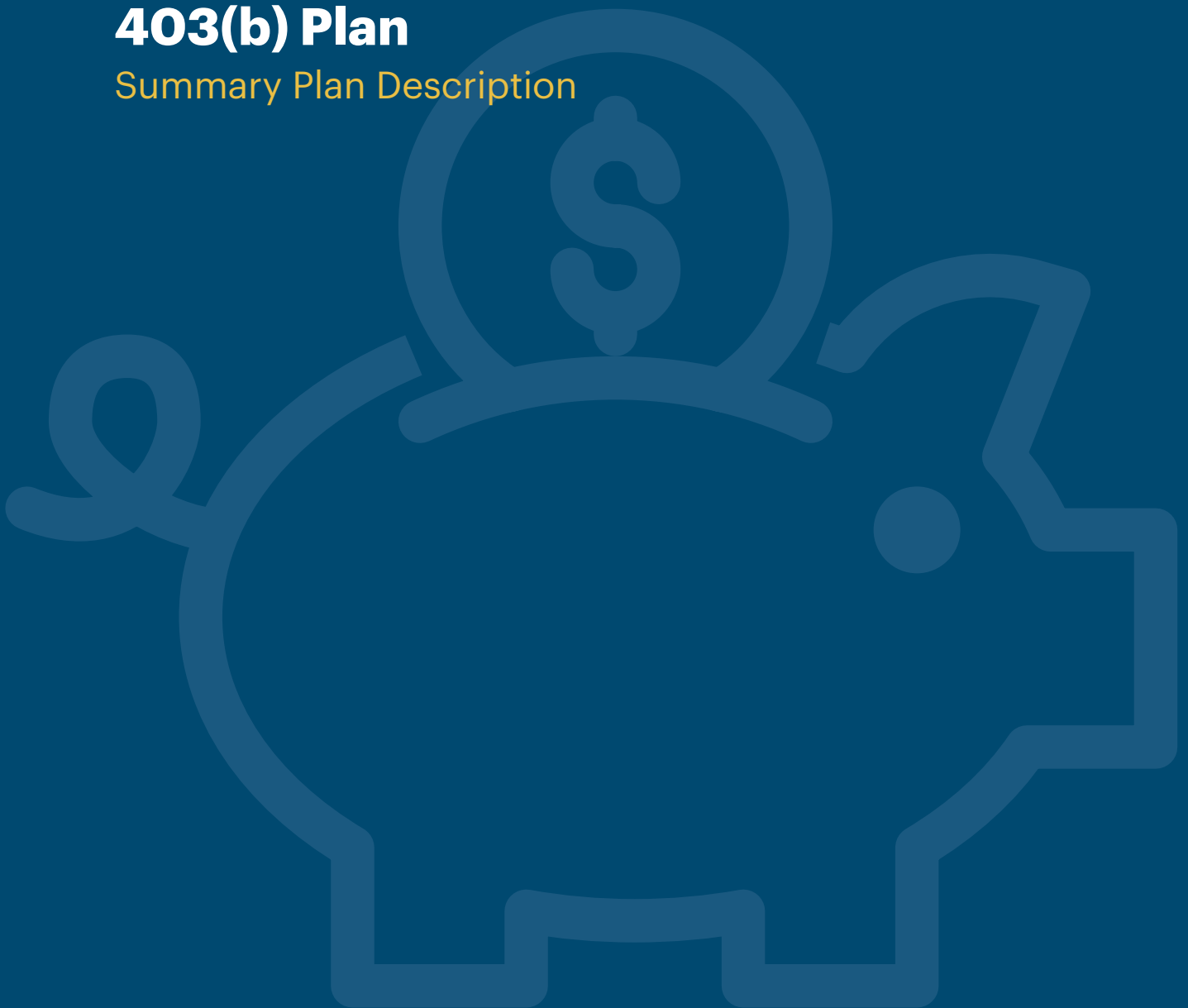




**SAMUEL
MERRITT**
UNIVERSITY

Samuel Merritt University 403(b) Plan

Summary Plan Description



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I. SUMMARY PLAN DESCRIPTION OVERVIEW

Samuel Merritt University established the Samuel Merritt University 403(b) Plan (the "Plan") effective January 1, 2001. The plan was most recently amended effective August 17, 2020. This Plan is intended to meet the requirements of section 403(b) of the Internal Revenue Code.

This Plan is designed to encourage faculty and staff members to save and also to help make saving easy - because the money you save comes from your paycheck before you receive it. When you retire, you will be eligible to receive the balance that has accumulated in your account.

This booklet is called a Summary Plan Description ("SPD") and it contains a summary of your rights and benefits under the Plan. It is not intended to cover all the details of the Plan or to explain how it would apply to every situation. We have tried to explain the features of the Plan in plain English, but you may still come across some words and phrases that have special meaning in the Plan. To help you understand them, we have included a Basic Plan Information section that contains some of the words and phrases that are used in the Plan. If you have any questions that are not answered here, contact the Sutter Shared Services Employee Line at 916-297-8300 or toll-free at 855-398-1631 (option 3).

This SPD is a brief description of the principal features of the plan document and is not meant to interpret, extend or change these provisions in any way. The Plan document shall govern if there is a discrepancy between this SPD and the actual provisions of the Plan.

This SPD is based on the federal tax implications of your participation in the Plan, transactions made within your account, and distributions you may receive from the Plan. The state tax implications of your participation and these transactions should be determined based on an examination of appropriate state law. Please consult with your tax advisor if you have any questions regarding state tax law.

Note: *The administration of the Plan is the responsibility of the Plan Administrator. The Plan Administrator has the authority to interpret Plan provisions and to exercise discretion where necessary or appropriate.*

II. BASIC PLAN INFORMATION

The information in this section contains general Plan information.

Employer and Plan Sponsor

Samuel Merritt University
450 30th Street, Suite 2800
Oakland, CA 94609
510-879-9260

The employer's federal tax identification number is: 94-2992642

ERISA

The Employee Retirement Income Security Act of 1974 (ERISA) identifies the rights of Participants and Beneficiaries covered by a qualified retirement plan.

Investment Provider Contact Information

Fidelity Investments

Fidelity Workplace Services LLC is the primary recordkeeper of the Plan. To the extent agreed upon in separate custodial agreements, Fidelity Management Trust Company is the Plan's Custodian. To view the portion of your account invested through Fidelity, make changes to investments, perform transactions or review your beneficiary designation, please use the contact information below:

Telephone number: 800-343-8060, Monday-Friday, 5:30 a.m. to 9:00 p.m. PT

Website: netbenefits.com/atwork

TIAA

TIAA is also an investment provider under the Plan; however, it is only available to grandfathered TIAA participants that had an account balance at TIAA as of August 17, 2020. If you have an account balance at TIAA and would like to view the portion of your account balance invested through TIAA, make changes to investments, perform transactions or review your beneficiary designation, please use the contact information below:

Telephone number: 800-842-2252, Monday-Friday, 5:00 a.m. to 7:00 p.m. and Saturday, 6 a.m. to 3 p.m. PT

Website: TIAA.org

Plan Administrator

The Plan Administrator is responsible for the administration and operation of the Plan and its duties are identified in the plan document. In general, the Plan Administrator is responsible for providing you and your Beneficiaries with information about your rights and benefits under the Plan. The Plan Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. The Plan Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan or your participation, you should contact the Plan Administrator. The Plan Administrator may designate other parties to perform some duties of the Plan Administrator, and some duties are the responsibility of the investment provider(s) to the Plan. The Plan Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Plan Administrator is conclusive and binding upon all persons.

The name, address and telephone number of the Plan Administrator is:

Name: Samuel Merritt University

Address: c/o Sutter Shared Services, HR-Benefits (403(b)/DC)
P.O. Box 619109
Roseville, CA 95661

Telephone number: 916-297-8300 or toll-free at 855-398-1631, option 3

Plan Number. The three-digit IRS number for the Plan is 001

III. GLOSSARY OF TERMS

The following terms have special meaning, so we have defined them in the section below.

Beneficiary. This is the person or persons (including a trust) you designate, or who are identified by the plan document if you fail to designate or improperly designate, who will receive your benefits in the event of your death based on the provisions of the investment arrangements and distribution options under the Plan. If you are married and wish to designate a beneficiary other than your spouse, your spouse must consent in writing, and that consent must be notarized by a Notary Public or witnessed by the Plan Administrator.

Compensation. Your compensation is the amount reported to the Internal Revenue Service (IRS) on your annual Form W-2, plus amounts you contribute to a Section 125 “cafeteria plan” or a 403(b) or 401(k) plan and without regard to any fringe benefits or group life insurance. The maximum amount of compensation on which benefits can be based is indexed each year; for 2020 it is \$285,000.

Default Fund. The Default Fund is a lifecycle or target retirement fund based on your date of birth and an assumed retirement age of 65 into which your contributions are deposited if you do not make investment elections in the Plan. The Fidelity Freedom Funds® are the default funds for this Plan.

Disabled. Disabled 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 twelve (12) months. The disability of a Participant shall be determined by a licensed physician. However, if the condition constitutes Total and Permanent Disability under the federal Social Security Acts, the Plan Administrator may rely upon such determination that the Participant is Totally and Permanently Disabled for the purposes of this Plan. The determination shall be applied uniformly to all Participants.

Employee Pre-tax Contributions. Contributions you make to the Plan from your salary on a pre-tax basis before federal, state and local income taxes are calculated.

Employee Roth Contributions. Contributions you make to the Plan from your salary on an after-tax basis.

Employer Matching Contributions. Contributions made to the Plan on your behalf by your employer. These contributions are based on the amount of your Employee Pre-tax Contributions and Employee Roth Contributions.

Employer Non-elective Contributions. Discretionary contributions your employer may elect to make to the Plan that are separate from Employer Matching Contributions.

Entry Date. You will become eligible to participate in the Plan for Employee Pre-tax Contributions and Employee Roth Contributions upon your date of hire with Samuel Merritt University. If you are in an eligible position, you will become eligible for Employer Matching Contributions and Employer Non-elective Contributions after completing one Year of Service.

Hour of Service. You earn an Hour of Service for each hour for which you are paid or entitled to be paid (directly or indirectly) for doing your job. An Hour of Service includes periods during which you do not work but are entitled to payment because of Paid Time Off (PTO), jury duty, bereavement leave, or authorized leave of absence. You may also be credited with up to 501 hours in any single continuous period for periods of unpaid leaves of absence such as Employer Requested Absence (ERA) and periods during which you receive disability pay, based on your normally scheduled hours.

Participant. A Participant is an eligible employee who has satisfied the eligibility and entry date requirements and is eligible to participate in the Plan, or a formerly eligible employee who has an account balance in the Plan.

Plan. When we refer to the Plan, we mean the Samuel Merritt University 403(b) Plan.

Plan Year. A Plan Year is the 12 consecutive month period for which financial records are kept. For this Plan it is a calendar year, January 1 to December 31.

Retire. When we refer to retire or retirement, we mean that you have reached normal retirement age and have completely terminated employment with your employer.

Severance from Employment. Severance from Employment means you have retired or terminated employment with your employer and you no longer work for *any* Sutter Health affiliate.

TIAA Grandfathered Participant. Participants that had a balance at TIAA as of August 17, 2020 are grandfathered and can continue to make Employee Pre-tax Contributions and Employee Roth Contributions to TIAA and have their Employer Matching and Employer Non-elective Contributions invested through TIAA. All other existing participants and newly hired employees will have contributions invested through Fidelity Investments, the Plan's primary recordkeeper.

Total and Permanent Disability. Total and permanent disability means a physical or mental injury or disorder for which you receive Social Security disability benefits.

Vesting Service. Vesting refers to your ownership of the amounts your employer has contributed to the Plan on your behalf. Your account balance in this Plan is always 100% vested.

Year of Service. A Year of Service is a Plan Year in which you work at least 1,000 hours between your employer and all Sutter Health affiliates and may include service prior to the date your employer affiliated with Sutter Health. Years of Service are used to determine eligibility requirements for Employer Matching Contributions and Employer Non-elective Contributions.

IV. ELIGIBILITY AND PARTICIPATION

Am I eligible to join the Plan?

Provided you are not an excluded employee, you are eligible to participate in the Plan on the date you start work with Samuel Merritt University. If you have any questions regarding your eligibility to participate, call the Sutter Shared Services Employee Line.

The following employees are not eligible to participate in this Plan for purposes of all contributions:

- Student employees
- Independent contractors
- Leased employees
- Employees of Sutter Health affiliates that have not adopted this Plan.

When do I become Participant?

You are eligible to begin making Employee Pre-tax Contributions and Employee Roth Contributions to this Plan once you have satisfied the eligibility requirements, which is generally your date of hire at Samuel Merritt University. However, some employees are excluded from certain contribution types as shown below for purposes of Employer Matching and Employer Non-elective contributions:

- Employees who normally work less than 20 hours per week (unless you complete a Year of Service)
- Faculty members who do not have voting rights
- Employees covered by a collective bargaining agreement
- Nonresident aliens that receive no earned income within the United States

How do I enroll in the Plan?

To enroll in this Plan, contact Fidelity Investments directly by going to their website at netbenefits.com/atwork or calling their Retirement Services Center toll-free at 1-800-343-0860 from 5:30 am to 9:00 pm Pacific Time, Monday through Friday. Set up your personal identification number (PIN), if you don't already have one, and click on the link for the Samuel Merritt University 403(b) Plan (plan 80847) to elect your Employee Pre-tax Contribution percent and/or Employee Roth Contribution percent, select your investment funds and designate a beneficiary. If you are married and want to designate a beneficiary other than your spouse, your spouse must consent in writing, and that consent must be notarized by a Notary Public or witnessed by the Plan Administrator.

Note: TIAA is closed to new Plan participants.

What requirements do I have to meet before I am eligible to receive Employer Matching and Employer Non-elective Contributions?

You are eligible to make Employee Pre-tax Contributions and Employee Roth Contributions upon your date of hire with Samuel Merritt University. You will become eligible to receive Employer Matching Contributions and Employer Non-elective Contributions after you have satisfied the following eligibility requirements:

- Completion of one (1) Year of Service
- Your Entry Date will be the first day of the month coinciding with or next following the date on which you satisfy eligibility requirements.

How is my service determined for purposes of Plan eligibility?

In determining whether you satisfy the minimum service requirements to participate in the Plan, all service you perform for your employer and any other Sutter Health affiliates will generally be counted.

Year of Service. You will be credited with a Year of Service at the end of the twelve-month period beginning on your date of hire if you have been credited with at least 1,000 Hours of Service for such period. If you have not been credited with the required Hours of Service by the end of such period, you will have completed a Year of Service at the end of any following Plan Year during which you were credited with the required 1,000 Hours of Service.

Hour of Service for Eligibility. If you are an employee for whom hourly records are not kept, the Plan does not credit you with your actual Hours of Service. Instead, you will be credited with the stated number of Hours of Service for the period, provided you complete at least one Hour of Service during the specified period: 45 Hours of Service for each week.

What other special eligibility conditions may apply to me?

Reclassified Employees. Regardless of the above, if it is determined that your employer erroneously classified you as a non-employee and you should have been treated as an employee, you are entitled to participate in the Plan, provided you satisfy the eligibility and Entry Date requirements specified above.

Change in Employment Status. If you become an excluded employee, then you will no longer receive Employer Matching Contributions and Employer Non-elective Contributions. If you later return to an eligible status, then you will receive Employer Matching Contributions and Employer Non-elective Contributions.

Rehired Employees. If you are no longer a Participant because of a termination of employment, and you are rehired, then you will be able to participate in the Plan on the date on which you are rehired if you are otherwise eligible to participate in the Plan.

Break in Service. For eligibility purposes, you will have a Break in Service if you have not completed more than 500 Hours of Service needed for a Year of Service during the computation period used to determine whether you have a Year of Service. However, if you are absent from work for certain leaves of absence such as a maternity or paternity leave, you may be credited with enough Hours of Service to prevent a Break in Service.

Military Service. If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service might be considered service with the employer. If you might be affected by this law, ask the Plan Administrator for further details.

V. COMPENSATION AND CONTRIBUTIONS

What is eligible compensation?

Compensation must be defined to compute contributions under the Plan. Tax laws limit the amount of compensation that may be taken into account each Plan Year; the maximum amount for the 2020 year is \$285,000.

Generally, eligible compensation for computing contribution allocations under the Plan is the taxable compensation for a Plan Year including amounts you contribute to a retirement plan or certain other plans sponsored by your employer.

The definition of compensation for the Plan for purposes of computing all contributions excludes certain amounts as indicated below.

- Fringe benefits

Compensation for First Year of Participation

Compensation for your first year of eligible Plan participation will be measured for all contribution source types as indicated below.

- Only that portion of your initial Plan Year for which you are eligible

Post-severance Compensation

Compensation received after you have left employment includes post-severance regular pay, leave cash-outs, and deferred compensation, and excludes post-severance disability continuation payments, and certain Deemed Includible Compensation.

May I make contributions to the Plan and what are the advantages of doing so?

Yes, you may make both Employee Pre-tax Contributions and Employee Roth Contributions to this Plan. In addition, your employer may match your contributions up to a specified maximum, if applicable.

The advantage of participating in this Plan is that you will have the opportunity to accumulate savings on a tax-favored basis. There are two types of employee contributions available:

- Employee Pre-tax Contributions (pre-tax salary contributions)
- Employee Roth Contributions (Roth after-tax salary contributions)

Employee Pre-tax Contributions are made from your salary on a tax-deferred basis (i.e., generally you pay no current state and federal income taxes on the contributions made to your account). Additionally, the earnings that accrue on your Employee Pre-tax Contributions accumulate on a tax-deferred basis. You pay no taxes until your money is distributed to you.

Employee Roth Contributions are made to your account after federal, state and local taxes have been deducted. They do not reduce your current taxable income, but you will not be taxed on the earnings on your Employee Roth Contributions if you receive a qualified distribution as discussed below.

What is the difference between Employee Pre-tax Contributions and Employee Roth Contributions?

The primary difference between Employee Pre-tax Contributions and Employee Roth Contributions is how each option is taxed, both at the time you make the contributions and at the time you take a distribution from the Plan. Employee Pre-tax Contributions are deducted from your paycheck before federal, state and local income taxes are calculated, which means that pre-tax contributions lower your current taxable income. You pay taxes on your Employee Pre-tax Contributions, plus any earnings, when you receive them as a distribution from the Plan.

Employee Roth Contributions are deducted from your paycheck after income taxes have been withheld. Accordingly, Employee Roth Contributions do not lower your current taxable income. However, you will not pay additional taxes on Employee Roth Contributions when the amounts you contributed from your salary are distributed from the Plan. In addition, the earnings on your Employee Roth Contributions may be distributed tax-free if you meet the following criteria:

- A qualified distribution must be made at least five years after you make your first Roth contribution to the Plan; and
- The distribution must be taken after you reach age 59½, become disabled or your benefit is paid to a beneficiary.

The advantages of making Employee Pre-tax Contributions compared to Employee Roth Contributions depend on your own personal situation and many factors should be considered. Due to the tax implications associated with each option, you may wish to consult with your tax advisor regarding your individual situation.

Individuals whose income is above a certain amount may not contribute to a Roth IRA. Do those same income limits apply to Employee Roth Contributions?

No. There are no income requirements that must be met in order to be eligible to make Employee Roth Contributions to this Plan.

Can I change my mind and have Employee Roth Contributions reclassified as Employee Pre-tax Contributions?

No. Once you contribute Employee Roth Contributions, you cannot later change them to Employee Pre-tax Contributions. However, you can change the type of your future contributions at any time.

How does automatic enrollment work?

Only new employees hired on or after August 17, 2020 will be automatically enrolled.

Note: Adjunct Faculty and short-hour employees are excluded from automatic enrollment.

If you do not opt out or enroll in the Plan on your own within 90 days from your date of hire or the Plan's effective date with your employer, you will be automatically enrolled in the Plan at 5% of your pay for Employee Pre-tax Contributions. Notification of automatic enrollment will be sent to you 90 days prior to the automatic enrollment date. If you do not wish to contribute to the Plan, you must change your contribution percent to 0% prior to the automatic enrollment date. You may change your contribution percent at any time.

If you decide you don't want to participate after contributions have been started, contact Fidelity Investments to change your contribution percent to 0%. If you make this change within 90 days of being automatically enrolled, your contributions and any investment gains and/or losses can be returned to you at your request. Once the 90-day grace period has passed, you can stop your contributions at any time, but you will not be able to withdraw your contributions until you have met the requirements for a distribution.

If you have a Severance from Employment and are rehired within 120 days of your original date of hire, automatic enrollment will continue to be effective for you as if you had remained employed.

If you're rehired after 120 days of the date Fidelity receives notice of your Severance from Employment, your contribution percent will be set to zero and you will no longer be subject to automatic enrollment upon rehire. You can elect a new contribution percent at any time.

How much can I save?

You may contribute up to 83% of your salary subject to the maximum amount permitted by law (see "*Are there limits to how much I can save?*" below). To begin contributing, you must contact Fidelity Investments and specify a contribution percent. You may change the percent you are contributing, or elect not to contribute into the Plan, at any time.

Are there limits to how much I can save?

Yes. Federal tax regulations specify the maximum amount of your salary that you can contribute in any calendar year; the amount may be indexed every year. For 2020 it is \$19,500. If your combined pre-tax and Roth after-tax savings reach this annual limit, they will be automatically stopped if you are under age 50.

If you are age 50 or older by December 31st, additional "catch-up" contributions will be included in your annual contribution limit. The catch-up maximum is \$6,500 in 2020, bringing your pre-tax and Roth after-tax contribution limit to \$26,000; the catch-up maximum may be periodically indexed.

If you participated in more than one employer-sponsored retirement plan during the year, the annual limit on the amount you can contribute applies to all qualified retirement plans, and you should promptly notify the Plan Administrator of any contributions in excess of the annual limits.

How often can I change how much I save?

You may change the amount of your pre-tax and Roth after-tax percent at any time by accessing Fidelity Investments' website or calling their toll-free number; you may also elect not to contribute into the Plan by changing your contribution percent to zero. Your election will take effect as soon as administratively feasible.

Note: If you have an account at TIAA, you may change your contributions by completing a Salary Reduction Agreement form with your employer. Please contact the Plan Administrator for more information.

How is my matching contribution calculated, if applicable?

Employer Matching Contributions are equal to a percentage of the amount you contribute through your Employee Pre-tax Contributions, Employee Roth Contributions and Age 50 Catch-up Contributions.

- **Fixed Matching Contribution.** Each payroll period, the employer will make a matching contribution equal to 100% of your Employee Pre-tax Contributions and/or Employee Roth Contributions up to a maximum matching contribution of 2% of your compensation for such period.
- **"True up" matching contributions are not calculated.** Annual true ups of all of your employee contributions and eligible earnings for the year are not provided. If you start and stop your employee contributions during the year, or reach the annual contribution limit prior to year-end, you may miss the opportunity to receive Employer Matching Contributions. Please contact the Plan Administrator if you need help with maximizing your Employer Matching Contributions.

Matching contributions are invested according to the funds you have chosen for your salary contributions.

Note: If you are contributing to both Fidelity and TIAA, you may only designate one investment provider for your Employer Matching and Employer Non-elective Contributions.

Do I have to be employed on December 31 to receive a matching contribution?

No, you do not. You receive matching contributions based on the Employee Pre-tax Contributions, Employee Roth Contributions and Age 50 Catch-up Contributions you made while an eligible employee.

How is the Employer Non-elective Contribution calculated?

Each payroll period, the employer will make a Non-elective contribution equal to 5% of your eligible compensation if you previously met the eligibility requirements under the Plan.

Do I have to be employed on December 31 to receive an Employer Non-elective contribution?

No, Employer Non-elective contributions are deposited each pay period.

May I make a rollover contribution to this Plan?

Yes, in most cases. If you have received or will receive a distribution from another 403(b), 401(a) or 401(k) plan or a governmental 457(b) plan sponsored by your former employer, you will be able to roll over that distribution into this Plan. You may also roll over money from a "conduit IRA" if certain requirements are met. Contact Fidelity Investments or TIAA (for grandfathered participants) for more information.

Does the Plan allow In-Plan Roth Conversions?

No, the Plan does not allow in-plan Roth conversions.

VI. INVESTMENTS, STATEMENTS, AND FEES

A. Investment Arrangements

The investment products you select (known as investment arrangements) may also affect the provisions of the Plan. In some cases, the investment arrangements may limit your options under the Plan. This SPD does not address the provisions of the various investment arrangements. The Plan assets may be invested in mutual funds and Annuity Contracts (through TIAA). You should contact the Plan Administrator or the investment provider if you have questions about the provisions of your specific investment arrangements.

You will be able to direct the investment of your Plan account. The Plan Administrator will provide you with information on the investment choices available to you, the frequency with which you can change your investment choices and other information. When you direct investments, your account is segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance for other Participants who have directed their own investments. You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur, and your employer and the Plan Administrator will not provide investment advice or guarantee the performance of any investment you choose. If you do not direct the investment of your Plan account, then your account will be invested in accordance with the default investment alternatives your employer establishes under the Plan.

The Plan is intended to comply with Section 404(c) of ERISA. To the extent the Plan complies with this Section, then the fiduciaries of the Plan, including your employer and the Plan Administrator, will be relieved of any legal liability for any losses which are the direct and necessary result of the investment directions that you give. You must follow procedures in giving investment directions. If you fail to do so, then your investment directions need not be followed.

B. Investment Providers

- **Fidelity Investments** - Custodial Account(s)
- **TIAA** - Annuity Contract(s) - TIAA is grandfathered to participants that had a balance at TIAA as of August 17, 2020. If you did not have a balance at TIAA effective August 17, 2020, you are not eligible to contribute to this investment provider.

You may elect to have your contributions invested in any single fund or combination of the funds being offered under the investment providers provided by the Plan. Your allocation remains in effect until you change it. TIAA grandfathered participants may contribute to one or both of the investment providers, however only one investment provider may be chosen for Employer Matching Contributions and Employer Non-elective Contributions. If you are contributing to both investment providers and do not designate an investment provider for your employer contributions, employer contributions will be deposited to Fidelity Investments.

C. Contract Exchanges

A contract exchange transfers your current balances from one investment provider to the other but will not affect how the contributions made on your behalf in the future are invested. Only grandfathered TIAA participants may redirect or transfer investments between the two investment providers under the Plan, subject to investment provider policies and any restrictions applicable to the specific investment funds selected. There is no charge for contract exchanges.

Note: If you would like to redirect future contributions, you must update your contribution elections with the applicable investment provider(s) under the Plan. Please contact the Plan Administrator for more information.

D. Default Fund

If you do not make investment elections, contributions made to your account will be deposited into a Default Fund at Fidelity Investments. The Fidelity Freedom Funds® are the default funds for this Plan. The default Freedom Fund for your account will be based on your birth date and assumed retirement age of age 65. The Fidelity Freedom Funds® are lifecycle funds that gradually adjust the allocations in the fund according to the target retirement date for each fund. Your account will be invested in a Freedom Fund and will remain there unless you change your investment election(s) by contacting Fidelity Investments.

These funds are subject to the volatility of the financial markets in the United States and abroad and may be subject to the additional risks associated with investing in high yield, small cap, and foreign securities. The allocations in a fund for a younger participant will be more aggressive than the allocations in a fund for an older participant. To see the Freedom Funds' recent and targeted allocations, and to view fund performance, visit the Fidelity Investments website at netbenefits.com/atwork.

E. Statements

You will receive a benefit statement (or notification that your online statement is available) showing the value of your account as of the end of that quarter, including investment gains and/or losses after the end of every quarter (March 31, June 30, September 30, and December 31). Other types of activities that may have occurred during that quarter such as contributions, loan withdrawals and repayments, withdrawals, fund exchanges and fees, if applicable, will also be reported at that time. It is your responsibility to notify the Plan Administrator of any errors you see on any statements within 30 days after the statement is provided or made available to you. If you prefer to receive a paper statement, contact your investment provider(s) or access your account online to change your mailing preferences.

F. Plan Fees

Subject to the terms of the investment arrangements funding the Plan, the Plan might pay some or all Plan related expenses except for a limited category of expenses which the law requires your employer to pay. Generally, settlor expenses relate to the design, establishment or termination of the Plan.

Are there any fees deducted from my account?

Yes, there are fees and expenses associated with your account subject to the terms of the investment arrangements funding the Plan. For example, if you are married and get divorced, the Plan might incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These fees impact your retirement savings, and generally fall into three basic categories. They may or may not be deducted directly from your account and if deducted from your account, the fees are reflected on your quarterly statement. Be sure to discuss the fees associated with your account with Fidelity Investments or TIAA.

Investment fees are generally assessed as a percentage of assets invested and are deducted directly from a participant's investment returns. Investment fees can be in the form of sales charges or management fees. You can obtain more information about such fees from the documents (e.g., a prospectus) that describe the investments available under this Plan. *Note: There are no loads or commissions associated with this Plan.*

Plan administration fees cover the day-to-day expenses of the Plan for recordkeeping, accounting, legal and trustee services, as well as additional services such as daily valuation, telephone response systems, internet access to plan information, retirement planning tools, and educational materials. *There are no recordkeeping fees deducted from your account.*

Transaction-based fees are associated with optional services offered under the Plan and are charged directly to your account if you take advantage of a particular plan feature that may be available. If you take a loan, your investment provider will charge a new loan setup fee and a loan maintenance fee per quarter until the loan is paid in full.

- Fidelity Investments will charge a \$50 loan setup fee and a \$15 quarterly loan maintenance fee
- TIAA will charge a \$75 loan setup fee for general purpose loans and \$125 for primary residence loans, plus a \$25 annual loan maintenance fee

If a Qualified Domestic Relations Order (QDRO) is submitted against your account at Fidelity, you will be charged the following fees associated with a review of the QDRO by Fidelity.

- \$300 – review of QDRO generated via Fidelity's QDRO Center website with no modifications
- \$1,200 – review of QDRO not generated via Fidelity's QDRO Center website
- \$1,200 – review of QDRO generated via Fidelity's QDRO Center website but subsequently altered
- \$1,800 – review of QDRO that names more than one plan

These fees will be deducted directly from your account and reflected on your quarterly statement.

Note: If you have an account at TIAA, please contact TIAA or the Plan Administrator to inquire about any QDRO review services or fees.

VII. VESTING

How does vesting work?

The term *vesting* refers to your nonforfeitable right to the money in your accounts. You receive vesting credit for the number of years that you have worked for your employer. You are always 100% vested in your Plan accounts, which means that you are entitled to all of the amounts in your account attributable to employee contributions, Employer Matching Contributions and Employer Non-elective Contributions.

VIII. LOANS

How do I apply for a loan?

You may apply for a loan by contacting your investment provider(s) under the Plan to discuss their fees and repayment schedules. You must be actively employed with Samuel Merritt University at the time of your loan approval. Loans are available from the Plan subject to the loan policies and procedures of the Plan and the federal government.

What are the conditions of the loan?

- You may not borrow less than \$1,000
- Generally, you will pay a loan set-up fee and quarterly administration charge
- You may have two (2) loans outstanding at a time under this Plan
- Loan payments must begin within 60 calendar days of receipt of the loan proceeds. You must repay your loan within 5 years, unless you are using the loan to purchase your principal residence, or unless your loan maturity date is extended because you were on qualified military service leave. If you are using the loan to purchase a principal residence, the repayment period may be set for a loan term that will extend up to 10 years for existing TIAA accounts and 15 years for accounts at Fidelity Investments. You will be required to provide verification in the form of a purchase agreement before a loan will be processed for your principal residence. Contact your investment provider(s) for more information if these circumstances apply to you.

What is the maximum loan amount I may borrow?

You may borrow up to the *lesser* of 50% of your account balance or \$50,000 for general purpose loans or *lesser* of 50% (through TIAA) or *lesser* of 45% (through Fidelity Investments) of your account balance or \$50,000 for the purchase of a principal residence. If you had a loan in the previous 12 months, however, the amount of your highest outstanding loan balance in those 12 months will be deducted from the amount you are allowed to borrow for a new loan.

For example: Assume your account balance is \$100,000, you are applying for a loan of \$50,000, and you had a loan balance in the prior 12 months for \$12,000. You would only be allowed to borrow up to \$38,000 now. Using the above example, except that you had not had a loan in the prior 12 months, you would be allowed to borrow an amount up to the entire \$50,000.

How is the interest rate determined for my loan?

The interest rate on your loan will be determined at the time of your loan according to criteria set by your investment provider(s). The loan interest rate is Reuters Prime plus 1%; the rate is updated quarterly. Since these rates may change, you should your contact your investment provider(s) for details of their current interest rates whenever you are considering a loan from your Plan account. The interest rate on your loan will not fluctuate once it is set for your loan.

How do I make loan repayments?

You must repay the loan within the period of time specified in the Plan's loan policy and your loan agreement, generally five (5) years or less, in substantially equal monthly payments. Repayments are made through ACH deductions from your checking or savings account.

A loan repayment is not treated as a new or current contribution to the Plan.

Can loan repayments be suspended?

The Plan permits a loan to be suspended for an employee who goes on a qualified military or non-military leave of absence if the employee requests the suspension. However, interest will continue to accrue during the leave and will be added to the outstanding loan balance when the employee returns from the leave and resumes loan payments.

Military Leave of Absence. The suspension can be longer than one year and will not cause the loan to be treated as a taxable distribution, as long as (a) loan repayments resume upon completion of the qualified military service; (b) the payments resume in substantially level payments (may not be less than the original loan payment amounts and at a frequency not less than the frequency required under the terms of the loan); and (c) the loan is fully paid by the end of the period equal to the original loan period plus the period of the military leave.

Non-Military Leave of Absence. The suspension cannot be longer than the length of the leave, up to a maximum of one year, and will not cause the loan to be treated as a taxable distribution, as long as (a) loan repayments resume by the earlier of (i) completion of the leave of absence, or (ii) after the payments have been suspended for 12 months; (b) the payments resume in substantially level payments (may not be less than the original loan payment amounts and at a frequency not less than the frequency required under the terms of the loan); and (c) the loan is fully paid by the end of the period equal to the original loan period.

Can a loan be defaulted?

Yes, it can be. Your entire loan will be in default if:

- You do not make a loan payment by the end of the calendar quarter following the quarter in which the payment was due (*exception*: if you do not make loan repayments due to a qualified leave of absence, your loan will not be in default);
- There is still an outstanding balance at the end of the loan's maturity date;
- You die;
- A lien is made against the loan collateral (in this case, your account balance); or
- You take a distribution of your entire account balance.

All loan payments are made directly to your investment provider. Contact Fidelity Investments or TIAA regarding details relating to loan repayments.

What happens if my loan is defaulted?

If your loan is defaulted, it will be treated as a deemed distribution and you will have to pay income taxes on your loan balance in the year it was defaulted. However, if any portion of your loan consists of Employee Roth Contributions, only the earnings on those amounts will be treated as taxable income.

If you are under age 59½ when the loan defaults, an additional 10% federal and 2.5% California state penalty tax may apply.

Note: If your loan is defaulted while you are still employed and it is not repaid, the loan (including accrued interest) is still considered outstanding for purposes of determining your eligibility to receive a new loan.

If I am married, must my spouse agree to my loan?

No, spousal consent is not required.

IX. IN-SERVICE WITHDRAWALS

May I make a withdrawal while I am still employed?

Yes. Once you reach age 59½, you may withdraw all or a portion of your vested account balance, including your rollover account, in a single lump sum.

Note: you may also withdraw all or a portion of your vested account balance if you become Disabled.

An in-service withdrawal is made at your election and is subject to possible administrative limitations on the frequency and actual timing of such distributions. The terms of the investment arrangements that you selected for your Plan contributions might contain additional limits on when you can take a distribution, the form of distribution that is available, as well as your right to transfer among approved investment options. Please review both this SPD and the terms of your investment arrangements before requesting a distribution.

Can I make a hardship withdrawal?

Yes. If you find yourself with an immediate and heavy financial need, you may qualify for a hardship withdrawal. Hardship withdrawals can only be made in the event of a financial hardship resulting from the following:

- Expenses for medical care (described in Section 213(d) of the Internal Revenue Code) for you, your spouse, your dependents or your primary beneficiary under the Plan;
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children, your dependents (as defined in Section 152 of the Internal Revenue Code) or your primary beneficiary under the Plan;
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children, your dependents (as defined in Section 152 of the Internal Revenue Code) or a deceased primary beneficiary under the Plan;
- Expenses for the repair of damage to your principal residence that would qualify for the casualty loss deduction under Internal Revenue Code Section 165 (determined without regard to whether your residence is located in a Federal Emergency Management Agency (FEMA) declared disaster area as described in section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income);
- Expenses and losses (including loss of income) you incurred on account of a disaster declared by FEMA, provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

For purposes of the hardship withdrawal reasons shown above, a *primary beneficiary under the Plan* is an individual who is named as a beneficiary under the Plan and has an unconditional right, upon the death of the employee, to all or a portion of the employee's account balance under the Plan.

If you have any of the above expenses, a hardship withdrawal can only be made if you certify and agree that all of the following conditions are satisfied:

- The distribution is not in excess of the amount required to satisfy your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution;
- You have insufficient cash or other liquid assets reasonably available to satisfy the financial need;
- If the request is for expenses and losses (including loss of income) that you incurred on account of a FEMA declared disaster, that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster;

- All information you have provided, including all documentation, is authentic and correct to the best of your knowledge; and
- You have not previously requested and received a hardship withdrawal for the expense(s) submitted as part of this request.

You can only withdraw the actual amount needed, including amounts for income taxes and penalties that may apply, and you may be asked for documentation to support your request. Hardship withdrawals are limited to your Employee Pre-tax Contributions and Employee Roth Contributions only. You may not take a hardship withdrawal from Employer Matching Contributions, Employer Non-elective Contributions or rollover contributions, nor can the earnings on your contributions be withdrawn. In addition, you can take only one hardship withdrawal in a 12-month period.

Keep in mind that different investment arrangements may have different conditions and restrictions than those noted above.

What are the tax effects of making a withdrawal?

If you make a withdrawal, 20% of the amount will be withheld for mandatory federal income tax withholding, and you will have to pay ordinary income taxes on the money you withdraw. In addition, if you are under age 59½ when you make your withdrawal, an additional 10% federal and 2.5% California penalty tax may apply when you file your income tax return. Special tax rules apply if your hardship amount is withdrawn from your Employee Roth Contributions. Please contact your investment provider(s) for more information.

How do I apply for a withdrawal?

Contact Fidelity Investments or TIAA (for grandfathered participants). Your withdrawal will be processed as soon as administratively feasible following receipt of your forms by the applicable investment provider(s).

If I am married, must my spouse agree to my withdrawal?

No, spousal consent is not required.

X. DISTRIBUTIONS

The terms of the investment arrangements that you selected for your Plan contributions might contain additional limits on when you can take a distribution, the form of distribution that is available, as well as your right to transfer among approved investment options. Please review both this SPD and the terms of your investment arrangements before requesting a distribution.

What happens if I terminate my employment with Samuel Merritt University?

If you terminate employment for any reason, you will no longer be an active participant in this Plan. At that time, you can elect to receive your vested account balance as a single lump sum payment, or you can elect to leave your account in the Plan until a future date. However, you cannot postpone receipt of your distribution if your account balance is \$5,000 or less. The value of your account balance will continue to increase or decrease based on investment gains and/or losses until it is distributed to you.

Contact your investment provider(s) or Sutter Shared Services to discuss the available options with you at the time you terminate.

Military Service. If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with your employer. There might also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Plan Administrator for further details.

Normal Retirement Age. Your Normal Retirement Age is the date you reach age 65. However, the actual payment of benefits will not begin until you have terminated employment. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Age, you may generally defer the receipt of benefits until you actually terminate employment. In such event, benefit payments will begin as soon as feasible at your request, but generally not later than age 72.

Definition of disability. Under the Plan, disability is defined as 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 twelve (12) months. The disability of a Participant shall be determined by a licensed physician. 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 determination shall be applied uniformly to all Participants.

How will my account balance be paid to me if it is \$5,000 or less upon or following Severance from Employment?

If your vested account balance is less than or equal to \$1,000 at any time following your Severance from Employment, your account will be distributed to you as a cash distribution. Prior to such distribution, you have the right to request that the amount be distributed directly to you as a single lump sum payment or that it be rolled over to an IRA or another qualified retirement plan.

If you have attained Normal Retirement Age, and your account balance is less than or equal to \$5,000, your account will be distributed to you as a cash distribution. Prior to such distribution, you have the right to request that the amount be distributed directly to you as a single lump sum payment, or that it be rolled over to an IRA or another qualified retirement plan.

If you have not attained Normal Retirement Age and your vested account balance is greater than \$1,000, but not more than \$5,000 at any time following your Severance from Employment, the Plan Administrator will direct the Trustee to automatically roll over your account balance to an IRA. Prior to such distribution, you have the right to request that the amount be distributed directly to you as a single lump sum payment, or to request that it be rolled

over to a different IRA provider or another qualified retirement plan. If you fail to request a different treatment of an automatic distribution, your distribution will be rolled over to an IRA provider chosen by the Plan Administrator.

The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and to provide a reasonable rate of return and liquidity (e.g., a money market fund). The IRA provider will charge your account for any expenses associated with the establishment and maintenance of the IRA and the IRA investments. In addition, your beneficiary designation under the Plan, if any, will not apply to the rollover IRA. The IRA's terms will control the designation of a beneficiary under the IRA. You may subsequently transfer the funds to any other IRA you choose. Contact Fidelity Investments at the telephone number indicated in this SPD for further information regarding the Plan's automatic rollover provisions, the IRA provider and the fees and charges associated with the IRA.

Your consent will be required for a distribution of your vested account balance if the account balance is greater than \$5,000.

Payment of Benefits

The following provisions apply to the extent permitted under the investment arrangements in which the Plan assets are invested.

How do I apply for my benefit?

When you decide to retire or terminate employment with Samuel Merritt University and are no longer working for any other Sutter Health affiliate and want to receive a distribution of your account balance, contact Fidelity Investments or TIAA for distribution forms. Once you have terminated, complete the forms in the packet, and send them to the Plan Administrator. Your distribution will be processed as soon as administratively feasible following receipt of your forms.

If I am married, must my spouse agree to my distribution?

No, spousal consent is not required.

How much will my benefit be?

The amount of your benefit will depend on the value of your vested account balance at the time you terminate or retire and request a distribution. Your account balance is the sum of contributions made to your account through your date of termination less any hardship and/or age 59½ withdrawals you may have taken, any outstanding loan balance you may have, and investment gains and/or losses through the date of distribution.

How will my benefit be paid to me?

You can elect to receive a distribution of your vested account balance at the time you leave Samuel Merritt University and are no longer working at any Sutter Health affiliate, or you can leave your account in the Plan until a future date. When you apply for your benefit, your account will be paid to you in a single lump sum payment; you have three options as to how the money will be distributed to you provided the payment options are permitted under your investment arrangements.

- **Cash Out.** The check is made payable to you, and after you receive the money you decide what to do with it. When you choose this option, 20% of the taxable portion of your distribution will be withheld for federal income tax purposes. If you are under age 59½, additional taxes and penalties may be assessed at the time you file your taxes, unless you roll the funds over to an IRA or Roth IRA within 60 days of the date of the check. *Also see "How is my benefit taxed" below for additional information.*

- **Direct Rollover to a Qualified Plan or IRA.** The check is made payable to another employer's qualified plan or to an Individual Retirement Account (IRA) you have set up and the amount is paid directly to that plan or your IRA. No taxes are withheld.
- **Direct Rollover to a Roth IRA.** The check is made payable to the Roth IRA trustee or custodian. Your distribution will be taxable, but no early withdrawal penalties will be assessed if you are under age 59½. You may elect to have taxes withheld and certain limitations may apply.

Can I receive installment payments on or after Normal Retirement Age (or age 65 if later)?

If you terminate employment on or after Normal Retirement Age (or age 65 if later) you may elect to take installments with respect to lifetime minimum required distributions, over a period of not more than your assumed life expectancy (or your and your beneficiary's assumed life expectancies). (See below for an explanation of the commencement of minimum required distributions.)

Can payments be made to my former spouse if I'm divorced?

Yes. In case of a Qualified Domestic Relations Order (QDRO) arising from legal separation or divorce, your former spouse or your dependents may have the right to part of your benefit. You and your beneficiaries can obtain, without charge, a copy of the Plan's QDRO procedures from the Plan Administrator. Administrative fees associated with your QDRO will be charged against your account with Fidelity (see *Are there any fees deducted from my account?*).

Can I defer receipt of my benefit?

Yes. When you terminate employment in the Sutter Health system, you can defer receipt of your benefit until a future date.

- You can choose to defer payments up to the April 1 following the year in which you attain age 72 (if you attained age 70½ in calendar years *after* 2019).
- You can choose to defer payments up to the April 1 following the year in which you attained age 70½ (if you attained age 70½ in calendar years 2019 and prior).

When you decide you want to receive your benefit, contact Fidelity Investments or TIAA to request distribution forms.

What is the latest date I can begin receiving benefits?

Minimum distributions are required to begin by the April 1 following the later of:

- The year you reach age 72 (if you attained age 70½ in calendar years after 2019), or the year you reach age 70½ (if you attained age 70½ in calendar years 2019 and prior), whichever is applicable to you; and
- The year you retire, even if you have not yet applied for your benefit.

If you are affected by this rule, be sure to contact Fidelity Investments or TIAA to apply for your benefit. If you do not begin receiving your minimum distributions by the required date, you may be liable for payment of a large tax penalty to the IRS.

What happens if I die while working for Samuel Merritt University?

If you die while still employed by Samuel Merritt University, then your vested account balance will be used to provide your beneficiary with a death benefit.

- **Married Participant.** If you are married at the time of your death, your spouse will be the beneficiary of the entire death benefit unless you designate in writing a different beneficiary. If you wish to designate a beneficiary other than your spouse, your spouse must irrevocably consent to waive any right to the death benefit. Your spouse's consent must be in writing, be witnessed by a notary or a Plan representative and acknowledge the specific non-spouse beneficiary. If you are married and you change your designation, then your spouse must again consent to the change.
- **Unmarried Participant.** If you are not married, you may designate a beneficiary of your choosing.
- **No beneficiary designation.** Subject to the terms of the investment arrangements, at the time of your death, if you have not designated a beneficiary or your beneficiary is not alive, the death benefit will be paid (in the following order of priority) to your surviving spouse, then to your estate.

Distribution methods upon death. If the death benefit payable to your beneficiary does not exceed \$5,000, then the benefit may only be paid as a lump sum. If the death benefit payable to your beneficiary exceeds \$5,000, the beneficiary may choose among the then available distribution methods unless you elected the death benefit distribution method prior to your death, or your accounts are subject to required minimum distributions as described below.

Required Minimum Distributions. If your designated beneficiary is a person (other than your estate or most trusts), then required minimum distributions of your death benefit must generally begin within one year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, the start of payments may be delayed until the year in which you would have attained age 72 (if you attained age 70½ in calendar years after 2019), or the year you reach age 70½ (if you attained age 70½ in calendar years 2019 and prior), whichever is applicable to you. Generally, if you die before you are required to begin minimum distributions and your beneficiary is not a person, then your entire death benefit must be paid within five years after your death. Some investment products may allow a person to use this five-year rule. Since a spouse has certain rights in the death benefit, you should immediately report any change in your marital status to the Plan Administrator.

Death Occurs After Beginning Required Minimum Distributions. Your beneficiary will be entitled to your remaining vested interest in the Plan at the time of your death. Payments must generally come out at least as rapidly as the required minimum distributions. Contact the Plan Administrator for more information regarding the timing and method of payments that apply to your beneficiary.

How is my benefit taxed?

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution and the type of contributions being distributed. Certain distributions made to you when you are under age 59½ could be subject to an additional federal 10% penalty tax and a 2.5% California tax penalty. This is in addition to any federal, state, and local income tax that may be due when you file your taxes. Certain exceptions to this additional tax may apply.

You will not be taxed on distributions of your Employee Roth Contributions. In addition, a distribution of the earnings on the Employee Roth Contributions will not be subject to tax if the distribution is a *qualified distribution*. A *qualified distribution* is one that is made after you have attained age 59½ or is made on account of your death or disability. In addition, in order to be a *qualified distribution*, the distribution cannot be made prior to the expiration of the 5-year participation period. The 5-year participation period is the 5-year period beginning the calendar year in which you first make a Roth contribution to the Plan (or to another 401(k) plan or 403(b) plan if such amount was rolled over into this Plan) and ending on the last day of the calendar year that is 5 years later.

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

- **60-day rollover.** You may roll over all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution).

Under certain circumstances, all or a portion of a distribution (such as a hardship distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, then the direct rollover option described in the next paragraph below may be the better choice.

- **Direct rollover.** For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of your account balance may be made to either an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other employer plan. Like the 60-day rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

Tax Notice

Whenever you receive a distribution that is an eligible rollover distribution, the Plan Administrator will deliver to you a more detailed explanation of these options. However, the rules which determine whether you qualify for favorable tax treatment are very complex. You should consult with a qualified tax advisor before making a choice.

XI. OTHER INFORMATION YOU SHOULD KNOW

What kind of Plan is this?

The Samuel Merritt University 403(b) Plan is classified as a defined contribution plan. This means that the amount of money going into your account each year is defined according to a formula in the Plan, but that your final balance will depend on the amount of contributions that have gone into your account, plus investment gains and/or losses, less any withdrawals you have made.

The Samuel Merritt University 403(b) Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Your ERISA rights are included in the ERISA section of this booklet.

What happens if I move or change my name?

If you have deferred the receipt of your benefit until a future date, it is necessary for you to advise Sutter Shared Services and Fidelity Investments or TIAA in writing if you:

- Move
- Change your name

This information is necessary so you can be sent periodic information relating to the Plan and to your benefits under the Plan.

Are my benefits from this Plan related to Social Security benefits?

No, they are not. Benefits from this Plan are in addition to any benefits you may receive from Social Security.

Are my benefits under this Plan insured?

No, they are not. The Pension Benefit Guaranty Corporation (PBGC) is a government corporation established by ERISA. Basically, the PBGC insures certain benefits under defined benefit plans in the event of plan termination.

This Plan is a defined contribution plan. This means that Company contributions (if any) are made according to a specific (defined) formula, but the benefit you receive at retirement or termination depends on a number of variable factors. Since you are not guaranteed a specific amount when your employment ends, your benefit is not covered by the plan termination insurance of the PBGC.

Are there any limits to the amount that can go into my account?

Yes. The IRS restricts how much money may be allocated to your account in any single Plan Year. These are called "Section 415" limits. Generally, the Plan cannot allocate to your account more than what is allowed under Section 415 of the Internal Revenue Code. This limit does not apply to investment earnings and/or losses allocated to your account. If you are affected by this rule, your employer will notify you.

In order for the Plan to continue to be qualified under IRS regulations, the IRS requires that contributions be balanced among all participants so that they do not discriminate in favor of the highly paid. To demonstrate that our Plan is not discriminatory, it must pass special tests each year. If the Plan does not pass these tests, the contributions of some employees may be adjusted. If you are affected, your employer will notify you.

In addition, the Plan is not permitted to take into account more than \$285,000 of compensation in 2020 (this amount may be indexed in future years for cost-of-living adjustments). This means that if your salary is more than this

amount, we can only use this amount in determining the eligible compensation on which to base your employer contributions.

Can the Plan be amended or terminated?

Samuel Merritt University intends to continue to offer the Samuel Merritt University 403(b) Plan to all eligible employees. However, your employer and any of its officers, agents, employees or members of the Board of Directors cannot guarantee that the Plan will continue indefinitely. Furthermore, the Plan is governed by the rulings of the Internal Revenue Service (IRS) and current tax laws. The Plan will be amended from time to time to stay in compliance with these laws.

Samuel Merritt University reserves the right to change or even terminate the Plan. Your employer also reserves the right to terminate participation in this Plan. Termination of the Plan is highly unlikely, but if it happens, you will automatically become 100% vested in your account balance as of the termination date. All assets of the Plan will be distributed to all participants and beneficiaries as soon after termination as is practical, in accordance with the terms of the Plan and in a manner approved by the IRS.

Who owns the benefits provided by the Plan?

The benefits described here are exclusively for Plan participants and their designated beneficiaries. Your Plan benefit cannot be assigned, transferred, or sold for any reason except as provided by law. However, if you become subject to a Qualified Domestic Relations Order (QDRO) in connection with the dissolution of a marriage, part or all of your benefits may be payable to someone other than you or your designated beneficiary.

Is there any way my benefit can be reduced or lost?

Benefits to you or your beneficiary may be reduced or lost if:

- You terminate employment before you start participating in the Plan
- Investment results decrease the value of your account

What is the Plan's claims procedure?

Participants and beneficiaries of the Plan have the right to make a claim for benefits under the Plan. Your initial application for benefits should be made in writing to the Plan Administrator at the following address:

Samuel Merritt University 403(b) Plan
c/o Sutter Shared Services, HR-Benefits (403(b)/DC)
P.O. Box 619109
Roseville, CA 95661

All claims for benefits must be submitted to the Plan Administrator in a form and manner that is acceptable to the Plan Administrator. Contact the Plan Administrator for more information.

In the event your claim for benefits is denied, the Plan Administrator will generally provide you with written notice within 90 days after the Plan receives your claim. If the Plan Administrator determines that special circumstances require an extension of time to process your claim, you will receive written notice of the extension from the Plan Administrator prior to the expiration of the initial 90-day period. Such an extension may not exceed 90 days following the end of the initial 90-day period. As part of the extension notice, the Plan Administrator will inform you of the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

Written notice of the denial of a claim will include the specific reasons for the denial, a reference to the specific provisions of the Plan on which the determination is based, a description of additional material or information necessary for the claimant to perfect the claim and an explanation of why it is required. In addition, information will

be provided about the steps that must be taken to timely appeal the decision, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse determination upon review.

What is the Plan's procedure for appealing a denied claim?

If your claim for benefits is denied, you may appeal the denial of your claim by filing a written request for review with the Plan Administrator. Your appeal must be filed within 60 days after the date you receive notification of the denial, and may include comments, documents, records, and other information relating to your claim for benefits. Upon your request, and free of charge, you will be given reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. The appeal review will take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

Generally, the Plan Administrator will provide you with written notice of the Administrator's decision within 60 days after the Plan receives your appeal. If the Plan Administrator determines that special circumstances require an extension of time to process your appeal, the Plan Administrator will send you written notice of the extension prior to the end of the initial 60-day period. The extension may not exceed 60 days following the end of the initial 60-day period. As part of the extension notice, the Plan Administrator will inform you of the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the event your appeal is denied, the Plan Administrator will provide you with written notice setting forth the reasons for the denial, and a reference to the specific provisions of the Plan on which the determination is based. In addition, the written notice will provide a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse determination upon review.

Appeals may be submitted to the Plan Administrator at the following address:

Samuel Merritt University 403(b) Plan
c/o Sutter Shared Services, HR-Benefits (403(b)/DC)
P.O. Box 619109
Roseville, CA 95661

Who is the Agent for Service of Legal Process?

The designated agent for service of legal process is:

General Counsel
Sutter Health
2200 River Plaza Drive
Sacramento, CA 95833

Service of legal process may also be served upon the employer or Plan Administrator at the employer's address above.

Where are the Plan assets held?

Plan assets are held as follows:

Contributions and account balances invested in funds offered through Fidelity Investments are held in custodial accounts. Fidelity Workplace Services, LLC, 82 Devonshire Street, Boston, Massachusetts 02109, is the custodian for these assets.

Contributions and account balances offered through TIAA are held in insurance contracts issued by TIAA. TIAA, 730 Third Avenue, New York, NY 10017, is the custodian for these assets.

The Plan exists for the exclusive benefit of participants and their beneficiaries.

XII. YOUR RIGHTS UNDER ERISA

Samuel Merritt University provides this Plan for its employees. The basic provisions of this Plan are described in this booklet. While your employer is not required to provide this Plan, because it does, you, as a participant in the Plan, are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). This portion of the SPD summarizes these rights.

A. Receive Information about the Plan and your Benefits

ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the Plan and a copy of the latest annual report (Form 5500 Series) and updated SPD. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement giving you pertinent information about your account in the Plan, including your total account balance, the value of each investment to which you have directed assets to be allocated, and your vested account balance. The statement must also contain information about any restrictions on the right to direct investments, the importance of diversification, and a notice directing you to the Department of Labor's website for more information regarding investments and diversification. This statement is required to be given to you quarterly. The Plan must provide the statement free of charge.

B. Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of an employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

C. Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a Qualified Domestic Relations Order (QDRO), you may file suit in federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your

rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

D. Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement, or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, United States Department of Labor listed in your telephone directory, of the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, United States Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

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