

403(b) TSA

PLAN DOCUMENT

FOR

Eastern Kentucky University

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PREAMBLE

Eastern Kentucky University hereby establishes the Tax Sheltered Annuity (TSA) Code Section 403(b) Plan for its specified employees.

The Plan is intended to be a tax deferred annuity plan within the meaning of Section 403(b) of the Internal Revenue Code (the "Code") and a governmental plan within the meaning of Section 414(d) of the Code and Section 3(32) of the Employee Retirement Income Security Act of 1974. The Plan consists of the provisions set forth in this basic plan document and the Adoption Agreement and is applicable to each Eligible Individual.

ARTICLE I DEFINITIONS

As used in this Plan, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context:

1.1 "Administrator" means the person(s) or entity designated by the Employer pursuant to Section 5.2 to administer the Plan and perform fiduciary functions for the Plan on behalf of the Employer.

1.2 "Adoption Agreement" means the separate agreement which is executed by the Employer and which sets forth the elective provisions of the Plan. The Adoption Agreement shall be considered a part of the Plan.

1.3 "Age 50 Plus Catch-Up Contribution" means the catch-up contribution for workers who attain age 50 by the end of the calendar year made by the Employer to the Plan pursuant to a Salary Reduction Agreement entered into by a Participant, as permitted under Code Section 414(v) pursuant to Section 3.2.

1.4 "Anniversary Date" means the annual date for valuation of Plan assets specified in the Adoption Agreement, but in no event shall a valuation of Plan assets be performed less than once a year occurring on the last day of the Plan Year.

1.5 "Annuity Contract" means a group or individual annuity contract issued by the Provider which satisfies all of the requirements of Code Section 403(b), including the requirement that it be nontransferable within the meaning of Code Section 401(g), and any other relevant sections of the Code.

1.6 "Beneficiary" means, subject to Article IV, an individual, individuals or a trust that satisfies the requirements of Section 1.401(a)(9)-4, Q&A-5 of the Regulations designated by the Participant in writing on a form acceptable to the Administrator, and received by the Administrator prior to the Participant's death, to receive any undistributed nonforfeitable amounts under the Participant Account which becomes payable upon the Participant's death and is the designated beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4, Q&A-1 of the Regulations. Subject to Article IV, the Participant may designate more than one Beneficiary or primary and secondary Beneficiaries or may change the designation of a Beneficiary. If two or more, or less than all, designated Beneficiaries survive the Participant, payments shall be made equally to all such Beneficiaries, unless otherwise provided in the form of designation made by the Participant. Elections made by a Participant in his beneficiary designation form shall be binding on any

such Beneficiary or Beneficiaries. If the Participant does not designate a Beneficiary, then the Participant's estate shall receive the Participant Account in accordance with Section 4.4.

1.7 "Code" means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.8 "Custodial Account" means a funding vehicle for a 403(b) arrangement established under Code Section 403(b)(7) and established by a custodial agreement between the Employer and the custodian or the Participant and the custodian, as appropriate. Assets under a Custodial Account must be held by a bank, trust company, or entity authorized by the Commissioner of the Internal Revenue and must be invested solely in regulated investment company stock (i.e., mutual funds). Any dividends from the investment in mutual funds must be reinvested to ensure that the distribution requirements of the Code are satisfied.

1.9 "Eligible Individual" means any individual Employee of the Employer who meets the criteria set forth in Section 2.1, and is in one or more of the classifications of Employees specified in the Adoption Agreement.

1.10 "Employee" means any person who is employed by the Employer, and who performs services for the Employer for which compensation is paid. The term Employee shall not include Leased Employees.

1.11 "Employer" means the public schools that satisfies the definition of Code Section 414(d) and is named in the Adoption Agreement (together with any other entity required to be aggregated with such public school employer under Code Sections 414(b), (c), (m) or (o)), and any successor which shall maintain this Plan, and any predecessor which has maintained this Plan.

1.12 "Employer Discretionary Contributions" means the Employer's discretionary contributions to the Plan in accordance with the formula selected in the Adoption Agreement.

1.13 "Employer Nonelective Contributions" means amounts contributed by the Employer to the Plan each calendar year commencing with the Plan Year in which a Participant has a severance from employment with the Employer for a period of years as elected by the Employer in the Adoption Agreement.

1.14 "Employer Contributions Account" means that portion of the Participant Account established and maintained by the Administrator for each

Participant with respect to his total interest (including any earnings and losses attributable thereon) under the Plan resulting from Employer Discretionary Contributions, Employer Nonelective Contributions and/or Employer Matching Contributions.

1.15 "Employer Matching Contribution" means the Employer's contributions to the Plan that match either a Participant's Salary Reduction Contributions, Age 50 Plus Catch-Up Contributions or Voluntary Contributions in accordance with the formula selected in the Adoption Agreement.

1.16 "Fiscal Year" means the Employer's 12-month consecutive accounting year specified by the Employer in the Adoption Agreement.

1.17 "Forfeiture" means that portion of a Participant's Employer Contributions Account that is not Vested and in which the Participant no longer has an interest and will be treated in accordance with Section 3.10(c).

1.18 "Former Participant" means a person who has been a Participant, but who has ceased to be a Participant for any reason.

1.19 "Includible Compensation" for purposes of Code Section 415(c) means a Participant's compensation (including contributions made to a plan under Code Section 125 to fund group health insurance which the Employee does not have the option of receiving in cash because such Employee is unable to certify that he has other health coverage) received from the Employer currently sponsoring the Plan that is includible in the Employee's gross income for the most recent period that may be counted as a one-year period of service.

For full-time Employees, the most recent one-year period of service will generally be the current taxable year. For part-time and retiring Employees, the most recent one-year period of service consists of the service in the current year and the service for as many previous years as is necessary to total one full year of service. The most recent periods of service are added to determine the most recent one-year period of service by first taking into account the service during the year for which the determination is being made and then adding the service during the next preceding years until the service total one year of service.

Includible Compensation includes:

- Amounts received from the Employer that is includible in the Employee's gross income for the most recent period that may be counted as a one-year period of service,
- Salary Reduction Contributions, including Age 50 Plus Catch-Up Contributions (other than those made pursuant to a one-time irrevocable election) under a 403(b) program,
- Deferrals under a Section 457(b) deferred compensation plan,
- Deferrals under a Section 401(k) plan, and
- Any Section 125 cafeteria plan elective contributions.

Includible Compensation does not include:

- Non-Salary Reduction Contributions (such as Employer Contributions), and
- Code Section 414(h) pick up contributions.

1.20 "Leased Employee" means any person (other than an Employee of the Employer) who, pursuant to an agreement between the Employer and any another other person or entity ("leasing organization") has performed services for the Employer (or for the Employer and related persons determined in accordance with Code Section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the Employer. Contributions or benefits provided for a Leased Employee by the leasing organization which are attributable to services performed for the Employer shall be treated as provided by the Employer.

A leased employee shall not be considered an employee of the Employer if: (i) such individual is covered by a money purchase pension plan sponsored by the leasing organization providing: (1) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Code Section 415(c)(3), including amounts contributed pursuant to a salary reduction agreement which are excludable from the individual's gross income under Code Section 125, 402(e)(3), 402(h)(1)(B), 403(b) or 132(f)(4), (2) immediate participation, and (3) full and immediate vesting, and (ii) leased employees do not constitute more than 20 percent of the Employer's nonhighly compensated work force.

1.21 "Participant" means any Eligible Individual who participates in the Plan and has not for any reason become ineligible to participate further in the Plan.

1.22 “Participant Account” means the total of the Participant Contributions Account and the Employer Contributions Account (including any earnings and losses attributable thereon) for each Participant in the Plan

1.23 “Participant Contributions Account” means that portion of the Participant Account established and maintained by the Administrator for each Participant with respect to his total interest in the Plan resulting from a Participant’s Salary Reduction Contributions Account, Rollover Contributions Account and Voluntary Contributions Account (including any earnings and losses attributable thereon).

1.24 “Plan” means this instrument, including all amendments thereto, as adopted by the Employer.

1.25 “Plan Year” means the Plan's 12-consecutive month accounting year as selected in the Adoption Agreement.

1.26 “Provider” means ING Life Insurance and Annuity Company, ING Insurance Company of America, AIG, TIAA-CREF and Fidelity or such other provider entity as the Employer may approve.

1.27 “Regulation” means the federal income tax regulations including proposed and temporary regulations, as promulgated by the Secretary of the Treasury or his delegate, and as amended from time to time.

1.28 “Rollover Contributions” means, if so elected by the Employer in the Adoption Agreement, contributions made by a Participant (or, if applicable, Eligible Individual) pursuant to Section 3.8 of “eligible rollover distributions” in accordance with Code Section 402(c)(4).

1.29 “Rollover Contributions Account” means the account established and maintained by the Administrator for each Participant (or, if applicable, Eligible Individual) with respect to his total interest (including any earnings and losses attributable thereon) under the Plan resulting from Rollover Contributions.

1.30 “Salary Reduction Agreement” means an agreement between a Participant and the Employer whereby the Participant agrees to a reduction of Compensation. Such Participant may make or modify a Salary Reduction Agreement election at any time before the affected Compensation would otherwise become payable. A Salary Reduction Agreement must be legally binding under

applicable state law. An individual who is not an Employee may not make a Salary Reduction Agreement.

1.31 “Salary Reduction Contribution” means contributions made by the Employer to the Plan pursuant to a Salary Reduction Agreement entered into by a Participant, which qualifies as an “elective deferral” within the meaning of Code Sections 402(g) and 403(b).

1.32 “Salary Reduction Contributions Account” means the account established and maintained by the Administrator for each Participant with respect to his total interest under the Plan resulting from Salary Reduction Contributions and Age 50 Plus Catch-Up Contributions.

1.33 “Total and Permanent Disability” means the inability to engage in any substantial gainful activity by reason of any 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 determination of Total and Permanent Disability of a Participant shall be performed by a licensed physician chosen by the Administrator. However, if the condition constitutes total disability under the federal Social Security Acts, the Administrator may rely upon such determination that the Participant is totally and permanently disabled for the purposes of this Plan. The criteria for determination of Total and Permanent Disability shall be applied uniformly to all Participants.

1.34 “Vested” means the nonforfeitable portion of any account maintained on behalf of a Participant in accordance with Section 3.10.

1.35 “Voluntary Contributions” means Participant contributions made to a Plan on an after-tax basis pursuant to the election of the Participant.

1.36 “Voluntary Contributions Account” means the account established and maintained by the Administrator for each Participant with respect to his total interest (including any earnings and losses attributable thereon) under the Plan resulting from Voluntary Contributions.

ARTICLE II ELIGIBILITY

2.1 CONDITIONS OF ELIGIBILITY

An Eligible Individual shall be eligible to participate in the Plan when he has satisfied the eligibility requirements specified in the Adoption Agreement and has executed a Salary Reduction Agreement.

Individuals who are eligible to participate in KTRS may choose this optional retirement program rather than KTRS. Upon enrollment, eligible employees have thirty (30) calendar days to elect participation in the ORP. If no election is made, employees will be automatically enrolled in KTRS. Former employees and those previously employed by other state institutions who were members of KTRS are ineligible for ORP participation unless there has been a six (6) month break in service.

2.2 DETERMINATION OF ELIGIBILITY

The Administrator (Wally Skiba) shall determine whether each Employee is an Eligible Individual and has satisfied the eligibility requirements specified in the Adoption Agreement based upon information furnished by the Employer. Such determination shall be conclusive and binding and the criteria for such determination shall be applied uniformly to all Participants.

All full-time employees should be eligible.

2.3 SALARY REDUCTION AGREEMENTS

In order to participate in the Plan, a Participant must complete and file a Salary Reduction Agreement in a manner and method determined by the Administrator. A Participant may make multiple Salary Reduction Agreements in a single taxable year. In addition, a Participant may make or modify a Salary Reduction Agreement election at any time before the affected compensation would otherwise become payable. A Salary Reduction Agreement must be legally binding under applicable state law.

2.4 NONDISCRIMINATION TESTING FOR SALARY REDUCTION CONTRIBUTIONS

In accordance with Code Section 403(b)(12), each Employee shall have the opportunity to make Salary Reduction Contributions subject to the exceptions listed in the Adoption Agreement.

2.5 TERMINATION OF ELIGIBILITY

In the event a Participant ceases to be an Eligible Individual, such individual shall be considered a Former Participant but shall continue to vest in his interest in the Plan for each year completed with the Employer in accordance with Section 3.10.

ARTICLE III
CONTRIBUTION AND ALLOCATION

3.1 VOLUNTARY CONTRIBUTIONS

(a) For each Plan Year, each Participant may elect to make Salary Reduction Contributions to the Plan up to the applicable dollar amount under Code Section 402(g) and subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such contributions shall be allocated to the Participant's Salary Reduction Contributions Account. The applicable dollar amount is as follows:

Calendar Year	Applicable Dollar Amount
2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006 and thereafter	\$15,000 adjusted for cost of living after 2006 to the extent provided under Code Section 402(g)(4)
2009	\$16,500

(b) Notwithstanding subsection (a), a Participant who has completed at least 15 years of service (as defined in Code Section 403(b)) with the Employer shall be permitted to contribute an amount in excess of the limitation under subsection (a) that is the least of:

- (i) \$3,000,
- (ii) 15,000 reduced by amounts not included in gross income for prior taxable years by reason of this paragraph (b), or
- (iii) the excess of \$5,000 multiplied by the number of years of service (as defined in Code Section 403(b)) minus all prior elective deferrals made under Code Section 402(g)(3).

3.2 AGE 50 PLUS CATCH-UP CONTRIBUTIONS

(a) If elected by the Employer in the Adoption Agreement, a Participant who has attained age 50 before the close of the calendar year may elect Age 50 Plus Catch-Up Contributions and commence making such contributions to his

Salary Reduction Contributions Account via a Salary Reduction Agreement subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such contributions are not subject to the limitations of Code Section 402(g) or 415(c). The maximum dollar amount of the Age 50 Plus Catch-up Contributions for a calendar year is as follows:

Calendar Year	Applicable Dollar Amount
2002	\$1,000
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006 and thereafter	\$5,000 adjusted for cost of living after 2006 to the extent provided under Code Section 414(v)(2)(C)

(b) For purposes of subsection (a), all plans of the Employer as described in Code Section 402(g)(3) in which a Participant participates shall be aggregated.

A Participant may make Voluntary Contributions to the Plan of up to a percentage of the Participant's compensation as indicated in the Adoption Agreement, subject to any limitations imposed under applicable law. Such contributions shall be allocated to the Participant's Voluntary Contributions Account.

Participants eligible for Voluntary Contributions.

-All active employees

Note: The Eligible Employees specified above must correspond to a group of the same designation that is defined in statutes, ordinances, rules, regulations, personnel manuals, collective bargaining agreements or other authority for the state or local jurisdiction of the Employer.

3.3 PAYMENT OF CONTRIBUTIONS TO INVESTMENT PRODUCT

The Employer shall remit to the Provider the contributions to be allocated under the Investment Product to fund benefits under the Plan within the time prescribed by applicable law or under any applicable collective bargaining agreement.

3.4 MAXIMUM ANNUAL DEFERRALS

Notwithstanding any other provisions of the Plan, no Salary Reduction Contributions shall be made that would exceed the limitations set forth in Code Section 402(g), including any catch-up contributions under Code Section 402(g)(7). In the event that this limit is exceeded, then the Administrator or other delegate of the Employer shall direct the Provider as to the proper correction method permissible under the Code and other applicable Internal Revenue Service guidance, including calculation of any earnings or losses and the proper tax reporting with respect to such distributions.

3.5 MAXIMUM ANNUAL ADDITIONS

(a) The maximum permissible Annual Additions that may be contributed or allocated to each Participant Account under the Plan for any Limitation Year shall not exceed the lesser of:

- (i) \$40,000, as adjusted for increase in the cost of living under Code Section 415(d), or
- (ii) 100 percent of the Participant's compensation for the Limitation Year.

(b) For purposes of this Section 3.7, "Annual Additions" means, for any Limitation Year, the sum of Salary Reduction Contributions, Employer Discretionary Contributions, Employer Matching Contributions, Employer Nonelective Contributions, Voluntary Contributions, and Forfeitures to the Plan; any Employer contributions, Employee contributions and forfeitures allocated to any other Code Section 403(b) plan in which the Participant participates, regardless of the sponsoring employer. For this purpose, any excess amount applied under Code Section 415 in the Limitation Year to reduce Employer contributions shall be considered "Annual Additions" for such Limitation Year.

(c) For purposes of this Section 3.7, "Limitation Year" means the 12-consecutive month calendar year.

(d) If a Participant has a "controlling interest" in another employer and participates in that employer's qualified 401(a) defined contribution plan, a welfare benefit fund (as defined in Code Section 419(e)), an individual medical account (as defined in Code Section 415(l)(2)) or a simplified employee pension

(as defined in Code Section 408(k)) which provides Annual Additions, the amount of Annual Additions which may be credited to an individual's Participant Account for any Limitation Year shall not exceed the maximum permissible amount described in Section 3.7(a), taking into account Employer contributions that have been allocated to such other plans as described in this Section 3.7(d). If Employer contributions allocated to an individual's participant account maintained under such other plans are equal or greater than the maximum permissible amount described in Section 3.7(a) in a Limitation Year, no amount shall be contributed to the Participant Account under the Plan for that Limitation Year.

(e) Notwithstanding Section 3.7(d), if the maximum permissible amount described in Section 3.7(a) is exceeded, the Employer or its delegate shall direct the Provider as to the correct method of correction of such excesses.

3.6 INVESTMENTS

(a) Amounts contributed under the Plan shall be invested in Annuity Contracts or Custodial Accounts provided by the Provider. The terms and conditions of such Annuity Contracts or Custodial Account agreements shall be considered part of, and shall be construed as having been incorporated into the Plan. Participants will direct the investment of their Participant Contributions Account and their Employer Contributions Account among the investment options available under the Annuity Contracts or Custodial Accounts pursuant to the terms and conditions of the Annuity Contracts or Custodial Account agreements. Contributions shall be allocated to a Participant Account in accordance with this Article III and earnings and losses attributable to such contributions shall be allocated to such Participant Account. If any provision of an Annuity Contract or Custodial Account agreement is not consistent with the Plan provisions, the terms of the Plan shall control.

(b) The Provider who shall issue an Annuity Contract or Custodial Account hereunder is not responsible for the legal aspects of this Plan. The Provider is absolved from any liability and shall be held harmless for any actions taken in accordance with any direction of the Administrator, and shall have no duty to see to the application of any funds paid pursuant to the direction of the Administrator, nor be required to question any actions directed by the Administrator. Regardless of any provision of this Plan, the Provider shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any Annuity Contract or Custodial Account which it issues hereunder, or the practices and procedures of the Provider. In addition, the Provider is

entitled to rely on all information provided by the Administrator, Employer, its agents, officers and Employees.

3.7 VESTING

- 100% upon entering plan of participant's interest in employer discretionary and matching contributions.

(a) A Participant is always fully vested in his Salary Reduction Contributions, Age 50 Plus Catch-Up Contributions, Employer Nonelective Contributions, Rollover Contributions and Voluntary Contributions and earnings thereon.

ARTICLE IV
DETERMINATION AND DISTRIBUTION OF BENEFITS

Lump Sum, Immediate or Deferred Annuity (including life annuities and installment payment annuities) or Systematic Distribution Option permitted under the Annuity Contract or Custodial Account

4.1 DISTRIBUTIONS UNDER ANNUITY CONTRACTS

(a) Salary Reduction Contributions and Age 50 Plus Catch-Up Contributions made to an Annuity Contract after December 31, 1988 may not be paid or made available before a distributable event occurs. Such amounts may be distributed to a Participant (or, if applicable, the Beneficiary):

- (i) upon the Participant's severance from employment,
- (ii) in the event of the Participant's death,
- (iii) in the event of the Participant's Total and Permanent Disability, or
- (iv) In the event the Participant encounters financial hardship. Hardship withdrawals are limited to the withdrawal of Salary Reduction Contributions and income on such amounts cannot be withdrawn.

(b) Salary Reduction Contributions made to an Annuity Contract and corresponding earnings as of December 31, 1988 are "grandfathered" and withdrawal restrictions do not apply. All other non-Salary Reduction Contributions under an Annuity Contract are not subject to withdrawal restrictions and may be distributed at the time specified in the Adoption Agreement.

4.2 DISTRIBUTIONS UNDER CUSTODIAL ACCOUNTS

All amounts in Custodial Accounts are subject to withdrawal restrictions. No amounts may not be paid or made available before a distributable event occurs. Such amounts may be distributed to a Participant (or, if applicable, the Beneficiary):

- (a) upon the Participant's attainment of age 59 1/2,
- (b) upon the Participant's severance from employment,
- (c) in the event of the Participant's death,

(d) in the event of the Participant's Total and Permanent Disability, or

(e) if elected by the Employer in Adoption Agreement, in the case of Salary Reduction Contributions and Age 50 Plus Catch-Up Contributions, in the event the Participant encounters financial hardship. Amounts available for a hardship consist of Salary Reduction Contributions and Age 50 Plus Catch-Up Contributions, any pre-1989 earnings attributable to Salary Reduction Contributions made on or before December 31, 1988, and any other amounts contributed to the Custodial Account on or before December 31, 1988.

4.3 DETERMINATION OF BENEFITS UPON ATTAINMENT OF AGE 59 ½, SEVERANCE FROM EMPLOYMENT OR TOTAL AND PERMANENT DISABILITY

(a) Upon a Participant's attainment of age 59½, severance from employment or Total and Permanent Disability, all amounts credited to the Participant Account shall become distributable in accordance with this Section 4.3. However, a Participant may postpone the distribution of his Participant Account in accordance with Section 3.10 and this Section 4.3.

(b) Upon a Participant's application for benefits, the Administrator shall direct the distribution of the Vested portion of the amounts credited to a Participant Account in accordance with Section 3.10 and this Section 4.3

(c) A Participant may choose a benefit distribution option as selected by the Employer in the Adoption Agreement. The terms of any annuity contract purchased and distributed by the Plan to a Participant or Beneficiary shall comply with the requirements of the Plan.

(d) Notwithstanding any provision in the Plan to the contrary, the distribution of a Participant's Vested benefits, whether under the Plan or through the purchase of an annuity contract, shall be made in accordance with the requirements of Code Section 401(a)(9) and the Regulations thereunder, including Regulation Section 1.403(b)-3.

(e) Minimum distribution payments under Code Section 401(a)(9) to a Participant must begin by April 1 of the year following the later of:

- (i) the year in which the Participant attains age 70 1/2, or
- (ii) the year in which the Participant retires from employment with the Employer.

(f) For purposes of Code Section 401(a)(9), if the Provider keeps the records necessary to identify the pre-1987 account balance, the minimum distribution commencement requirements apply only to Salary Reduction Contributions that accrue after December 31, 1986, including the income on pre-1987 contributions. Pre-1987 accruals of Salary Reduction Contributions must be distributed by the April 1st of the calendar year following the calendar year in which the Participant attains age 75 or retires, whichever is later.

(g) During the Participant's lifetime, the minimum amount to be distributed for each distribution calendar year consistent with Code Section 401(a)(9) and the Regulations thereunder is the lesser of:

- (i) the quotient obtained by dividing the Participant's Participant Account as of the December 31st of the preceding distribution calendar year by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, A-2 of the Regulations, using the Participant's age of his birthday in the distribution calendar year; or
- (ii) the quotient determined based on who is the primary Beneficiary of the Participant as follows:
 - (A) if the Participant's primary designated beneficiary is either a non-spouse Beneficiary or is a spousal Beneficiary who is less than 10 years the age of the Participant, the quotient obtained by dividing the Participant Account by the factor in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, A-2 of the Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
 - (B) if the Participant's sole, primary designated Beneficiary is the Participant's spouse and such spouse is 10 or more years younger than the Participant for the distribution calendar year, the quotient obtained by dividing the Participant Account by the factor in the Joint and Last Survivor Table set forth in

Section 1.401(a)(9)-9, A-3 of the Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(h) Required minimum distributions will be determined under this Section 4.3 beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death. If the Participant dies before receiving the minimum distribution payable for the distribution calendar year in the year of the Participant's death, such amount shall be distributed to the Participant's Beneficiary.

(i) For purposes of this Section 4.3, "distribution calendar year" means the calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

4.4 DETERMINATION OF BENEFITS UPON DEATH

(a) Upon the death of a Participant or a Former Participant, the Administrator shall direct that the deceased Participant's or Former Participant's Participant Account be distributed to the Participant's or Former Participant's Beneficiary in accordance with the provisions of this Section 4.4.

(b) The designation of a Beneficiary shall be made on a form satisfactory to the Administrator. A Former Participant or Participant may at any time revoke his designation of a Beneficiary or change his Beneficiary by filing written notice of such revocation or change with the Administrator. In the event no valid designation of Beneficiary exists at the time of the Former Participant's or Participant's death, the death benefit shall be payable to the Former Participant's or Participant's estate.

(c) The Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Participant Account of a deceased Participant or Former Participant, as the Administrator may deem appropriate. The Administrator's determination of death and of the right of any person to receive payment shall be conclusive.

(d) Death benefits payable to a Beneficiary shall be made in a form as selected by the Beneficiary in accordance with the available options as selected by the Employer in the Adoption Agreement. In the event a Beneficiary fails to make an election as to a benefit distribution option, any benefit payable to such Beneficiary shall be distributed in a lump sum payment. The terms of any annuity contract purchased and distributed by the Plan to a Participant, Former Participant or Beneficiary shall comply with the requirements of the Plan.

(e) Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant or Former Participant, shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder, including Regulation Section 1.403(b)-3.

(f) If minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant or Former Participant and the designated Beneficiary is not the Participant's or Former Participant's surviving spouse, death benefit payments must:

- (i) begin to be distributed to the designated Beneficiary no later than the December 31 of the calendar year immediately following the calendar year of the Participant's or Former Participant's death payable over a period not to exceed the life expectancy of the Beneficiary; or
- (ii) be distributed no later than the December 31 of the calendar year containing the fifth anniversary of the Participant's or Former Participant's death.

(g) If the designated Beneficiary is the Participant's or Former Participant's surviving spouse and minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant or Former Participant, minimum payments to the surviving spouse as the designated Beneficiary must begin by the later of the:

- (i) December 31 of the calendar year immediately following the calendar year in which the Participant or Former Participant dies, or

- (ii) December 31 of the calendar year in which the Participant or Former Participant would have attained age 70 1/2.

The payments to the surviving spouse as the designated Beneficiary must be made over a period not to exceed the surviving spouse's life expectancy.

(h) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's or Former Participant's death, the Participant's or Former Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's or Former Participant's death.

(i) If the Participant or Former Participant dies on or after the date distributions begin and there is a designated Beneficiary, distributions shall be based on the longer of the remaining life expectancy of the Participant or Former Participant or the remaining life expectancy of the Participant's or Former Participant's designated Beneficiary.

(j) Life expectancies calculations will be computed using the factors in the Single Life Table set forth in Section 1.401(a)(9)-9, A-1 of the Regulations, as follows:

- (i) The Participant's or Former Participant's remaining life expectancy is calculated using the age of the Participant or Former Participant in the year of death, reduced by one for each subsequent year.
- (ii) If the Participant's or Former Participant's surviving spouse is the Participant's or Former Participant's sole, primary designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's or Former Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

- (iii) If the Participant's or Former Participant's surviving spouse is not the Participant's or Former Participant's sole, primary designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's or Former Participant's death, reduced by one for each subsequent year.
- (iv) If the Participant or Former Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's or Former Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's or Former Participant's death is the quotient obtained by dividing the Participant Account by the Participant's or Former Participant's remaining life expectancy calculated using the age of the Participant or Former Participant in the year of death, reduced by one for each subsequent year.

4.5 DETERMINATION OF BENEFITS IN EVENT OF HARDSHIP

Special Benefit Implications

The ORP does not have a disability retirement provision. The only long-term disability benefit to which employees may be entitled to is that provided by the University's group disability plan.

Additionally, medical insurance coverage is not available to ORP retirees.

In the event of a Participant's hardship prior to severance from employment, the Administrator shall make a determination as to the Participant's hardship in accordance with the Adoption Agreement and direct the distribution to such Participant of the applicable amounts in a one-sum payment. Such hardship distribution is not considered a rollover eligible distribution.

4.6 DISTRIBUTION FOR MINOR BENEFICIARY

In the event a distribution is to be made to a minor, then the Administrator may direct that such distribution be paid to the legal guardian, or if none, to a parent of such Beneficiary or to the custodian for such Beneficiary under the Uniform Gift [Transfers] to Minors Act, if such is permitted by the laws of the state in which

Beneficiary resides. Such a payment to the legal guardian, custodian or parent of a minor Beneficiary shall fully discharge the Provider, Administrator, Employer, and Plan from further liability on account thereof.

4.7 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant or his Beneficiary hereunder shall, at the Participant's or Former Participant's severance from employment, remain unpaid solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or Former Participant or his Beneficiary, the amount so distributable shall be treated as a Forfeiture pursuant to the Plan. In the event a Participant or Former Participant or Beneficiary is located subsequent to his benefit being forfeited in accordance with this Section 4.7, such benefit shall be restored, including any applicable earnings, first from Forfeitures, if any, and then from an additional Employer contributions, if necessary.

4.8 QUALIFIED DOMESTIC RELATIONS ORDERS

In accordance with Code Section 414(p)(1) as modified by Code Section 414(p)(11), a Participant's or Former Participant's benefit may be the subject of a domestic relations order between the Participant or Former Participant and the alternate payee (as defined in Code Section 414(p)(8)) if the order is determined to be a Qualified Domestic Relations Order. The Administrator shall adopt reasonable procedures to determine the qualified status of domestic relations orders and to administer the distributions thereunder. Distributions may be made immediately to an alternate payee pursuant to a qualified domestic relations order before the date on which the Participant or Former Participant attains the earliest retirement age as defined in Code Section 414(p)(4)(B).

4.9 ROLLOVERS FROM THE PLAN

(a) Notwithstanding any provision of the Plan to the contrary, a Participant or Former Participant shall be permitted to elect to have any Eligible Rollover Distribution (as defined in Section 3.8(c)) transferred directly to an Eligible Retirement Plan (as defined in Section 3.8(b)) specified by the Participant or Former Participant. The Participant or Former Participant shall, in the time and manner prescribed by the Administrator, specify the amount to be rolled over and the Eligible Retirement Plan to receive such rollover. Any portion of a distribution which is not rolled over shall be distributed directly to the Participant or Former Participant.

(b) The election described in Section 4.9(a) also applies to the surviving spouse who is the designated Beneficiary of the Participant or Former Participant or a spouse or former spouse who is the alternate payee under a qualified domestic relations order as defined in Code Section 414(p), provided that such spouse, former spouse or alternate payee directs the transfer of an Eligible Rollover Distribution (as defined in Section 3.8(c)) into an Eligible Retirement Plan (as defined in Section 3.8(b)) in which such spouse, former spouse or alternate payee is a participant.

4.10 IRS REVENUE RULING 90-24 TRANSFERS

(a) With the consent of the Administrator, a Participant, a Former Participant, or a Beneficiary of a Former Participant may elect to have all or a portion of his account under the Plan transferred tax free directly to another provider pursuant to IRS Revenue Ruling 90-24, provided that the transferred funds continue to be subject to the same or more stringent distribution restrictions after the transfer occurs.

(b) A 90-24 transfer between Annuity Contracts and Custodial Accounts that are attributable to the Participant's December 31, 1986 account value, or December 31, 1988 account value will retain any grandfathered status to which the funds were entitled prior to the transfer, as long as:

- (i) the Provider provides the required information to the recipient carrier,
- (ii) such amounts are accounted for separately, and
- (iii) such amounts continue to be clearly identified under the new contract.

4.11 PURCHASING SERVICE CREDITS UNDER A STATE OR LOCAL RETIREMENT SYSTEM

A participant may direct the Administrator to transfer amounts under his Participant Account tax-free under the Plan in accordance with Code Section 403(b)(13) to the fiduciary of a state or local retirement system in order to enable the Participant to purchase years of service credits under the system or repay amounts previously cashed out under the system even if the Participant is not eligible for a distribution under Section 4.1 or 4.2. The Administrator shall take such reasonable measures as required to ensure that the intended recipient plan will accept such transferred amounts.

ARTICLE V ADMINISTRATION

5.1 POWERS AND RESPONSIBILITIES OF THE EMPLOYER

(a) The Employer shall have full power to interpret and construe the Plan in a manner consistent with its terms and provisions and with Code Section 403(b), including Regulations thereunder and to establish practices and procedures conforming to those provisions. In all such cases the Employer's determination shall be final and conclusive upon all persons. It is recognized that unusual circumstances may occur and questions may arise that are not specifically covered by any provision of the Plan, and the Employer shall have the right to resolve all such questions. Notwithstanding the above, the Employer's power and responsibility under the Plan shall not extend to, nor have any control over, those responsibilities and duties of the Provider.

(b) The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to assure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan and the Code.

(c) The Employer shall periodically review the performance of any person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Employer or by a qualified person specifically designated by the Employer, through day-to-day conduct and evaluation, or through other appropriate ways.

5.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Employer may appoint a committee ("Committee") of one or more persons to serve as the Administrator and to discharge the Administrator's responsibilities under the Plan. The Employer may remove a Committee member for any reason by giving such member ten (10) days written notice and may thereafter fill any vacancy thus created. If the Employer does not appoint a Committee to administer the Plan, the Employer shall be the Administrator.

5.3 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If more than one person is appointed as Administrator, the responsibilities of each Administrator may be specified by the Employer and accepted in writing by each Administrator. In the event that the Employer makes no such delegation, the Administrators may allocate the responsibilities among themselves, in which event the Administrators shall notify the Employer in writing of such action and specify the responsibilities of each Administrator.

5.4 POWERS AND DUTIES OF THE ADMINISTRATOR

The primary responsibility of the Administrator is to administer the Plan for the benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan in accordance with its terms and shall have the power and discretion to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a tax deferred program under the terms of Code Section 403(b), and shall comply with the terms of all regulations issued pursuant thereto. The Administrator shall have all powers necessary or appropriate to accomplish his duties under this Plan.

The Administrator shall be charged with the duties of the general administration of the Plan, including, but not limited to, the following:

- (a) the discretion to determine all questions relating to the eligibility of Employees to participate or remain a Participant hereunder and to receive benefits under the Plan;
- (b) determine the amounts to be contributed to each Participant Account;
- (c) to authorize and direct the Provider with respect to all disbursements to which a Participant is entitled under the Plan;
- (d) to maintain all necessary records for the administration of the Plan;

(e) to maintain practices and procedures necessary to administer the Plan as are consistent with the terms hereof;

(f) to determine the type of any Annuity Contract or Custodial Account to be purchased from the Provider; and

(g) to assist any Participant regarding his rights, benefits, or elections available under the Plan.

5.5 RECORDS AND REPORTS

The Administrator shall keep a record of all actions taken and shall keep all other books of account, records, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and reports to the Internal Revenue Service, Participants, Beneficiaries and others as required by law.

5.6 APPOINTMENT OF ADVISERS

The Administrator may appoint employ such agents, attorneys, actuaries, accountants, auditors, investment counsel, and clerical assistants, and other persons as the Administrator deems necessary or desirable in connection with the administration of this Plan.

5.7 INFORMATION FROM EMPLOYER

To enable the Administrator to perform his functions, the Employer shall supply the necessary information to the Administrator on a timely basis regarding the Participants under the Plan, including but not limited to Compensation, date of hire, date of death, disability, or termination of employment, and such other pertinent facts and data as the Administrator may require. The Administrator may rely upon such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

5.8 PAYMENT OF EXPENSES

All expenses of administration will be paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan.

ARTICLE VI
MISCELLANEOUS

6.1 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

6.2 ALIENATION

Subject to applicable state law and Code Section 401(g) (applicable to Annuity Contracts) and except as provided in Section 4.8, no benefit which shall be payable to any person (including a Participant or his Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall be subject to attachment or legal process for or against such person, and the same shall not be recognized except to such extent as may be required by law.

6.3 CONSTRUCTION OF PLAN

This Plan shall be construed and enforced according to the state of Kentucky and the local laws of the state in which the Employer is located.

6.4 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in one other form in all cases where they would so apply.

6.5 RECEIPT AND RELEASE FOR PAYMENTS

Any payment to any Participant, his legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of this Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Provider, Administrator and Employer.

6.6 MILITARY SERVICE

Notwithstanding any provision of this plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u).

6.7 AMENDMENT

(a) The Employer shall have the right at any time to amend this Plan subject to the limitations of Section 6.7(b). Any such amendment shall become effective as provided therein upon its execution.

(b) No amendment to the Plan shall be effective if it authorizes or permits any part of the Investment Product (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries; or causes any reduction in the amount credited to the account of any Participant; or causes or permits any portion of the Investment Product to revert to or become property of the Employer.

Attachment 1

Provider Contact List

Please fill in all necessary information on each provider

Provider #1

Name: Ameriprise Financial Services, Inc.
Street Address: 70205 Ameriprise Financial Center
City: Minneapolis State: MN Zip: 55474-0702
Provider Contact Name: N/A
Provider Contact Phone: 800-862-7919 Ext.68669
Fax: (612)671-5000 Email: Group #12167 3

Provider #2

Name: The American Funds Group
Street Address: P.O. Box 6164
City: Indianapolis State: IN Zip: 46206-6164
Provider Contact Name: N/A
Provider Contact Phone: N/A
Fax: N/A Email: N/A ATTN: Group Plan 6164

Provider #3

Name: American Skandia
Street Address: P.O. Box 7960
City: Philadelphia State: PA Zip: 19176
Provider Contact Name: N/A
Provider Contact Phone: N/A
Fax: N/A Email: N/A

Provider #4

Name: First Investors ADM
Street Address: Raritan Plaza One, P.O. Box 7837
City: Edison State: NJ Zip: 08818-7837
Provider Contact Name: Brian J. Steedman(Local)
Provider Contact Phone: 859-273-2171 or 800-394-0252
Fax: 859-273-4095 Email: www.firstinvestors.com

Provider #5

Name: ING (457 and ORP) Group #VFE505 and VFE2214
Street Address: Attn: Jeff Howell; P.O. Box 29011
City: New York State: NY Zip: 10087-9011
Provider Contact Name: Jeanie O'Daniel (Local)
Provider Contact Phone: 859-514-9700 or 800-214-5844
Fax: 859-402-8617 Email: Jeanie.Odaniel@ingfa.com

Provider #6

Name: Kentucky Deferred Compensation Authority
Street Address: 101 Sea Hero Road, Suite 110
City: Frankfort State: KY Zip: 40601
Provider Contact Name: Rebecca A. Evans
Provider Contact Phone: 800-793-4401 or 502 352-9729
Fax: 502-573-4494 Email: bavourney@hotmail.com

Provider #7

Name: Mass Mutual Flex
Street Address: P.O. Box 75459
City: Chicago State: IL Zip: 60675-5459
Provider Contact Name: KY/W Virginia Agency, 2365 Harrodsburg Rd; Suite A300
Provider Contact Phone: Lex. KY 40504-3392; 859-223-4141
Fax: Email:

Provider #8

Name: Mass Mutual Variable
Street Address: P.O. Box 74908
City: Chicago State: IL Zip: 60675-4908
Provider Contact Name:
Provider Contact Phone:
Fax: Email:

Provider #9

Name: Metropolitan Life Insurance Co.
Street Address: Dept. 0945; P.o> Box 120945
City: Dallas State: TX Zip: 75312-0945
Provider Contact Name: Geni Osborn
Provider Contact Phone: 800-492-3553 ext. 28762
Fax: 704-549-4623 Email: www.geniosborn.metlife.com

Provider #10

Name: AIG RETIREMENT (457; ORP; 403B)
Street Address: C/O Chase Bank of TX; P.O. Box 200018
City: Houston State: TX Zip: 77216-0894
Provider Contact Name:
Provider Contact Phone:
Fax: Email:

Provider #11

Name: TIAA-CREF
Street Address: P.O. BOX 65380
City: Charlotte State: NC Zip: 28265
Provider Contact Name: Flora Guzman
Provider Contact Phone: 877-535-3910 X4020; 704-988-4020
Fax: Email: fguzman@tiaa-cref.org

Provider #12

Name: Waddell & Reed
Street Address: P.O. Box 29217
City: Shawnee Mission State: KS Zip: 66201-9075
Provider Contact Name: Sandy Novak or Alice Fowler (Billing
#19627421)
Provider Contact Phone: 913-236-2055
Fax: 913-236-2327 Email:

Eastern Kentucky University
School Name

Signature

Print Name/Title

Date

Witness