

**AMENDMENT NUMBER TWO
TO THE
UNIVERSITY OF ILLINOIS SUPPLEMENTAL 403(b) RETIREMENT PLAN**

WHEREAS, the University of Illinois (University) maintains the University of Illinois Supplemental 403(b) Retirement Plan (Plan), as amended and restated effective as of January 1, 2009, and amended once thereafter effective as of March 1, 2010, for the benefit of its eligible employees; and

WHEREAS, pursuant to Section 10.2 of the Plan, the University has reserved the right to amend the Plan from time to time in certain respects; and

WHEREAS, the University has determined that the Plan should be amended, effective as of January 1, 2013, to make clear that loans under all retirement plans maintained by the University must be coordinated for purposes of the applicable loan rules.

NOW, THEREFORE, BE IT RESOLVED, that the Plan is hereby amended, effective as of January 1, 2013, as follows:

1. By amending Section 6.03, **Maximum Loan Amount**, in its entirety to read as follows:

Section 6.03. Maximum Loan Amount. No loan to a Participant under the Plan may exceed the lesser of:

(a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or

(b) one half of the value of the Participant's Vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 6.03, any loan from any other qualified retirement plan, as defined in Internal Revenue Code Sections 72(p)(4)(A) and (B), maintained by the University will be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan will be considered a Vested interest under this Plan; provided, however, that the provisions of this paragraph will not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph."

2. By amending paragraph (a) of Section 7.05, **Hardship Withdrawals**, to read as follows:

"(a) Hardship withdrawals of Elective Deferrals (excluding any earnings on such Elective Deferrals after December 31, 1988) will be permitted under the Plan for financial hardship incurred by a Participant who is at the time of the hardship withdrawal an Employee, the Participant's spouse, or the Participant's tax code dependent in accordance with the safe harbor rules under sections 1.401(k)-1(d)(3)(iii)(B) and 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations, but only to the extent (i) that the Vendor has been approved by the Administrator to permit hardship withdrawals with respect to its Funding Vehicles and (ii) permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. No Elective Deferrals, no elective deferrals under any other qualified or nonqualified retirement plans maintained by the University, and no additional hardship withdrawals will be allowed during the six month period beginning on the date the Participant receives a distribution on account of hardship. Participants are required to complete a new Salary Reduction and/or Redirection Agreement in accordance with Section 3.02 following the end of the six month suspension."

IN WITNESS WHEREOF, the University has caused this Amendment to be signed by its duly authorized representatives as of the date stated below, but effective as of January 1, 2013.

**THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS**

Date: _____

By: _____
Title: Comptroller

By: _____
Title: Secretary

APPROVED AS TO LEGAL FORM:

Date: _____

By: _____
Office of University Counsel

APPROVED:

Date: _____

By: _____
Title: _____
Unit: _____

Date: _____

By: _____
Title: _____
Unit: _____