

You may change your initial investment selections as frequently as permitted under the Individual Agreements.

**Earnings or losses.** When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance of 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, the Administrator, and the Insurer will not provide investment advice or guarantee the performance of any investment you choose.

#### **Will Plan expenses be deducted from my account balance?**

**Expenses allocated to all accounts.** The Plan permits the payment of Plan expenses to be made from the Plan's assets, to the extent permitted under the contracts in which the Plan assets are invested. The method of allocating the expenses depends on the nature of the expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated proportionately to each participant. If the Plan pays \$1,000 in expenses and there are 100 participants, your account balance would be charged \$10 (\$1,000/100) of the expense.

**Terminated employee.** After you terminate employment, your Employer reserves the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether your Employer pays some of these expenses on behalf of current employees, to the extent permitted under the contracts in which the Plan assets are invested.

**Expenses allocated to individual accounts.** There are certain other expenses that may be paid just from your account, to the extent permitted under the contracts in which the Plan assets are invested. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses may be paid directly from your account (and not the accounts of other participants) because they are directly attributable to you under the Plan. The Administrator can inform you when there will be a charge (or charges) directly to your account.

Your Employer may, from time to time, change the manner in which expenses are allocated.

### **ARTICLE V VESTING**

#### **What is my vested interest in my account?**

In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that your Employer makes to the Plan. This means that you will not be entitled ("vested") in all of the contributions until you have been employed with the Employer for a specified period of time.

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

- mandatory employee contributions
- rollover contributions

**Vesting schedules.** Your "vested percentage" for certain Employer contributions is based on vesting Years of Service. This means at the time you stop working, your account balance attributable to contributions subject to a vesting schedule is multiplied by your vested percentage. The result, when added to the amounts that are always 100% vested as shown above, is your vested interest in the Plan, which is what you will actually receive from the Plan.

#### **Employer Contributions**

Your "vested percentage" in your account attributable to Employer contributions is determined under the following schedule. You will always be 100% vested in these contributions if you are employed on or after your Normal Retirement Age.

Vesting Schedule Nonelective Contributions	
Years of Service	Percentage
Less than 2	0%
2	100%

#### **How is my service determined for vesting purposes?**

**Year of Service.** To earn a Year of Service, you must be credited with at least 1,020 Hours of Service during a Plan Year. The Plan contains specific rules for crediting Hours of Service for vesting purposes. The Administrator will track your service and will credit you

with a Year of Service for each Plan Year in which you are credited with the required Hours of Service, in accordance with the terms of the Plan. If you have any questions regarding your vesting service, you should contact the Administrator.

**Hour of Service.** You will be credited with your actual Hours of Service for:

- (a) each hour for which you are directly or indirectly compensated by the Employer for the performance of duties during the Plan Year;
- (b) each hour for which you are directly or indirectly compensated by the Employer for reasons other than the performance of duties (such as vacation, holidays, sickness, disability, lay-off, military duty, jury duty or leave of absence during the Plan Year); and
- (c) each hour for back pay awarded or agreed to by the Employer.

You will not be credited for the same Hours of Service both under (a) or (b), as the case may be, and under (c). For Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees) the monthly equivalency method (190 hours per month) will be used.

If you are rehired, your service is disregarded and you are treated as a newly hired employee.

**What service is counted for vesting purposes?**

**Service with the Employer.** In calculating your vested percentage, all service you perform for the Employer will generally be counted.

**Military Service.** If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. If you may be affected by this law, ask the Administrator for further details.

**When will the non-vested portion of my account balance be forfeited?**

If you are partially vested in your account balance when you leave, the non-vested portion of your account balance will be forfeited on the earlier of the date:

- (a) as soon as reasonably practicable after you leave employment.

## **ARTICLE VI BENEFITS AND DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT**

**When can I get money out of the Plan?**

You may receive a distribution of the vested portion of some or all of your accounts in the Plan for the following reasons, provided the distribution is also permitted under the term of the contracts in which the Plan assets are invested:

- termination of employment for reasons other than death or retirement
- normal retirement
- disability
- death

This Plan is designed to provide you with retirement benefits. However, distributions are permitted if you die or become disabled. In addition, certain payments are permitted when you terminate employment for any other reason. The rules under which you can receive a distribution are described in this Article. The rules regarding the payment of death benefits to your beneficiary are described in "Benefits and Distributions Upon Death."

**Military Service.** If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. There may also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Administrator for further details.

**What happens if I terminate employment before death, disability or retirement?**

You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. (See the question entitled "How will my benefits be paid to me?" for additional information.)

Regardless of the preceding, the distribution provisions described above only apply if they are permitted by the contracts in which the Plan assets are invested.



## **What happens if I terminate employment at Normal Retirement Date?**

**Normal Retirement Date.** You will attain your Normal Retirement Age when you reach age 65. Your Normal Retirement Date is the date on which you attain your Normal Retirement Age.

**Payment of benefits.** You will become 100% vested in all of your accounts under the Plan if you retire on or after your Normal Retirement Age. However, the actual payment of benefits generally will not begin until you have terminated employment and reached your Normal Retirement Date. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Date, you may generally defer the receipt of benefits until you actually terminate employment. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

## **What happens if I terminate employment due to disability?**

**Definition of disability.** Under the Plan, disability is defined as a physical or mental condition resulting from bodily injury, disease, or mental disorder which renders you incapable of continuing any gainful occupation and which has lasted or can be expected to last for a continuous period of at least twelve (12) months. Your disability must be determined by a licensed physician. However, if your condition constitutes total disability under the federal Social Security Act, then the Administrator may deem that you are disabled for purposes of the Plan.

**Payment of benefits.** If you become disabled while an employee, you will be entitled to your vested account balance under the Plan. Payment of your disability benefits will be made to you as if you had retired. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

## **How will my benefits be paid to me?**

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

**Forms of distribution.** If your vested account balance does not exceed \$5,000, then your vested account balance may only be distributed to you in a single lump-sum payment. In determining whether your vested account balance exceeds the \$5,000 threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

In addition, you must consent to receive any distribution of your vested account balance before it may be made. In determining whether your vested account balance exceeds this dollar threshold, "rollover" contributions (and any earnings allocable to "rollover" contributions) will be taken into account. You may elect to receive a distribution of your vested account balance in:

- 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)
- partial withdrawals
- annuities

**Delaying distributions.** You may delay the distribution of your vested account balance. However, if you elect to delay the distribution of your vested account balance, there are rules that require that certain minimum distributions be made from the Plan. Distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or retire.

**Annuity Distribution.** If you are married on the date your benefits are to begin, you will automatically receive a joint and 50% survivor annuity, unless you elect an alternative form of payment. This means that you will receive payments for your life, and after your death, your surviving spouse will receive a monthly benefit for the remainder of his or her life equal to 50% of the benefit you were receiving at the time of your death. You may elect a joint and 75%, 66 2/3% or 100% survivor annuity instead of the standard joint and 50% survivor annuity. You should consult an advisor before making such election.

If you are not married on the date your benefits are to begin, you will automatically receive a life annuity, unless you elect an alternative form of payment. This means you will receive payments for as long as you live.

**Consent requirements.** You must consent to receive any distribution of your vested account balance before it may be made. In addition, if your vested account balance exceeds \$5,000 and you want the distribution to be in a form other than an annuity, you (and your spouse, if you are married) must first waive the annuity form of payment. In determining whether your vested account balance exceeds these dollar threshold(s), "rollover" contributions (and any earnings allocable to "rollover" contributions) will be taken into account.

## **May I elect another form of benefit?**

**Waiver of annuity.** If your vested benefit in the Plan exceeds \$5,000, then when you are about to receive any distribution, the Administrator will explain the joint and survivor annuity or the life annuity to you in greater detail. You will be given the option of waiving

the joint and survivor annuity or the life annuity form of payment during the 180-day period before the annuity is to begin. IF YOU ARE MARRIED, YOUR SPOUSE MUST IRREVOCABLY CONSENT IN WRITING TO THE WAIVER IN THE PRESENCE OF A NOTARY OR A PLAN REPRESENTATIVE. You may revoke any waiver. The Administrator will provide you with forms to make these elections. Since your spouse participates in these elections, you must immediately inform the Administrator of any change in your marital status.

**Other form of distribution.** If your vested account balance exceeds \$5,000 and you and your spouse elect not to take a joint and survivor annuity, or if you are not married when your benefits are scheduled to begin and have elected not to take a life annuity, you may elect to receive a distribution of your vested account balance in an alternative form of payment. This payment may be made in one of the following methods:

- 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)
- partial withdrawals
- the purchase of a different form of annuity

**Delaying distributions.** You may delay the distribution of your vested account balance. However, if you elect to delay the distribution of your vested account balance, there are rules that require that certain minimum distributions be made from the Plan. Distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or retire. You should contact the Administrator if you think you may be affected by these rules.

## ARTICLE VII BENEFITS AND DISTRIBUTIONS UPON DEATH

### What happens if I die while working for the Employer?

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

### Who is the beneficiary of my death benefit?

**Married Participant.** If you are married at the time of your death, your spouse will be the beneficiary of 50% of the death benefit unless an election is made to change the beneficiary. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE (IF YOU ARE MARRIED) MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE PORTION OF THE DEATH BENEFIT PAYABLE TO YOUR SPOUSE. YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NONSPOUSE BENEFICIARY.

If you are married and you change your designation, then your spouse must again consent to the change. Also, since the death benefit payable to your spouse is not your entire vested account balance, you may, at any time, designate the beneficiary for amounts in excess of the portion of the death benefit payable to your spouse without your spouse's consent. In addition, you may elect a beneficiary other than your spouse without your spouse's consent if your spouse cannot be located.

**Unmarried Participant.** If you are not married, you may designate a beneficiary on a form to be supplied to you by the Administrator.

**No beneficiary designation.** At the time of your death, if you have not designated a beneficiary or the individual named as your beneficiary is not alive, then unless stated otherwise in the contracts in which the Plan assets are invested, the death benefit will be paid in the following order of priority to: Estate 100%.

### How will the death benefit be paid to my beneficiary?

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

**Form of distribution.** If the death benefit payable to a beneficiary does not exceed \$5,000, then the benefit may only be paid as a lump-sum. If the death benefit exceeds \$5,000, your beneficiary may elect to have the death benefit paid in:

- a single lump-sum payment
- installments over a period of not more than the assumed life expectancy of your beneficiary
- partial withdrawals
- annuities

**Annuity distribution.** If the death benefit does not exceed \$5,000, then the benefit may only be paid as a lump-sum. If you are married at the time of your death and the death benefit exceeds \$5,000, the death benefit will be paid in the form of an annuity, that is, periodic payments over the life of your spouse. Your spouse may direct that payments begin within a reasonable period of time after your death. The size of the monthly payments will depend on the value of your vested account at the time of your death.

**Waiver of annuity.** You (and your spouse if you are married) may waive the annuity form of distribution. Generally, the period during which you and your spouse may waive the annuity begins as of the first day of the Plan Year in which you reach age 35 and ends when you

die. The Administrator must provide you with a detailed explanation of the annuity. This explanation must generally be given to you during the period of time beginning on the first day of the Plan Year in which you will reach age 32 and ending on the first day of the Plan Year in which you reach age 35. It is important that you inform the Administrator when you reach age 32 so that you may receive this information.

Under a special rule, you and your spouse may waive the survivor annuity form of payment any time before you turn age 35. However, any waiver will become invalid at the beginning of the Plan Year in which you turn age 35, and you and your spouse will be required to make another waiver.

If you waive the annuity form of distribution, and you are not married, or for amounts in excess of the minimum spouse's death benefit, then your beneficiary may elect an alternative form of payment. This payment may be made in:

- a single lump-sum payment
- installments over a period of not more than the assumed life expectancy of your beneficiary
- partial withdrawals
- the purchase of a different form of annuity

#### **When must the last payment be made to my beneficiary?**

The law generally restricts the ability of a retirement plan to be used as a method of retaining money for purposes of your death estate. Thus, there are rules that are designed to ensure that death benefits are distributable to beneficiaries within certain time periods. Regardless of the method of distribution selected, if your designated beneficiary is a person (rather than your estate or some trusts) then minimum distributions of your death benefit will begin by the end of the year following the year of your death ("1-year rule") and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, then under the "1-year rule," the start of payments will be delayed until the year in which you would have attained age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) unless your spouse elects to begin distributions over his or her life expectancy before then. However, instead of the "1-year rule" your beneficiary may elect to have the entire death benefit paid by the end of the fifth year following the year of your death (the "5-year rule"). Generally, if your beneficiary is not a person, your entire death benefit must be paid under the "5-year rule."

**Required Minimum Distributions.** Distributions must generally begin by April 1 of the calendar year following the year you turn age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or, in some cases, when you retire, if later. For more information, see IRS Publication 590-B. Effective after December 31, 2021, generally if your designated beneficiary is a person (other than your estate or certain trusts), then regardless of the method of distribution a beneficiary might otherwise be able to elect, minimum distributions of your death benefit must begin no later than the end of the calendar year which follows the year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. Generally, if your beneficiary is not a person, then your entire death benefit must be paid within five years after your death.

Since your spouse has certain rights to the death benefit, you should immediately report any change in your marital status to the Administrator.

#### **What happens if I'm a participant, terminate employment and die before receiving all my benefits?**

If you terminate employment with the Employer and subsequently die, your beneficiary will be entitled to your remaining interest in the Plan at the time of your death.

### **ARTICLE VIII TAX TREATMENT OF DISTRIBUTIONS**

#### **What are my tax consequences when I receive a distribution from the Plan?**

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 1/2 could be subject to an additional 10% tax.

#### **Can I elect a rollover to reduce or defer tax on my distribution?**

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

(a) **60-day rollover.** The rollover of 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 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 rollover all or a portion of your distribution amount, then the direct transfer option described in paragraph (b) below would be the better choice.

(b) **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 (IRA) 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 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. If you decide to directly transfer all or a portion of a distribution, you (and your spouse, if you are married) must first waive the annuity form of payment. (See the question entitled "How will my benefits be paid to me?" for a further explanation of this waiver requirement.)

**Tax Notice.** WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE ADMINISTRATOR 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.

## **ARTICLE IX LOANS**

### **Is it possible to borrow money from the Plan?**

No, it is not possible to borrow money from the Plan. Plan loans are not permitted.

## **ARTICLE X CLAIMS PROCEDURES**

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

The Plan Administrator 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 Plan Administrator, all or a portion of your benefits may be used to satisfy that obligation. The Plan Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Plan Administrator, without charge, a copy of the procedure used by the Plan Administrator to determine whether a domestic relations order is valid.

### **Can the Plan be amended?**

Your Employer 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. Additionally, no amendment will cause any reduction in the amount credited to your account.

### **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 and all amounts credited to your accounts will become 100% vested. Your Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. (See the question entitled "How will my benefits be paid to me?" for a further explanation.) 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 Administrator 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 Administrator 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.

### **What if my benefits are denied?**

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Administrator will provide you with notification of the Plan's adverse determination. This written or electronic notification will be provided to you within a reasonable period of time.

## **ARTICLE XI 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 Lansing Community College Optional Retirement Plan.

**Plan Effective Dates**

This Plan was originally effective on April 1, 1999. The amended and restated provisions of the Plan become effective on October 1, 2025. However, this restatement was made to conform the Plan to new tax laws and some provisions may be retroactively effective.

**Other Plan Information**

Valuations of the Plan assets are generally made every business day. Certain distributions are based on the Anniversary Date of the Plan. This date is the last day of the Plan Year.

The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1st and ends on December 31st.

**Employer Information**

Your Employer's name, address and identification number are:

Lansing Community College  
610 N. Capitol Avenue  
Lansing, Michigan 48933  
38-1787641

**Administrator Information**

The Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator 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. The 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 the Administrator. The Administrator may designate other parties to perform some duties of the Administrator.

The 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 Administrator is conclusive and binding upon all persons.

Your Administrator's name and contact information are:

Lansing Community College  
610 N. Capitol Avenue  
Lansing, Michigan 48933  
517-483-1870

**Plan Insurer Information and Plan Funding Medium**

The assets of the Plan are held in annuity contracts issued for the benefit of Plan participants and their beneficiaries in accordance with the terms of this Plan. These contracts will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

The contact information for the Plan's Insurer is:

TIAA  
8500 Andrew Carnegie Blvd  
Charlotte, North Carolina 28262-8500  
Telephone: 888-842-7782