

**NORTH DAKOTA UNIVERSITY SYSTEM
457(B) DEFERRED COMPENSATION RETIREMENT PLAN
SUMMARY OF 457 PLAN PROVISIONS**

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**NORTH DAKOTA UNIVERSITY SYSTEM
457(B) DEFERRED COMPENSATION RETIREMENT PLAN**

SUMMARY OF 457 PLAN PROVISIONS

INTRODUCTION TO YOUR PLAN

The North Dakota University System 457(b) Deferred Compensation 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 retirement plan commonly referred to as a Governmental Eligible 457 Plan. This summary of 457 Plan Provisions contains valuable information regarding when you may become eligible to participate in the Plan, 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.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this summary does not answer all of your questions, please contact the Administrator. The name and address of the Administrator can be found in the Article of this summary 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. If the non-technical language under this summary and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This summary describes the current provisions of the Plan. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS). The North Dakota State Board of Higher Education ("SBHE") may also amend or terminate this Plan. The Administrator will notify you if the provisions of the Plan that are described in this summary change. This summary does not address the provisions of specific investment products.

The SBHE is the Administrator of the Plan and maintains the Plan for the benefit of eligible employees of participating institutions. Whenever the term "Employer" is used in this Summary, it refers to your employer.

**ARTICLE I
PARTICIPATION IN THE PLAN**

Am I eligible to participate in the Plan?

All employees are eligible once they satisfy the eligibility conditions, if any, described in the next question.

Independent contractors are not eligible to participate in the Plan.

When am I eligible to participate in the Plan?

Provided you are an eligible employee, you will enter the Plan once you reach the entry date, which is your date of hire.

**ARTICLE II
CONTRIBUTIONS**

What kind of contributions may I make to the Plan and how do my contributions affect my taxes?

As a participant in the Plan, you may elect to reduce your compensation and have that amount contributed to the Plan on a pre-tax or Roth basis (Roth contributions may be made effective January 1, 2026). The Plan refers to a pre-tax and a Roth contribution both as a "salary reduction contribution."

If you make a pre-tax salary reduction contribution, your taxable income is reduced by your salary reduction contribution so you pay less federal income taxes. However, your salary reduction contributions are subject to Social Security taxes at the time of deferral. Later, when the Plan distributes the deferrals and earnings, you will pay income tax on those amounts. Federal income taxes on the salary reduction contributions and earnings are only postponed.

If you make a Roth salary reduction contribution, the salary reduction contribution is subject to federal income taxes in the year of the contribution. However, Roth salary reduction contributions and, in certain cases, the earnings on the Roth salary reduction contributions are not subject to federal income taxes when distributed to you. In order for the earnings to be tax free, you must meet certain conditions. See "What are my tax consequences when I receive a distribution from the Plan?" below.

Is there a limit on the amount of salary reduction contributions that can be made each year?

As a participant, you may elect to defer not less than \$25 of your compensation and no more than the maximum amount allowed by law. The Administrator will notify you of the maximum percentage you may defer.

You may make salary reduction contributions from your accumulated leave cashouts.

Your total salary reduction contributions in any calendar year may not exceed a certain dollar limit which is set by law ("deferral limit"). The deferral limit for 2026 is \$24,500. After 2026, the deferral limit may increase for cost-of-living adjustments.

If you are age 50 or will attain age 50 before the end of a calendar year, you may make additional deferrals (called "age 50 catch-up deferrals") for that year and following years. If you meet the age 50 requirement and your salary reduction contributions exceed the deferral limit, then any excess will be an age 50 catch-up deferral. The maximum age 50 catch-up deferral that you can make in 2026 is \$8,000; however, if you are age 60-63 before the end of the calendar year, the maximum age 50 catch-up deferral you can make is \$11,250. After 2026, the maximum age 50 catch-up contribution limit may increase for cost-of-living adjustments. Beginning in 2026, if your total FICA wages for the prior calendar year from your Employer exceed \$150,000 (as indexed annually), any Age 50 Catch-Up Deferrals you make must be made as after-tax Roth salary reduction contributions.

Instead of the "age 50-catch-up deferrals" there is an alternative catch-up limit that is available in the three years prior to your normal retirement age. This increased limit (called "Special NRA Catch-Up Contributions") is designed to allow make-up contributions for prior years when contributions to the plan were less than the maximum contribution that could have been made in those years. The additional catch-up amount is equal to the difference between the amounts that could have been contributed in the prior years less the amounts that actually were contributed in those years. However, the additional catch-up for the year cannot exceed the general limit for the year. Thus, if you are entitled to the full Special NRA Catch-up Contribution, your contributions in the last three years prior to your normal retirement age cannot exceed two times the regular deferral limit for the year. If you qualify for both Age 50 Catch-Up Deferrals and Special NRA Catch-Up Deferrals, you are limited to the greater of the two catch-up limitations.

How do I make an election to defer?

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. If you wish to defer, the procedure will require that you enter into a salary reduction agreement. You may elect to defer a portion of your compensation payable on or after your Entry Date. Such election must be made prior to the first day of a calendar month in which you wish to defer and will become effective as soon as administratively feasible after it is received by the Plan Administrator. Your election will remain in effect until you modify or terminate it. You may revoke or make modifications to your salary reduction election in accordance with procedures that the Administrator provides. See the Plan Administrator for further information.

What are rollover contributions?

Rollover contributions. If you are a Participant, 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 Investment Sponsor of the other plan or IRA 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." 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. In addition, Roth salary reduction contributions that are accepted as rollovers in this Plan will be accounted for separately.

Withdrawal of rollover contributions. You may withdraw the amounts in your "rollover account" at any time.

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 Plan Year. The Plan takes into account salary reduction contributions to retirement plans (including this one) cafeteria plans, or qualified transportation fringe benefit plans. The following describes the adjustments to compensation that may apply for the different types of contributions provided under the Plan:

- The Plan excludes noncash fringe and welfare benefits
- 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 or other similar payments that would have been made to you had you continued employment.
 - Compensation paid for leave cashouts, including 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.

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.

ARTICLE III DISTRIBUTIONS

When will I be entitled to a distribution from the Plan?

Distributions under the Plan may generally not be made prior to your termination of employment (for whatever reason, including death). The rules are explained in more detail below.

If your benefit does not exceed \$1,000 then the distribution will automatically be paid to you as soon as administratively practical following your termination of employment. If your benefit exceeds \$1,000, then you will be given the opportunity to elect to defer payment of the benefit, subject to certain limitations. In determining whether your vested account balance exceeds the \$1,000 threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

Automatic IRA Rollover of Certain Account Balances:

If a mandatory distribution is being made to you before the later of age 62 or Normal Retirement Age and your vested account balance does not exceed \$1,000 (including any rollover contribution), the Plan might distribute your vested portion in a single lump-sum payment. However, you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA"). At the time of your termination of employment, the Plan Administrator will provide you with further information regarding your distribution rights. If the amount of the distribution exceeds \$1,000 (including any rollover contribution) and you do not elect either to receive or to roll over the distribution, the Plan automatically will roll over the distribution to an IRA. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and to provide a reasonable rate of return and liquidity (e.g., an interest-bearing account, a certificate of deposit or a money market fund). The IRA provider will charge your account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. In addition, your beneficiary designation under the Plan, if any, will not apply to the rollover IRA. The IRA's terms will control in establishing a designated beneficiary under the IRA. You may transfer the IRA funds to any other IRA you choose. See the Plan Administrator for further information regarding the Plan's automatic rollover provisions, the IRA provider and the fees and charges associated with the IRA.

Required beginning date.

Regardless of the above, the law requires 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 but before January 1, 1951), or age 73 (if you were born on or after January 1, 1951), or terminate employment. You should see the Plan Administrator if you think you may be affected by these rules.

How will my benefits be paid?

You may receive your distribution under any optional form of payment permitted by the Investment provider.

What is the Plan's normal retirement age?

You will attain your normal retirement age when you reach age 65.

What is my vested interest in my account?

You are always 100% vested in all your accounts under our plan.

May I elect to roll over my account to another plan or IRA?

If you are entitled to a distribution of more than \$200, then you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA").

Distributions while on military duty. If you are on active military duty for more than 30 days, then the Plan treats you as having terminated employment for distribution purposes. This means that you may request a distribution from the Plan. If you request a distribution on account of this deemed termination of employment, then you are not permitted to make any contributions to the Plan for 6 (six) months after the date of the distribution.

What happens if I get divorced?

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

ARTICLE IV DEATH BENEFITS

What happens if I die while working for the Employer?

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

Your beneficiary is the person or persons whom you designate on a form the Administrator provides for this purpose.

If no valid designation of beneficiary exists, or if the beneficiary is not alive when you die, then the death benefit will be paid to the participant's estate.

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 us and subsequently die, your beneficiary will be entitled to any remaining benefits that you were entitled to as of the date of your death.

ARTICLE V IN-SERVICE DISTRIBUTIONS

Can I withdraw money from my account while working for the Employer?

You may receive a distribution from the Plan prior to your termination of employment if you satisfy certain conditions. These conditions are described below. However, this distribution will reduce the value of the benefits you will receive when you retire. Any in-service distribution is made at your election and will be made in accordance with the forms of distribution available under the investment product you have selected or under the Plan.

You may receive a distribution if you have an "unforeseeable emergency," which is severe financial hardship resulting from an accident or illness to you, your spouse, dependent(s) or beneficiaries, a loss of property due to casualty, or other extraordinary and unforeseeable circumstances beyond your control.

ARTICLE VI 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.

You will not be taxed on distributions of your Roth salary reduction contributions. In addition, a distribution of the earnings on the Roth salary reduction contributions will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59 1/2 or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning the calendar year in which you first make a Roth salary reduction contribution to our Plan (or to another governmental 457(b) plan if such amount was rolled over into this Plan) and ending on the last day of the calendar year that is 5 years later.

Can I reduce or defer tax on my distribution?

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

(a) The rollover of all or a portion of the distribution you actually receive to a traditional Individual Retirement Account (IRA) or another eligible employer plan. This will result in no tax being due until you begin withdrawing funds from the traditional IRA or other eligible 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 roll over all or a portion of your distribution amount, the direct rollover option described in paragraph (b) below may be the better choice.

(b) For most distributions, you may request that a "direct rollover" of all or a portion of the distribution to either a traditional Individual Retirement Account (IRA) or another employer plan willing to accept the rollover. A direct rollover will result in no tax being due until you withdraw funds from the traditional IRA or other qualified employer plan. Like the 60-day rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct rollover, e.g., a distribution of less than \$200 will not be eligible for a direct rollover. If you elect to actually receive the distribution rather than request a direct rollover, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

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 A QUALIFIED TAX ADVISOR BEFORE MAKING A CHOICE.

ARTICLE VII CLAIMS AND BENEFITS

Can the Plan be amended?

Yes. The SBHE may amend the Plan at any time. No amendment will cause any reduction in the amount credited to your account.

What happens if the Plan is discontinued or terminated?

The SBHE may terminate the Plan at any time. Upon termination, no more contributions may be made to the Plan. The Administrator will notify you of any modification or termination of the Plan.

How do I submit a claim for Plan benefits?

You may file a claim for benefits by submitting a written request for benefits to the Plan Administrator. You should contact the Plan Administrator to see if there is an applicable distribution form that must be used. If no specific form is required or available, then your written request for a distribution will be considered a claim for benefits. In the case of a claim for disability benefits, if disability is determined by the Plan Administrator (rather than by a third party such as the Social Security Administration), then you must also include with your claim sufficient evidence to enable the Plan Administrator to make a determination on whether you are disabled.

Decisions on the claim will be made within a reasonable period of time appropriate to the circumstances. If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the form or forms of payment, the timing of distributions and other information relevant to the payment of the benefit.

ARTICLE VIII GENERAL INFORMATION ABOUT THE PLAN

There is certain general information that you may need to know about the Plan. This information has been summarized for you in this Article.

The full name of the Plan is North Dakota University System 457(b) Deferred Compensation Retirement Plan.

This Plan was originally effective on 1/1/2002. The amended and restated provisions of the Plan become effective on 7/1/2024.

The Plan's records are maintained on a twelve-month period of time. This is known as the "Plan Year." The Plan Year ends every June 30.

The Plan will be governed by the laws of North Dakota.

Plan Sponsor and Employer Information

The North Dakota University System is the Plan sponsor:

North Dakota University System
State Capitol, 600 E Boulevard Ave., Dept. 215
Bismarck, North Dakota 58505
701-328-2960
43-1974004

The Plan is administered by the North Dakota State Board of Higher Education for eligible employees of the following institutions (each a participating "Employer" in the Plan):

Bismarck State College
1500 Edwards Ave.
Bismarck North Dakota 58501
45-0343495

Dickinson State University
291 Campus Dr.
Dickinson, North Dakota 58601
45-6002480

Lake Region State College
1801 College Dr.
Devils Lake, North Dakota 58301
45-0281889

Mayville State University
330 3rd St. N.E.
Mayville, North Dakota 58257
45-6002485

Minot State University
500 University Ave. W
Minot, North Dakota, 58707
45-6002481

NDUS System Information Technology Services
264 Centennial Dr.
Grand Forks, North Dakota 58202
46-1100936

North Dakota State College of Science
800 6th St. North
Whapeton, North Dakota 58076
45-6002451

North Dakota State University
1340 Administration Ave.
Fargo North Dakota 58102
45-6002439

University of North Dakota
PO Box 7127, University Station
Grand Forks, North Dakota 58202
45-6002491

Valley City State University
101 College St. SW
Valley City, North Dakota 58072
45-6002482

Williston State College
1410 University Ave.
Williston, North Dakota 58802
45-0324813

Dakota College at Bottineau
105 Simrall Boulevard
Bottineau, North Dakota 58318
(701) 228-2277
45-6002481

Administrator Information

The SBHE is the Plan Administrator. The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator, or its designee, 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. If you have any questions about the Plan and your participation, you should contact the Administrator. The Administrator may designate other parties to perform some duties of the Administrator, and some duties are the responsibility of the investment provider(s) to the Plan.

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.

Plan Contact

A copy of the Plan is on file in the main offices of NDUS and is available during regular business hours. Your questions regarding the Plan should be addressed to the NDUS Office at NDUS.Inquiry@ndus.edu. For more information regarding the plan, please contact TIAA through TIAA's website at www.tiaa.org. You may also contact TIAA at:

TIAA

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