MINNEAPOLIS COLLEGE OF ART AND DESIGN
TAX-DEFERRED ANNUITY PLAN

PLAN SUMMARY

2501 Stevens Avenue South
Minneapolis Minnesota 55404

January 1, 2015

This Plan Summary provides each Participant with a description of the
Minneapolis College of Art and Design
Tax-Deferred Annuity Plan

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INTRODUCTION

The Minneapolis College of Art and Design Tax-Deferred Annuity Plan (the "Plan") provides retirement benefits under certain conditions if you are an eligible employee of the Minneapolis College of Art and Design (the "College" or "MCAD") and choose to participate in the Plan. This Plan Summary describes the basic features of the Plan, and how the Plan operates. This Plan Summary is only a summary of the key parts of the Plan, and a brief description of your rights as a participant. It is not a part of the official plan documents, which include the Plan itself and any Funding Vehicles used to provide benefits. If there is any conflict between this summary and the official plan documents, the plan documents will govern.

PART I - INFORMATION ABOUT THE PLAN

1. What Is MCAD's Tax-Deferred Annuity Plan?

The Plan was established by the Board of Trustees effective July 1, 1988. The Plan is an arrangement allowed under Section 403(b) of the Internal Revenue Code (the "Code") and uses various Funding Vehicles offered by insurance, variable annuity, or investment companies ("Fund Sponsors") chosen to provide benefits. An arrangement under Section 403(b) of the Code uses tax-deferred annuities or custodial accounts to provide benefits ("Funding Vehicles"). A Section 403(b) arrangement is available for use by organizations exempt from tax under Code Section 501(c)(3) and by public colleges, universities and school systems. Since MCAD is an organization exempt from tax under Code Section 501(c)(3), the College is able to offer this Plan. Under the Plan, you may choose to contribute a portion of your compensation (selected by you and within the limitations imposed by the Code) on a before-tax basis to an annuity contract or custodial account owned by you, rather than have the compensation paid directly to you. These "Salary Reduction Contributions," together with any investment earnings, are not subject to federal income tax until they are paid to you (or a beneficiary chosen by you) in the form of benefits.

Your Salary Reduction Contributions to this Plan are in addition to any contributions you make to the MCAD Defined Contribution Retirement Plan (the mandatory plan). Participation in the mandatory plan is required for all benefits-eligible employees. Participation in this Plan is voluntary.

2. Who Is Eligible To Participate In The Plan?

All employees of the College are eligible to participate in the Plan except students whose employment is incidental to their educational program.

3. When Do I Begin Participating In The Plan?

If you are an eligible employee, you may begin participation in this Plan on the first day of the payroll period following your date of employment with the College. If you separate from the service of the College and are later reemployed, you will be eligible to participate in the Plan on the first day of the payroll period following your date of reemployment. The appropriate enrollment forms must be completed and returned to the administrator before you may begin participating in the Plan.

4. What Plan Contributions Will Be Made?

When you begin participation in the Plan, contributions will be made automatically to a Funding Vehicle chosen by you. The contributions are based on the amount of compensation you elect to defer as Salary Reduction Contributions. For these purposes, "compensation" means your total compensation includable in your gross income and reported as "wages, tips, other compensation" on your W-2, including any amounts contributed by you to any cafeteria plan maintained by the College, or to any tax deferred annuity or custodial account plan maintained by the College.

Your contributions to this Plan are in addition to any Salary Reduction Contributions you are required to make to the MCAD Defined Contribution Retirement Plan (the mandatory plan). Your contributions to the two plans together must not exceed applicable IRS limits. (See Question 5.)

5. Is There A Limit On Contributions?

Yes. The total amount of contributions made by you for any year may not exceed the limits imposed by Sections 402 and 415 of the Internal Revenue Code. These limits may be adjusted by the IRS from time to time. Your participation in the College's Defined Contribution Retirement Plan (the mandatory plan) and other factors may affect how much of the maximum you can contribute to this Plan. Check with the administrator for more information about the limits and how your participation in more than one plan might affect the way the limits apply to you.

6. May I Rollover My Accumulations From Another Plan Into This Plan?

To the extent permitted by law, you can rollover accumulations (other than after-tax contributions) from another qualified retirement plan, 403(b), IRA, or Section 457(b) plan into this Plan.

7. Do Contributions Continue During An Approved Leave Of Absence?

During a paid leave of absence, the College will continue to submit Salary Reduction Contributions on your behalf. The Salary Reduction Contributions will be based on the amount of salary you are deferring at the time of the paid leave. If the leave is unpaid, no contributions will be made on your behalf. If you are out on short-term disability leave, you will continue to make Salary Reduction Contributions to the Plan for the duration of your short-term disability leave. If you are out on long-term disability leave, your Salary Reduction Contributions will be suspended during your long-term disability leave. Contact the administrator for more information.

8. When Do My Plan Contributions Become Vested (i.e., owned by me)?

You are fully and immediately vested in your Plan contributions. Such amounts are nonforfeitable.

9. What if I am absent from work while Performing Qualified Military Service?

If you are absent from work while performing qualified military service, you will not incur a Break in Service. If you die during qualified military service, your beneficiary will be entitled to any additional benefits (other than benefit accruals) that he or she would have received if you had died while employed by the College.

10. When May I Begin Receiving Benefits?

Except as required by law, payment of benefits may not commence while you are employed by the College unless you have reached the age of $59^1/_2$. In general, benefits are paid according to the rules of the Funding Vehicle you have chosen. Contact the Fund Sponsor for more information on available options. You must begin receiving distributions no later than April 1 of the calendar year following the calendar year in which you attain age $70^1/_2$ or retire, whichever is later. There was an exception for the year 2009. There were no required distributions for the year 2009. The payment of benefits according to the above rules is extremely important. Federal tax law imposes a 50 percent excise tax on the difference between the amount of benefits required by law to be distributed and the amount actually distributed if it is less than the required minimum amount.

You may also withdraw your contributions if you encounter hardship, and you may be eligible to receive a loan (discussed later), if the funding vehicles you have chosen permit it.

Your fund sponsor will normally contact you several months before the date you scheduled your benefits to begin on your application. You may decide, however, to begin receiving income sooner, in which case you should notify the fund sponsor in advance of that date. Usually, the later you begin to receive payments, the larger each payment will be.

If you made a rollover contribution to this Plan on or after January 1, 2002, you may withdraw that rollover contribution in cash at any time, to the extent the Funding Vehicle you have chosen permits.

11. What Options Are Available For Receiving Retirement Income?

You may choose from among several types of income options when you retire, depending on the Funding Vehicle and Fund Sponsor you've chosen. Consult the Fund Sponsor for a complete description of the retirement income options available to you with any particular Funding Vehicle.

12. What Are My Spouse's Rights Under This Retirement Plan to Survivor Benefits?

If you do not designate a beneficiary, your spouse will be the beneficiary in the event of your death.

If a judgment, decree or order made following a state domestic relations law establishes the rights of another person (the "alternate payee") to your benefits under this Plan, and if such an order (called a "qualified domestic relations order") is for providing child support, alimony or other marital property payments, then payments will be made according to that order. If a court issues a qualified domestic relations order, the order preempts the usual requirements that your spouse be considered your primary beneficiary for a portion of the accumulation.

13. What Happens To My Benefits If I Terminate Employment Before Retirement?

The amounts you have accumulated in the Funding Vehicles you have chosen remain yours, including all benefits purchased by your contributions. You don't forfeit any of the benefits that have already been set aside for you. You may elect to receive benefits under any of the optional forms of benefit available through the Funding Vehicles in which your benefits are invested. You may choose to receive the entire amount you have accumulated in a lump sum. However, if you have not reached the age of $59^1/_2$, you will have to pay a 10% penalty for withdrawing money early from your retirement account, in addition to a 20% withholding tax.

You may choose to rollover the amounts you have accumulated to a new employer's plan or to an IRA. (See question 2 in Part II of this plan summary.)

14. What If I Die Before Starting To Receive Benefits?

If you die before beginning retirement benefits, the full current value of your accumulated benefits is payable as a death benefit. Your beneficiary may choose one or more of the options listed in the Funding Vehicles for payment of the death benefit. If your designated beneficiary is your surviving spouse, payment may be delayed until you would have attained age 70½.

Federal tax law puts limitations on when and how beneficiaries receive their death benefits. The Fund Sponsor will notify your beneficiary of the applicable requirements at the time he or she applies for benefits.

You should review your beneficiary designation periodically to make sure that the person you want to receive the benefits is properly designated. You may change your beneficiary by completing the "Designation of Beneficiary" form available from the Fund Sponsor. If you designate your spouse as your beneficiary, and subsequently divorce or have the marriage annulled, your beneficiary designation will automatically be revoked. If you wish to re-designate your ex-spouse as your beneficiary, you may do so by completing the "Designation of Beneficiary" form. If you die without having named a beneficiary, your entire account will be distributed according to the following priority:

To your surviving spouse;

If she or he does not survive you, to your children and the children of any deceased children per stirpes;

If no children or grandchildren survive you, to your parents;

If your parents do not survive you, to your siblings and the children of any deceased siblings per stirpes.

If no one in the above list survives you, then your account will be distributed to your estate.

15. What If I Die After Starting To Receive Benefits?

If you die after payment of benefits has commenced, your remaining interest in the Plan must be distributed at least as rapidly as under the method of distribution used prior to your death.

16. May I Receive A Loan Or A Hardship Withdrawal From The Plan?

If available through a Funding Vehicle chosen by you, you may borrow against the amounts you have accumulated under the Plan. Loans will be made only as provided with the terms of a Funding Vehicle, and only as permitted by applicable provisions of the Code. Contact the Fund Sponsor if you are interested in taking a loan from the Plan.

To the extent permitted by the Funding Vehicles you choose, hardship withdrawals are permitted under this Plan to satisfy an immediate and heavy financial need. Contact the Fund Sponsor to find out whether your Funding Vehicle permits hardship withdrawal, and for more information about hardship withdrawals.

PART II - INFORMATION ABOUT FUNDING VEHICLES

1. What Fund Sponsors and Funding Vehicles Are Available Under The Plan?

Contributions may be invested in Funding Vehicles offered by one of the Fund Sponsors to this Plan Summary, which are currently available under this Plan. The College's current selection of Fund Sponsors and Funding Vehicles isn't intended to limit future additions or deletions of Fund Sponsors and Funding Vehicles. You'll be notified of any additions or deletions. Contact the College's administrator for information concerning the various Funding Vehicles currently offered under the Plan.

2. May I Rollover My Accumulations?

If you're entitled to receive a distribution from your contract, which is an eligible "rollover distribution," you may rollover all or a portion of it either directly or within 60 days after receipt into another eligible retirement plan or into a traditional or a Roth IRA. An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment or a payment which is part of a fixed period payment over ten or more years. The distribution will be subject to a 20 percent federal withholding tax *unless* it is rolled over directly into another retirement plan or into an IRA; this process is called a "direct" rollover. If you have the distribution paid to you, then the plan must withhold 20 percent even if you intend to rollover the money into another retirement plan or into an IRA within 60 days. To avoid withholding, instruct the Fund Sponsor to directly roll over the money for you.

3. How Are My Contributions Allocated?

First, you must complete a form indicating the amount of Salary Reduction Contributions to be contributed on your behalf. The form must be completed by you and delivered to the College prior to the first pay period for which it is to be effective. Next, you must designate how contributions will be allocated, on a form available from the administrator. Contributions are allocated, at your direction, to the Funding Vehicle(s) chosen by you, in any whole-number percentages that equal 100%.

4. May I Change How Contributions Are Allocated?

You may change your allocation of future contributions to the Funding Vehicles according to the rules of the Fund Sponsor. If you wish to allocate contributions to different Funding Vehicles within the same Fund Sponsor, you may do so by contacting the Fund Sponsor directly. If you wish to allocate contributions to Funding Vehicles of a different Fund Sponsor, you must contact both Fund Sponsors. In general, you may change the amount of Salary Reduction Contributions and/or how contributions will be allocated as often as you wish, subject to the rules of the Fund Sponsor.

5. May I Transfer Funds Between Funding Vehicles?

Once amounts have been contributed to the Plan, you may transfer funds between Fund Sponsors if a Fund Sponsor's rules allow it, and if it is permitted under applicable provisions of the Code. To do this you must complete a request form available from the Fund Sponsor. Under the Plan, you may transfer funds between two Funding Vehicles of the same Fund Sponsor at any time (subject to the Fund Sponsor's rules) by completing a request form provided by the Fund Sponsor. You may not complete a transfer if it would cause your account to lose money. For example, if you incur a special transaction fee for taking your funds out of one Funding Vehicle and transferring them to another, the law and the plan rules do not allow the transfer to be completed. Surrender charges are permissible, however. You will continue to be governed by these transferability rules in the event you terminate employment with the College. Contact the appropriate Fund Sponsor for more information on transfer of funds.

PART III - ADDITIONAL INFORMATION

1. How Is The Plan Administered?

The Plan is available through MCAD. The benefits are provided by retirement annuity contracts and custodial accounts issued to Participants by the Fund Sponsors. The College has designated the Vice President of Administration or his or her designee to be responsible for enrolling Participants, forwarding Plan Contributions for each Participant to the Fund Sponsor, and performing other duties required for operating the Plan.

2. May The Terms Of The Plan Be Changed?

While it is expected that the Plan will continue indefinitely, the Board of Trustees of the College reserves the right to modify or discontinue the Plan at any time. The College, by action of its Board, also may delegate any of its power and duties with respect to the Plan or its amendments to one or more officers or other employees of the College. Any such delegation shall be stated in writing. The College will exercise good faith, apply standards of uniform application, and refrain from arbitrary action.

3. How May I Obtain More Information About The Plan?

Requests for information concerning eligibility, participation, contributions, or other aspects of operating the Plan should be in writing and directed to the administrator. Requests for information concerning the Plan and its terms, conditions and interpretations may be directed in writing to:

Administrator
Minneapolis College of Art and Design Tax-Deferred Annuity Plan
2501 Stevens Avenue South
Minneapolis, MN 55404
(612) 874-3798

Requests for information about the Funding Vehicles should be addressed to the Fund Sponsor. As of publication of this plan summary, the approved Fund Sponsors are:

TIAA-CREF 1-800-842-2776 www.tiaa-cref.org

4. What Are The Plan's Claims Procedures?

You should file a claim concerning rights or benefits relating to a specific Funding Vehicle with the Fund Sponsor following the claim provisions of the Funding Vehicles.

You should file a claim concerning rights or benefits relating to the amount of contributions under the Plan or any other Plan Provision with the administrator. The following rules apply to such a claim:

- **Filing a claim -** A claim is considered filed when a written communication is made to the administrator.

- **Processing the claim -** This Plan requires that the administrator process the claim within 90 days after the claim is filed. If an extension of time for processing is required, written notice will be given to you before the end of the initial 90-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render its final decision.

- **Denial of claim -** If a claim is wholly or partially denied, the administrator must notify you within 90 days following receipt of the claim (or 180 days in the case of an extension for special circumstances). The notification will state the specific reason or reasons for the denial, specific references to pertinent plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim, and appropriate information about the steps to be taken if you wish to submit the claim for review. If notice of the denial of a claim is not furnished within the 90/180-day period, the claim is considered denied and you are permitted to proceed to the review stage.

- **Review procedure -** You have at least 60 days after receipt of a claim denial to appeal the denied claim. You will receive a full and fair review of the claim. As part of the review, you will be allowed to see all plan documents and other papers that affect the claim and you will be allowed to submit issues and comments and argue against the denial in writing.

- **Decision on review -** The Plan will conduct the review and decide the appeal within 60 days after the request for review is made. If special circumstances require an extension of time for processing (such as the need to hold a hearing if the plan procedure provides for such a hearing), you will be furnished with written notice of the extension, which will be no later than 120 days after receipt of a request for review. The decision on review will be written in clear and understandable language and include specific reasons for the decision as well as specific references to the pertinent plan provisions on which the decision is based. If the decision on review is not made within the time limits specified above, the appeal will be considered denied.

5. ***Is The Plan Insured By The Pension Benefit Guaranty Corporation (PBGC)?***

No. Since the Plan is a defined contribution plan, it isn't insured by the PBGC. The PBGC is the government agency that guarantees certain types of benefits under covered plans.

6. ***Facts about the Plan.***

Administrator: **Minneapolis College of Art and Design**

Employer Identification Number: **41-1607453**

Plan Number: **003**

Plan Year: **January 1 to December 31**

Agent for Service of Legal Process: **Minneapolis College of Art and Design**

This document was prepared for the employees of Minneapolis College of Art and Design. If there is any ambiguity or inconsistency between the terms of the Plan Document, the individual annuity contracts or the certificates and those of this Plan Summary, the terms of the Plan are final unless they violate applicable law.

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