

**AMENDMENT 2020-1
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), amended and restated effective March 1, 2018, and amended by Amendment 2018-1 effective January 1, 2019, 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 now desires to amend the Plan to make certain changes to the hardship withdrawal provisions in accordance with the Bipartisan Budget Act of 2018, the final Treasury Regulations relating to hardship withdrawals, the Setting Every Community up for Retirement Enhancement Act of 2019, and the Coronavirus Aid, Relief, and Economic Security Act of 2020.

NOW, THEREFORE, BE IT RESOLVED, that the Plan is hereby amended, effective as set forth herein, as follows:

1. Effective April 6, 2020, a new paragraph (mm) is hereby added to the end of Section 2.02 of the Plan to be and read as follows:

(mm) "Coronavirus-Related Distribution" means a distribution made on or after April 6, 2020, but before December 31, 2020, to a Qualified Individual in accordance with Section 7.12.

2. Effective April 6, 2020, a new paragraph (nn) is hereby added to the end of Section 2.02 of the Plan to be and read as follows:

(nn) "Qualified Individual" means a Participant:

(1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(3) who experiences adverse financial consequences as a result of (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or (v) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

3. Effective April 1, 2020, paragraph (a) of Section 4.06, Correction of Excess Elective Deferrals, is hereby amended to be and read as follows:

(a) If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described in this Article IV, or the Elective Deferral on behalf of a Participant for any calendar year exceeds these limitations when combined with other amounts deferred by the Participant under another plan of the Employer under Code Section 403(b) (and any other plan that permits elective deferrals under Code Section 402(g) for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitations (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant by no later than the April 15th (July 15th for distributions made in 2020) following the calendar year in which the Excess Elective Deferral was made, provided that the Participant notifies the Employer in writing of the excess amounts by no later than the preceding March 1st (June 1st for distributions made in 2020). A Participant shall be deemed to have notified the Employer of excess Elective Deferrals to the extent the Participant has excess Elective Deferrals for the calendar year calculated by taking into account only Elective Deferrals under this Plan and amounts deferred by the Participant to other plans of the Employer. Any tax consequences resulting from a Participant's failure to notify the Employer under this Section are the sole responsibility of the Participant. If a Participant who made Pre-Tax Elective Deferrals and Roth Elective Deferrals for a calendar year has excess amounts for that year, unless the terms governing the applicable Investment Arrangement provide otherwise, the excess amounts shall be distributed out of the Roth Elective Deferral Account unless the Participant elects to instead have the excess amounts distributed out of the Pre-Tax Elective Deferral Account.

4. Effective March 27, 2020, Section 6.03, Repayment, is hereby amended to be and read as follows:

Section 6.03. Repayment.

(a) Subject to paragraph (b), any loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan. If such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Participant, the amortization period shall not extend beyond 15 years from the date of the loan.

(b) If a Participant who is a Qualified Individual has an outstanding loan on or after March 27, 2020, and the Participant certifies to the Vendor that he or she is a Qualified Individual, this paragraph (b) shall apply:

(1) if the due date pursuant to paragraph (a) for any repayment with respect to such loan occurs during the period beginning on March 27, 2020, and ending on December 31, 2020, such due date shall be delayed for one year;

(2) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under subparagraph (1) and any interest accruing during such delay; and

(3) in determining the period and the term of a loan under paragraph (a), the period described in subparagraph (1) of this paragraph shall be disregarded.

5. Effective January 1, 2020, Section 7.06, Hardship Withdrawals, is hereby amended in its entirety to be and read as follows:

Section 7.06. Hardship Withdrawals.

(a) To the extent (i) a Vendor has been approved by the Administrator to allow hardship withdrawals under the Plan and (ii) a hardship withdrawal is permitted by the terms governing the applicable Investment Arrangement, distribution of Pre-Tax Elective Deferrals (excluding any earnings on such Elective Deferrals after December 31, 1988) may be made to a Participant who is an Employee in the event of hardship. A hardship distribution is not permitted from a Roth Elective Deferral Account. A hardship distribution may only be made on account of an immediate and heavy financial need of the Participant and where the distribution is necessary to satisfy the immediate and heavy financial need. Participants may be charged a reasonable processing fee per hardship withdrawal. Only one hardship withdrawal is permitted in a six-month period.

(b) The following are the only financial needs considered immediate and heavy:

(1) expenses incurred or necessary for medical care described in Code Section 213(d) (without regard to whether the expenses exceed 7.5% of adjusted gross income) of the Participant, the Participant's Spouse or dependents (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), or the Participant's primary Beneficiary with respect to whom the Participant has entered into a civil union under 750 ILCS 75;

(2) the purchase (excluding mortgage payments) of a principal residence for the Participant;

(3) payment of tuition and related educational fees and room and board expenses for the next 12 months of post-secondary education for the Participant, the Participant's Spouse or dependents (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), or the Participant's primary Beneficiary with respect to whom the Participant has entered into a civil union under 750 ILCS 75;

(4) payments necessary to prevent the eviction of the Participant from, or a foreclosure on the mortgage of, the Participant's principal residence;

(5) payments for funeral or burial expenses for the Participant's deceased parent, Spouse, any dependent (as defined in Code Section 152, but without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), or primary Beneficiary with respect to whom the Participant has entered into a civil union under 750 ILCS 75;

(6) expenses to repair damage to the Participant's principal residence that would qualify for a casualty loss deduction under Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income and without regard to Code Section 165(h)(5));

(7) expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; and

(8) such other circumstances as the Commissioner of Internal Revenue determines constitute financial hardship under Code Section 401(k) or the Treasury Regulations thereunder.

(c) A distribution will be considered necessary to satisfy an immediate and heavy financial need of the Participant only if:

(1) The distribution is not in excess of the amount of the immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution);

(2) The Participant has obtained all distributions, other than hardship distributions and all nontaxable loans, under all plans maintained by the Employer (except to the extent such actions would be counterproductive to alleviating the financial need);

(3) the Participant represents in writing, or in such other form as may be prescribed by the Commissioner of the Internal Revenue Service, that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need; and

(4) the Participant has met any such additional or alternative requirements as may be prescribed in Treasury Regulation Section 1.401(k)-1(d)(3)(iv)(E) or subsequent promulgations.

(d) A Participant must provide substantiation of the reason for and the amount of the immediate and heavy financial need to the Administrator or the Vendor.

(e) The Administrator shall take such steps as may be appropriate to collect information from Vendors and/or Former Vendors, and to transmit any information to any Vendor or Former Vendor, to coordinate the limitations on hardship withdrawals. The Administrator may delegate this responsibility to a Vendor or to another service provider pursuant to Article IX of the Plan

6. Effective January 1, 2020, Section 7.05, Minimum Distributions, is hereby amended to be and read as follows:

Section 7.05. Minimum Distributions.

(a) The Plan shall comply with the minimum distribution requirements of Code Section 401(a)(9) and the Treasury Regulations thereunder in accordance with the terms governing each Investment Arrangement, unless and to the extent otherwise permitted by law and in Treasury Regulations or other rules of general applicability published by the Department of the Treasury or the Internal Revenue Service. For purposes of applying the distribution rules of Code Section 401(a)(9), each Investment Arrangement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Treasury Regulation Section 1.408-8, except as provided in Treasury Regulation Section 1.403(b)-6(e).

(b) Distribution of the Participant's Accumulated Benefit will begin no later than the first day of April following the later of the calendar year in which the Participant attains age 70 ½ (age 72 for distributions required to be made after December 31, 2019, with respect to Participants who attain age 70 ½ after December 31, 2019) or the calendar year in which the Participant retires from employment (the "required beginning date") over (i) the life of the Participant, (ii) the lives of the Participant and Beneficiary, or (iii) a period certain not extending beyond the life expectancy of the Participant or the joint and last survivor expectancy of the Participant and Beneficiary.

(c) For 2020, the minimum required distribution requirements set forth in Section 7.05 will be satisfied as provided under Code Section 401(a)(9)(I), as determined by the Vendor responsible for the Participant's required minimum distribution and in accordance with the Investment Arrangements.

(d) The Vendors shall be solely responsible for complying with the provisions of this Section 7.05. The Vendors shall calculate the amounts required to be distributed to a Participant under this Section and notify such Participant of such distributions at least 60 days prior to the date distributions must begin

7. Effective April 6, 2020, a new Section 7.12, Coronavirus-Related Distributions, is hereby added to the Plan to be and read as follows:

Section 7.12. Coronavirus-Related Distributions.

(a) Notwithstanding Section 7.01 and subject to the limitation under paragraph (b) and the terms of the Investment Arrangements, a Participant who is a Qualified Individual may request one or more Coronavirus-Related Distributions from his

or her Vested Accounts on or after April 6, 2020, and before December 31, 2020, but only to the extent that the Vendor holding such Accounts has been approved by the Administrator to allow Coronavirus-Related Distributions under the Plan.

(b) Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by the University or a Related Employer may not exceed \$100,000.

(c) A Participant shall certify to the Vendor that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

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 the dates set forth herein.

**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: _____