

## AMENDMENT 2018-1

### TO THE

### UNIVERSITY OF ILLINOIS SUPPLEMENTAL 403(b) RETIREMENT PLAN

WHEREAS, the University of Illinois (the “University”) is the Plan sponsor of the University of Illinois Supplemental 403(b) Plan (the “Plan”); and

WHEREAS, pursuant to Section 10.02 of the Plan, the University has reserved the right to amend the Plan from time to time in certain respects; and

WHEREAS, the University desires to amend the Plan pursuant to the amendatory provisions set forth in the Plan to make certain changes to the Plan’s terms and conditions for Hardship Withdrawals consistent with legislative directives enacted by Sections 41113 and 41114 of the Bipartisan Budget Act of 2018 (H.R. 1892); and

WHEREAS, the University intends that the changes made by this Amendment shall continue to permit the Plan’s Administrator to deem all Hardship Withdrawals under the Plan as “necessary to satisfy immediate and heavy financial need” in accordance with Treas. Reg. Sections 1.403(b)-6(d) and 1.401(k)-1(d)(3)(iv).

NOW THEREFORE, the Plan is hereby amended as follows:

1. General Application and Effective Date.

This Amendment shall be effective generally January 1, 2019, and will apply to Hardship Withdrawals made on and after such date, except as otherwise provided in this Amendment.

2. Section 7.06, Hardship Withdrawals. Paragraph 7.06(c) is replaced in its entirety to read as follows:

(c) A distribution will be considered necessary to satisfy an immediate and heavy financial need of the Participant for any hardship withdrawal made on and after January 1, 2019 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); and

(2) The Participant has at the time of the distribution obtained all currently available distributions, other than hardship distributions under all plans maintained by the Employer.

The Plan’s prior conditional requirements under this paragraph (c) to obtain all nontaxable loans under all plans maintained by the Employer (including satisfaction of any administrative procedures maintained with respect to such requirements) are eliminated for hardship withdrawals made on and after January 1, 2019.

The Plan's prior conditional requirements under this paragraph (c) that all plans maintained by the Employer (including this Plan) provide that the Participant's elective deferrals (and after-tax employee contributions) will be suspended for six months after the receipt of the hardship distribution (the "Six Month Suspension Requirement") are eliminated effective for hardship withdrawals made on and after January 1, 2019. Furthermore, and notwithstanding any provision of the Plan to the contrary, the Six Month Suspension Requirement in effect for any Participant who is or would be subject to such restriction under any prior provision of the Plan on account of a hardship withdrawal received prior to January 1, 2019 shall automatically end on January 1, 2019.

The Administrator may adopt such additional procedures as the Administrator shall determine necessary and appropriate to cause all hardship distributions to qualify as deemed "necessary to satisfy immediate and heavy financial need" under Treas. Reg. Sections 1.403(b)-6(d) and 1.401(k)-1(d)(3)(iv), as shall be amended in accordance with the Bipartisan Budget Act of 2018.

3. Section 7.06, Hardship Withdrawals. Paragraph 7.06(e) is replaced in its entirety to read as follows:
  - (e) A Participant must complete a new Salary Reduction and/or Redirection Agreement in accordance with Section 3.02 in order to recommence Elective Deferrals to the Plan following the end (including the automatic ending) of the Six Month Suspension Requirement (as defined in paragraph (c) above).
4. Section 8.07, Former Vendors. Paragraph 8.07(a) is replaced in its entirety with the following new paragraph 8.07(a) to read as follows:
  - (a) Information necessary for the resulting Annuity Contract or Custodial Account, or any other Annuity Contract or Custodial Account to which contributions have been made by the Employer, to satisfy Code Section 403(b), including the following: (i) the Employer providing information as to whether the Participant's employment with the Employer is continuing, and notifying the Former Vendor when the Participant has had a Severance from Employment (for purposes of the Plan benefit distribution restrictions); and (ii) the Former Vendor providing information to the Employer or other Vendors or Former Vendors concerning the Participant's or Beneficiary's Annuity Contracts or Custodial Accounts (to enable a Vendor or Former Vendor to determine the amount of any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the Plan's hardship withdrawal rules).
5. Except as expressly modified herein, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the University, upon prior approval and direction of The Board of Trustees of the University of Illinois has caused this Amendment 2018-1 to be signed by its duly authorized officer on the day and year set forth below.

**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: \_\_\_\_\_