

**SUMMARY PLAN DESCRIPTION
FOR**

**The University of Central Florida FICA
Replacement Plan**

January 01, 2021

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The University of Central Florida FICA Replacement Plan

SUMMARY PLAN DESCRIPTION

ARTICLE 1 INTRODUCTION

University of Central Florida has adopted the The University of Central Florida FICA Replacement Plan (the "Plan") to help its employees save for retirement. If you are an employee of University of Central Florida, you may be entitled to participate in the Plan, provided you satisfy the conditions for participation as described in this Summary Plan Description.

This Summary Plan Description ("SPD") is designed to help you understand the retirement benefits provided under the Plan and your rights and obligations with respect to the Plan. This SPD contains a summary of the major features of the Plan, including the conditions you must satisfy to participate under the Plan, the amount of benefits you are entitled to as a Plan participant, when you may receive distributions from the Plan, and other valuable information you should know to understand your Plan benefits. We encourage you to read this SPD and contact the Plan Administrator if you have any questions regarding your rights and obligations under the Plan. (See Article 2 below for the name and address of the Plan Administrator.)

This SPD does not replace the formal Plan document, which contains all of the legal and technical requirements applicable to the Plan. However, this SPD does attempt to explain the Plan language in a non-technical manner that will help you understand your retirement benefits. If the non-technical language under this SPD and the technical, legal language under the Plan document conflict, the Plan document always governs. If you have any questions regarding the provisions contained in this SPD or if you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

This SPD does not create any contractual rights to employment nor does it guarantee the right to receive benefits under the Plan. Benefits are payable under the Plan only to individuals who have satisfied all of the conditions under the Plan document for receiving benefits.

ARTICLE 2 GENERAL PLAN INFORMATION AND KEY DEFINITIONS

This Article 2 contains information regarding the day-to-day administration of the Plan as well as the definition of key terms used throughout this SPD.

Plan Name: The University of Central Florida FICA Replacement Plan

Plan Number: N/A

Employer:

Name: University of Central Florida

Address:

3280 Progress Drive, Suite 100

Orlando, Florida 32826-3229

Telephone number: 407-823-2771

Employer Identification Number (EIN): 59-2924021

Plan Administrator:

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, provides you with forms necessary to

request a distribution from the Plan, and directs the payment of your benefits when required under the Plan. The Employer listed above is acting as Plan Administrator. The Plan Administrator may designate another person or persons to perform the duties of the Plan Administrator. The Plan Administrator or its delegate, as the case may be, has full discretionary authority to interpret the Plan, including the authority to resolve ambiguities in the Plan document and to interpret the Plan's terms, including who is eligible to participate under the Plan and the benefit rights of participants and beneficiaries. All interpretations, constructions and determinations of the Plan Administrator or its delegate shall be final and binding on all persons, unless found by a court of competent jurisdiction to be arbitrary and capricious. The Plan Administrator also will allow you to review the formal Plan document and other materials related to the Plan.

If you have any questions about the Plan or your benefits under the Plan, you should contact the Plan Administrator or other Plan representative.

Funding Arrangement:

All amounts contributed to the Plan are invested under a custodial account or group annuity investment contract issued by an insurance company.

Service of Legal Process:

Service of legal process may be made upon the Plan Administrator.

Effective Date:

This SPD sets forth the provisions of the Plan in effect as of January 1, 2021, unless otherwise noted.

Plan Year:

Many of the provisions of the Plan are applied on the basis of the Plan Year. For this purpose the Plan Year is the calendar year running from January 1 – December 31.

Plan Compensation:

Compensation is generally defined as your total taxable wages or salary (W-2) increased to include any pre-tax salary reduction contributions you may make under any other plans we may maintain, including any pre-tax contributions you make under a "cafeteria" plan. Plan Compensation also generally includes compensation for services that is paid after termination of employment, as long as such amounts are paid by the end of the year or within 2½ months following termination of employment, if later. However, for purposes of determining contributions under the Plan, Plan Compensation does not include the following types of compensation:

- Payments for unused leave, such as unused sick leave, vacation, or other leave that is paid after severance of employment.

Your contribution to the Plan (as described in Section 4 below) will be determined using Plan Compensation. For purposes of determining Plan Compensation, only compensation you earn while you are a participant in the Plan will be taken into account. Thus, any compensation you earn while you are not eligible to participate in the Plan will not be considered in determining Plan Compensation.

In addition, in determining Plan Compensation, no amount will be taken into account to the extent such compensation exceeds the compensation dollar limit set forth under IRS rules. For 2021, the compensation dollar limit is \$290,000. Thus, for Plan Years beginning in 2021, no contribution may be made under the Plan with respect to Plan Compensation above \$290,000. For subsequent plan years, the compensation dollar limit may be adjusted for cost-of-living increases.

Normal Retirement Age:

You will reach Normal Retirement Age under the Plan when you turn age 55.

**ARTICLE 3
DESCRIPTION OF PLAN**

This Plan is a special type of retirement plan commonly referred to as a FICA (Federal Insurance Contributions Act) replacement and/or alternative plan. The purpose of a FICA replacement plan is to take the portion of your compensation that would have otherwise been submitted to the IRS to cover your portion of the "FICA tax" and deposit those amounts in a retirement plan where you can control how the money is invested. "FICA taxes" are the amounts of money paid by employees and employers to the government in order to fund social programs such as Social Security and Medicare. As a result, a portion of your "Social Security benefits" will be deemed to be paid from this Plan and, thus, your Social Security benefits from the government (Social Security Administration) may be affected.

The contributions to the Plan are made on a pre-tax basis. Therefore, this money is not reported as income. In addition, you do not have to pay any income tax while the money is held in the Plan, and any earnings on such contributions are not taxed while they stay in the Plan. (See Article 4 below for a description of the contributions authorized under the Plan.)

This FICA replacement plan is a defined contribution plan, which is intended to qualify under Section 401(a) of the Internal Revenue Code.

**ARTICLE 4
PLAN CONTRIBUTIONS**

Once you have satisfied all of the eligibility requirements described under the Plan (as described in Article 5 below), a mandatory 7½% of your Plan Compensation will be withheld from your paycheck each pay period and contributed to the Plan on your behalf. You may not opt out of the mandatory contribution or receive the contributed amounts directly instead of having them paid into the Plan. You will not have to pay income tax on such amounts or on any earnings until you withdraw those amounts from the Plan. You will be 100% vested in all amounts contributed to the Plan on your behalf.

Rollover Contributions

The Plan does not accept rollovers from another qualified retirement plan or an IRA. If you have questions, please contact the Plan Administrator (or other designated plan representative).

**ARTICLE 5
ELIGIBILITY REQUIREMENTS**

This Article sets forth the requirements you must satisfy to participate under the Plan. To qualify as a participant under the Plan, you must be an Eligible Employee. You are considered an Eligible Employee if you are an Employee of the University of Central Florida, and you are an OPS non-student, which may include Adjunct faculty, Post-Doctoral Associates, Medical Residents and others, as defined on the books and records of the Employer. All other Employees are excluded from participating in the Plan.

Minimum Age and Service Requirements

There is no minimum age or service requirement to participate in the Plan provided you are an Eligible Employee. Thus, Eligible Employees become Participants in the Plan on their date of hire. If you terminate

employment and you are subsequently rehired as an Eligible Employee, you will enter the Plan on the day you are rehired.

If you are not an Eligible Employee, but you subsequently change status to an eligible class of Employee, you will be eligible to enter the Plan immediately. If you are an Eligible Employee and subsequently become ineligible to participate in the Plan, all contributions under the Plan will cease as of the date you become ineligible to participate.

ARTICLE 6 LIMIT ON CONTRIBUTIONS

The IRS imposes a maximum limit on the total amount of contributions that may be contributed to this Plan on your behalf. Under this limit, the total of all contributions under the Plan cannot exceed a specific dollar amount or 100% of your annual compensation, whichever is less. For 2021, the specific dollar limit is \$58,000. (For years after 2021, this amount may be increased for inflation.) For purposes of applying the 100% of compensation limit, your annual compensation includes all taxable compensation, increased by the contributions you may make under this Plan and any other pre-tax contributions you may make to any other plan, such as a cafeteria health plan.

Example: Suppose in 2021 you earn compensation of \$60,000. The maximum amount of contributions you may receive under the Plan for 2021 is \$58,000 (the lesser of \$58,000 or 100% of \$60,000).

ARTICLE 7 PROTECTION OF BENEFIT

Once your benefits are contributed to the Plan, you have an ownership right to those amounts. While you may not be able to immediately withdraw your benefits from the Plan due to the distribution restrictions described under Article 8 below, you generally will never lose your right to those amounts. However, it is possible that your benefits under the Plan will decrease as a result of investment losses. If your benefits decrease because of investment losses, you will only be entitled to the amount in your account at the time of distribution.

ARTICLE 8 PLAN DISTRIBUTIONS

The Plan contains detailed rules regarding when you can receive a distribution of your benefits from the Plan. This Article 8 describes when you may request a distribution and the tax effects of such a distribution.

Distribution upon termination of employment. When you terminate employment, you may be entitled to a distribution from the Plan. The availability of a distribution will depend on the amount of your account balance.

- **Account balance in excess of \$5,000.** If your total account balance exceeds \$5,000 as of the distribution date, you may receive a distribution from the Plan as soon as administratively feasible following your termination of employment. If you do not elect to take a distribution of your account balance, your balance will remain in the Plan.

You may elect to take your distribution in any of the following forms.

- **Lump sum.** You may elect to take a distribution of your entire account balance in a lump sum. In addition, if permitted by the Plan Administrator, you may take a partial distribution of a portion of your account upon termination of employment. If you take a lump sum distribution, you may elect to rollover all (or any portion) of your distribution to an IRA or to another qualified plan.

- **Installment payments.** You may elect to receive a distribution in the form of a series of installment payments. If you elect distribution in the form of installments, your benefit will be paid out in equal annual installments over a set number of years. If the installment period is 10 years or greater, you may not rollover any of the installment payments into an IRA or into another qualified plan.
- **Annuity.** If distribution is made in the form of an annuity, your account balance will be used to purchase an annuity. You may choose an annuity that provides for a fixed period and lifetime income. If you choose a lifetime income option, you have an option to select a 0, 10, 15, or 20-year guarantee period in addition to the lifetime income option that will pay out any remaining benefits to your beneficiary(ies) over the remaining years of the guaranteed period should you die before the end of the guaranteed period. If you choose a fixed period annuity, your benefits are paid over a fixed period of time. The amount of each annuity payment will be calculated based on your life expectancy and other reasonable actuarial assumptions.
- **Account balance of \$5,000 or less.** If your total account balance under the Plan is \$5,000 or less as of the distribution date, you will be eligible to receive a distribution of your entire account balance in a lump sum as soon as administratively feasible following your termination of employment.

You may elect to receive your distribution in cash or you may elect to rollover your distribution to an IRA or to another qualified plan.

If you do not elect to take a distribution of your account balance, your benefit will remain in the Plan until such time as you consent to a distribution or your benefit can be distributed from the Plan without consent.

Upon your termination of employment, you will receive a distribution package that will describe the distribution options that are available to you. If you have any questions regarding your distribution options under the Plan, please contact the Plan Administrator.

In-service distributions. You may withdraw amounts from the Plan while you are still employed with us if you have incurred a Disability. You will be considered to be Disabled for purposes of applying the Plan's distribution rules if you are unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The Plan Administrator may establish reasonable procedures for determining whether you are Disabled for purposes of applying the distribution provisions of the Plan (see Article 12 below).

In addition, prior to December 6, 2018, if you became excluded from participation in the Plan (as a result of a change in your employment classification), you could withdraw your entire account balance, but only if you elected to make a direct rollover of such amount to the University of Florida 403(b) Plan.

Required distributions. If you have not begun taking distributions before you attain your Required Beginning Date, the Plan generally must commence distributions to you as of such date. For this purpose, your Required Beginning Date is April 1 following the end of the calendar year in which you attain age 70½ (age 72 if you reach age 70 ½ in 2020 or later) or terminate employment, whichever is later.

Once you attain your Required Beginning Date, the Plan Administrator will commence distributions to you as required under the Plan. The Plan Administrator will inform you of the amount you are required to receive once you attain your Required Beginning Date.

Distributions upon death. If you should die before taking a distribution of your entire account balance, your remaining benefit will be distributed to your beneficiary or beneficiaries, as designated on the appropriate designated beneficiary election form. You may request a designated beneficiary election form from the Plan Administrator. It is important to keep your designation of beneficiary form up to date, particularly if you have a lifestyle change and wish your Plan benefits to be paid to a different beneficiary than the one listed on your designation of beneficiary form.

If you do not designate a beneficiary to receive your benefits upon death, your benefits will be distributed first to your spouse. If you have no spouse at the time of death, your benefits will be distributed equally to your children. If you have no children at the time of your death, your benefits will be distributed to your estate. For this purpose, any designation of your spouse as designated beneficiary is automatically revoked upon a formal divorce decree unless you re-execute a new beneficiary designation form or enter into a valid Qualified Domestic Relations Order (QDRO).

Taxation of distributions. Generally, you must include any Plan distribution in your taxable income in the year you receive the distribution.

Distributions before age 59½. If you receive a distribution before age 59½, you generally will be subject to a 10% penalty tax in addition to regular income taxation on the amount of the distribution that is subject to taxation. You may avoid the 10% penalty tax by rolling your distribution into another plan or IRA. Certain exceptions to the penalty tax may apply.

Rollovers and withholding. You may “roll over” most Plan distributions to an IRA or another qualified plan and avoid current taxation. You may accomplish a rollover either directly or indirectly. In a direct rollover, you instruct the Plan Administrator that you wish to have your distribution deposited directly into another plan or an IRA. In an indirect rollover, the Plan Administrator actually makes the distribution to you and you may rollover that distribution to an IRA or another qualified plan within 60 days after you receive the Plan distribution.

If you are eligible to directly rollover a distribution but choose not to, the Plan Administrator must withhold 20% of the taxable distribution for federal income tax withholding purposes.

Certain benefit payments are not eligible for rollover and therefore will not be subject to 20% mandatory withholding. The types of benefit payments that are not “eligible rollover distributions” include:

- annuities paid over your lifetime,
- installments payments for a period of at least ten (10) years, and
- minimum required distributions.

Non-assignment of benefits and Qualified Domestic Relations Orders (QDROs) Your benefits cannot be sold, used as collateral for a loan, given away, or otherwise transferred, garnished, or attached by creditors, except as provided by law. However, if required by applicable state domestic relations law, certain court orders could require that part of your benefit be paid to someone else—your spouse or children, for example. This type of court order is known as a Qualified Domestic Relations Order (QDRO). As soon as you become aware of any court proceedings that might affect your Plan benefits, please contact the Plan Administrator. You may request a copy of the procedures concerning QDROs, including those procedures governing the qualification of a domestic relations order, without charge, from the Plan Administrator.

ARTICLE 9 PLAN ADMINISTRATION AND INVESTMENTS

Investment of Plan assets. You have the right to direct the investment of Plan assets held under the Plan on your behalf. The Plan Administrator will provide you with information on the amounts available for direction, the investment choices available to you, the frequency with which you can change your investment choices and other investment information. Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. If you have any questions about the investment of your Plan accounts, please contact the Plan Administrator or other Plan representative.

Although you have the opportunity to direct the investment of your benefits under the Plan, the Plan Administrator may decline to implement investment directives where it deems it is appropriate in fulfilling its role under the Plan. The Plan Administrator may adopt rules and procedures to govern Participant investment elections and directions under the Plan.

Valuation Date. To determine your share of any gains or losses incurred as a result of the investment of Plan assets, the Plan is valued on a regular basis. For this purpose, the Plan is valued on a daily basis. Thus, you will receive an allocation of gains or losses under the Plan at the end of each business day during which the New York Stock Exchange is open.

Plan fees. There may be fees or expenses related to the administration of the Plan or associated with the investment of Plan assets that will affect the amount of your Plan benefits. Any fees related to the administration of the Plan or associated with the investment of Plan assets may be paid by the Plan or by the Employer. If the Employer does not pay Plan-related expenses, such fees or expenses will generally be allocated to the accounts of Participants either proportionally based on the value of account balances or as an equal dollar amount based on the number of participants in the Plan. You will be responsible for any investment-related fees incurred as a result of your investment decisions. Prior to making any investment, you should obtain and read all available information concerning that particular investment, including financial statements, prospectuses, and other available information.

In addition to general administration and investment fees that are charged to the Plan, you may be assessed fees directly associated with the administration of your account. For example, if you terminate employment, your account may be charged directly for the pro rata share of the Plan's administration expenses, regardless of whether the Employer pays some of these expenses for current Employees. Other fees that may be charged directly against your account include fees and charges related to processing distributions from your account (including QDROs).

ARTICLE 10 PARTICIPANT LOANS

The Plan does not permit Participants to take a loan from the Plan. To access Plan assets, you must be eligible to receive a distribution from the Plan, as described in Article 8 above.

ARTICLE 11 PLAN AMENDMENTS AND TERMINATION

Plan amendments. We have the authority to amend this Plan at any time.

Plan termination. Although we expect to maintain this Plan indefinitely, we have the ability to terminate the Plan at any time. In the event of the termination of the Plan, you are entitled to a distribution of your entire benefit. Such distribution shall be made directly to you or, at your direction, may be transferred directly to another qualified retirement plan or IRA. If you do not consent to a distribution of your benefit upon termination of the Plan, the Plan Administrator will transfer your benefit directly to an IRA that we will establish for your benefit.

ARTICLE 12 CLAIM PROCEDURES

Claim for Benefits. Benefits will normally be payable under the Plan without the need for a formal claim. However, if you feel you are entitled to benefits under the Plan that have not been paid, you may submit to the Plan Administrator a written claim for benefits. Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. The Plan Administrator will evaluate your claim (including all relevant documents and records you submit to support your claim) to determine if benefits are payable to you under the terms of the Plan. The Plan Administrator may solicit additional information from you if necessary to evaluate the claim.

If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

If the Plan Administrator denies all or any portion of your claim, you will receive within a reasonable period of time (not to exceed 90 days after receipt of the claim form), a written or electronic notice setting forth the reasons for the denial (including references to the specific provisions of the Plan on which the decision is based), a description of any additional information needed to perfect your claim, and the steps you must take to submit the claim for review. If the Plan Administrator determines that special circumstances require an extension of time for processing your claim, it may extend the 90-day period described in the prior sentence to 180 days, provided the Plan Administrator provides you with written notice of the extension and prior to the expiration of the original 90-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render its decision.

If the Plan Administrator denies your claim, you will have 60 days from the date you receive notice of the denial of your claim to appeal the adverse decision of the Plan Administrator. You may submit to the Plan Administrator written comments, documents, records and other information relating to your claim for benefits. You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. The Plan Administrator's review of the claim and of its denial of the claim shall take into account all comments, documents, records and other information relating to the claim, without regard to whether these materials were submitted or considered by the Plan Administrator in its initial decision on the claim. If the Plan Administrator denies your claim for benefits upon review, in whole or in part, you may file suit in state court.

Disability Determinations. To the extent a claim for benefits is based upon your Disability, the Plan Administrator will rely on a determination of Disability by the Social Security Administration. An independent determination of Disability by the Plan Administrator will not be made.