Adventist Retirement Plan Features and Highlights

Read these highlights to learn more about your Plan. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

About the 403(b) Tax-Deferred Retirement Plan

A 403(b) plan is a retirement savings plan designed for employees of public schools and tax-exempt organizations. A 403(b) plan allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn.

Eligibility Requirements

Upon hire and if in an eligible position, you will be automatically enrolled for basic contributions.

If you are an employee of a U.S. Seventh-day Adventist Church North American Division, or if you are an interdivision missionary from the United States sent by the General Conference of Seventh-day Adventists, you are eligible to make contributions to the Plan.

Student employees working for Adventist educational institutions are not eligible to participate in the Plan.

Enrollment

Eligible employees are automatically enrolled in the Plan for basic employer contributions. If you want to make employee contributions to the Plan, your local employer can provide you with a Salary Deferral Form. You must complete that form and return it to your employer.

2016 Contribution Limits

- Combined maximum limit of 100% (1% minimum) of your compensation or \$18,000, whichever is less for all employee retirement plan contributions
- Participants turning age 50 or older in 2016 may be eligible to contribute an additional \$6,000
- Combined maximum limit for employer and employee retirement contributions cannot exceed \$53,000 or 100% of your compensation whichever is less.

Roth Contributions

The Roth option will give you the flexibility to designate all or part of your 403(b) elective deferrals as Roth contributions. All Roth contributions are made with after-tax dollars. Not all local employers allow Roth contributions.

2016 Roth Contribution Limits

 Combined maximum limit of 100% (1% minimum) of your compensation or \$18,000, whichever is less for all employee retirement plan contributions.

The maximum contribution amount may be indexed for inflation in subsequent years.

Employer Match

Depending on which of the benefit options your employer has selected, you may be eligible for an employer's match which is generally 100% of your voluntary salary reductions up to 3% of your salary. Check with your local employer, as some matches may vary. If eligible, in order to receive any employer matching contribution, you must enroll and complete a Salary Deferral Form to have employee contributions made to the Plan.

Basic Employer Contributions

If you are eligible, a basic employer contribution equal to 5% of your compensation will be made to your account each pay period.

Vesting Schedule

Vesting refers to the percentage of your account you are entitled to receive upon the occurrence of distributable events. Your contributions and any earnings are always 100% vested (including rollovers from previous employers). The employer contributions are immediately 100% vested.

Investment Options¹

A wide array of core investment options are available through your Plan. Each option is explained in further detail in your Plan's fund sheets.

- Mutual Funds (21 funds available)
- Target Date Funds (12 funds available)
- Annuity (in-plan guaranteed retirement income option available)²
- Self Directed Brokerage (SDB)
 - The SDB account allows you to select from numerous investment options for additional fees.
 - The SDB account is intended for knowledgeable investors who acknowledge and understand the risks

associated with the investments contained in the SDB account.

- Subject to a core minimum of \$500.

Once you have enrolled, investment option information is also available through the website at www.empower-retirement.com/participant or by calling Empower Retirement toll free at (866) 467-7756. The website and Empower Retirement's automated voice response system are available to you 24 hours a day, seven days a week.³

Transfers and Allocation Changes

Use your Personal Identification Number³ (PIN) and Username to access the website, or you can use your Social Security number and PIN to access Empower Retirement's automated voice response system. You can move all or a portion of your existing balances among investment options (subject to Plan rules) and change how your payroll contributions are invested.³

Rollovers

Balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the Plan.

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.

Withdrawals

Qualifying distribution events are as follows:

- Retirement
- Financial hardship (as defined by the Internal Revenue Code and your Plan's provisions)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Attainment of age 59½
- Death, Separation from service with a 45-day wait
- After-tax money

Ordinary income tax will apply to each distribution. Distributions received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty. Refer to your Summary Plan Description for more information about distributions.

Plan Fees

Administrative Fees:

The annual Administrative Fee is \$20.00 per Participant account, charged at \$5.00 per quarter.

Parsonage Allowance Exclusion – If contributions to the Plan were made at the time you were performing services in the exercise of your ministry, distributions from the Plan may be eligible to be treated as a parsonage allowance. Upon your retirement, Empower Retirement can assist you, if requested, in setting up Plan distributions. You might wish to consult your tax consultant on how best to make use of your parsonage allowance exclusion.

Investment Option Fees:

Each investment option has its own operating expenses. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading of securities within the investment options and other management expenses.

Funds may impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. Asset allocation funds are generally subject to a fund operating expense at the fund level, as well as prorated fund operating expenses of each underlying fund in which they invest. For more information, please refer to the fund prospectus and/or disclosure document. Funds are subject to the risks of the underlying fund.

There may be a recordkeeping or administrative fee for investing in certain investment options. There are additional quarterly fees and/or transaction fees to participate in the SDB option.

Please contact your Empower Retirement representative for more information about any potential investment option or SDB fees.

Loans

Your Plan allows you to borrow the lesser of \$50,000 or 50% of your total vested account balance. The minimum loan amount is \$1,000, and you have up to five years to repay your loan - up to 15 years if the money is used to purchase your primary residence. There is a \$50.00 origination fee for each loan and it is deducted from the loan proceeds, plus an ongoing annual \$25.00 fee, deducted quarterly from your account at \$6.25.

Investment Alternatives in the Plan

Advisory Services

Your Plan has a suite of services called Advisory Services which can manage your retirement account for you. Advisory Services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser. Or if you prefer to manage your retirement account on your own, you can use online investment guidance and advice tools. These services help create a personalized retirement strategy for you.

The annual cost of Advisory Services is as follows:

- Investment Guidance no additional charge to you
- Investment Advice no additional charge to you
- Managed Account Service 90 day free look for new users. After 90 days, fees are based on participant account balance:

- First \$100,000 0.45% - Next \$100,000 to \$250,000 0.35% - Next \$250,000 to \$400,000 0.25% - Amounts over \$400,000 0.15% For more detailed information about Advisory Services, including any applicable fees, visit **www.empower-retirement.com/participant**, click on the "Advisory Services" tab) or call Empower Retirement at **(866) 467-7756** to speak to an AAG adviser representative.

There is no guarantee that participation in Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

How Can I Get More Information?

Visit www.empower-retirement.com/participant or call Empower Retirement toll free at (866) 467-7756 for more information. The website provides information regarding your Plan, as well as financial education information, financial calculators and other tools to help you manage your account.

- 1 All information contained on the website, in prospectuses, and in other investment option documents is offered in English. Please have this information translated for your understanding.
- 2 Any guarantees are based on the claims-paying ability of the issuing insurance company.
- 3 Access to Client Service and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or Client Service received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.
- 4 The account owner is responsible for keeping the assigned PIN confidential. Please contact a client service representative immediately if you suspect any unauthorized use.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

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