

**403(b)**

**THRIFT PLAN**

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**Summary Plan Description**

**For Employees of**

**ARROWHEAD ECONOMIC  
OPPORTUNITY AGENCY,  
INCORPORATED**

**Virginia, Minnesota**

**FINAL DRAFT USED  
TO CREATE SPD BOOKLET**

SECRET

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## **INTRODUCTION**

Arrowhead Economic Opportunity Agency, Incorporated, (hereafter "we", "us" and "our") is pleased to provide this 403(b) Thrift Plan to enable our employees (hereafter "you" and "your") to accumulate long term savings for your retirement while benefiting from favorable tax treatment.

This voluntary retirement savings program offers you the opportunity to contribute a percentage of your salary to the plan each pay period through payroll deduction. You have the right to invest any amounts that you contribute, in one or more of the investment alternatives available under the plan.

You may make either or both of the following types of salary reduction contributions to the Plan, up to the dollar limits imposed by federal tax law:

- "Before Tax Contributions" are deducted from your salary *before* federal income tax is imposed. This means that any Before Tax Contributions that you make during a calendar year will reduce your gross income reported on IRS Form W-2 and therefore your federal income tax for that year. Similarly, investment earnings accumulated on these contributions are tax-free as long as they remain in the plan. However, Before Tax Contributions (and their earnings) are generally taxable when they are withdrawn from the plan.
- "Designated Roth Contributions" are deducted from your salary after federal income tax is imposed. This means that any Designated Roth Contributions that you make during a calendar year are reported as gross income on IRS Form W-2 and are subject to federal income tax for that year. Accordingly, Designated Roth Contributions are not taxable in the year that they are distributed from the plan. Investment earnings accumulated on Designated Roth Contributions are tax-free as long as they remain in the plan, but may be taxable when they are withdrawn.

See the section of this booklet entitled **Tax Treatment of Contributions And Distributions** for more details about these contributions.

We will also make contributions on your behalf.

Effective January 1, 2009, the plan is underwritten by Mutual of America Life Insurance Company, which receives plan contributions, maintains participants' individual accounts invested in Mutual of America Life Insurance Company contracts, offers the investment options and pays benefits to participants and their beneficiaries. Contributions before January 1, 2009,

may be invested in one or more annuity contracts or custodial accounts issued by Designated Provider(s) listed in the back of this booklet

Benefits are based on a stated contribution formula and are fully funded at all times. Therefore, the plan is classified as a defined contribution plan and is not covered for plan termination insurance provided by the Pension Benefit Guaranty Corporation.

Although we intend to continue the plan indefinitely, we reserve the right to amend, modify, discontinue or terminate the plan at such time as in our discretion may be deemed appropriate, without the consent of or prior notice to any employee, retiree or beneficiary, subject to the provisions of applicable laws. No amendment to the plan can retroactively reduce benefits, except as required or permitted by applicable law. If the plan is terminated, you will become 100% vested in the value of your account (See section entitled **Plan Amendments Or Termination.**)



This booklet generally explains the major provisions of the plan. It also contains a general discussion of some federal tax law rules. It does not discuss state or local taxes. It is not intended as tax advice. This booklet is only a summary of the highlights of the plan. It is not the complete plan document. It does not in any way alter or modify any of the provisions of the plan document. If there are any inconsistencies between this booklet and the actual plan document, the actual plan document controls. Please retain this booklet for your reference.

This Summary Plan Description outlines the principal provisions of our plan as of January 1, 2013.

## **ELIGIBILITY**

### **Salary Reduction Contributions**

All employees are eligible to participate and make salary reduction contributions, including Designated Roth Contributions, except for those who are non-resident aliens with no U.S. source income and those who are classified or treated as independent contractors (even if a government agency or court with the jurisdiction determines that such persons are deemed to be Employees for any purpose under common-law principles or federal, state or local law).

Those who are eligible to make salary reduction contributions to another plan of the Employer described in Sections 401(k) or 403(b) of the Code, or a governmental eligible deferred compensation plan described in Section 457(b) of the Code are not eligible to make salary reduction contributions to this plan.

### **Employer Matching Contributions**

All employees are eligible to receive employer matching contributions, except those who are non-resident aliens with no U.S. source income, those who are classified or treated as independent contractors (even if a government agency or court with the jurisdiction determines that such persons are deemed to be Employees for any purpose under common-law principles or federal, state or local law) and those described below.

Employees who are eligible to make salary reduction contributions to another plan of the Employer described in Sections 401(k) or 403(b) of the Code, or a governmental eligible deferred compensation plan described in Section 457(b) of the Code are not eligible to participate and receive employer matching contributions under this plan.

Employees who are "Highly Compensated Employees" as defined in the Internal Revenue Code are not eligible to receive employer matching contributions under this plan.

Employees hired before January 13, 2011 are not eligible to receive employer matching contributions under this plan.

### **Employer Base Contributions**

All employees are eligible to participate and receive employer base contributions, except those who are non-resident aliens with no U.S. source income, those who are classified or treated as independent contractors (even if a government agency or court with the jurisdiction determines that such persons are deemed to be Employees for any purpose under common-law principles or federal, state or local law) and those indicated below.

Employees who are eligible to make salary reduction contributions to another plan of the Employer described in Sections 401(k) or 403(b) of the Code, or a governmental eligible deferred compensation plan described in Section 457(b) of the Code are not eligible to participate and receive employer base contributions under this plan.

Employees who are "Highly Compensated Employees" as defined in the Internal Revenue Code are not eligible to receive employer base contributions under this plan.

## **MINIMUM AGE AND SERVICE REQUIREMENTS**

### **Salary Reduction Contributions**

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There is no minimum age requirement to make salary reduction contributions, including Designated Roth Contributions, to this plan.

There is no minimum service requirement to make salary reduction contributions to this plan.

### **Employer Matching Contributions**

You must be at least 20 years of age to receive employer matching contributions under this plan.

You must complete at least two years of service to receive employer matching contributions under this plan.

### **Employer Base Contributions**

You must be at least 20 years of age to receive employer base contributions under this plan.

You must complete at least two years of service to receive employer base contributions under this plan.

### **Participation In The Plan**

You are included as a participant in the plan and can begin to make salary reduction contributions on the first day of the month coinciding with or immediately following your date of hire.

You will be credited with a year of eligibility service at the end of any twelve month period, beginning on your date of hire or any anniversary of that date, in which you work for us at least 1,000 hours, until you have two years of eligibility service.



If you have a break-in-service after becoming a participant in the plan and are later rehired, you will be eligible to resume participation in the plan on the first day of the month coinciding with or immediately following the date you are rehired:

- (a) if you were at least partially vested in your benefit before you terminated service, or
- (b) if, regardless of your vesting status when you terminated service, your break-in-service did not exceed five consecutive years.

In any other case, you will be eligible to resume participation in the plan only upon completion of the applicable service requirement.

A break-in-service means a twelve consecutive month period during which you do not complete more than 500 hours of service with us due to your termination, layoff, leave or similar reason.

### **HOW TO ENROLL**

Every employee who satisfies the requirements in the **Eligibility** section of this booklet will have an opportunity to enroll in and contribute to the plan. To enroll in this plan, you should complete a "salary reduction agreement" and an "enrollment form".

The "salary reduction agreement" is an agreement between you (the employee) and us (the employer) that states the amount you will contribute to the plan each pay period. You may choose to contribute a percentage of your compensation from 1% to 100%, (in multiples of .001%). You may also elect to contribute nothing to the plan. If you elect to contribute, your election will take effect as soon as reasonably possible on the first day of a pay period beginning on or after the date you specify in the salary reduction agreement, the date we receive the salary reduction agreement, or date you first became a participant covered under the plan, whichever is the latest.

You may make two different types of salary reduction contributions to the plan: pre-tax contributions, and Designated Roth Contributions.

Pre-tax contributions means salary reduction contributions that are made from your salary before federal income taxes are deducted. In other words, the amount of your compensation subject to current federal income taxation will be reduced by the amount you contribute. Generally, Social Security taxes and benefits are not affected by your contributions.

This plan also permits you to designate all or a portion of your contributions as Roth Contributions. If you elect to do so, that portion of your salary reduction contribution designated as Roth Contributions will be subject to current federal income taxation. Generally, the amount you contribute as Designated Roth Contributions and the earnings on those Designated Roth Contributions are not subject to federal income taxes when distributed to you.

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See the section of this booklet entitled **Tax Treatment of Contributions And Distributions** for more details.

Your salary reduction agreement may not be made retroactively, shall not be applied retroactively to compensation earned before the salary reduction agreement, must be irrevocable for contributions made during the time the agreement is in effect, and will remain in effect until either you modify or revoke the agreement, or you are no longer eligible to contribute to the plan.

If you ever want to change the amount you contribute, or suspend, discontinue, or resume contributions to the plan, you will have to complete a new salary reduction agreement. You may obtain a new salary reduction agreement from us.

All contributions to the plan are made through salary reductions withheld from your pay. You may not contribute to the plan by check or any other form of payment.

Employer contributions on your behalf will begin on January 1, April 1, July 1 or October 1, coinciding with or immediately following the date you meet all of the eligibility requirements.

When we notify Mutual of America Life Insurance Company of your enrollment, they will establish an individual account for you.

#### **IF YOU DO NOT ENROLL**

If you do not complete a salary reduction agreement advising us whether or not you want to contribute to the plan, we will not deduct any amount from your salary.

#### **HOW MUCH CAN YOU CONTRIBUTE**

You can contribute any percentage of your salary provided that you do not contribute more than the maximum permitted by law.

The aggregate maximum contribution under all contracts or custodial accounts permitted by the Internal Revenue Code is \$17,500 in 2013, as may be adjusted for inflation in future years. Additionally, if you have attained age 50, you are eligible to make an additional catch-up contribution. This age-50 catch-up contribution cannot exceed \$5,500 in 2013, as may be adjusted for inflation in future years.

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### **Special Catch-Up Contributions**

If you are an employee of a hospital or a home health service agency, health or welfare service agency, church or educational organization, you may be eligible to make an additional contribution, called a special catch-up contribution. To be eligible for this special catch-up contribution, you must have completed at least 15 years of service with us.

If you are eligible to make a special catch-up contribution, Mutual of America Life Insurance Company will calculate the amount upon your request.

### **Rollover Contributions From Certain Retirement Plans**

You may also make rollover contributions to this plan, provided it is permitted by the Designated Provider(s). The Designated Provider(s) authorized to receive rollover contributions will be identified and listed in the back of this booklet. A rollover contribution is a distribution that you are entitled to receive from another eligible retirement plan which you transfer into this plan. An eligible rollover distribution may be any of the following:

- (a) An eligible distribution from an arrangement described in Section 403(b) of the Code;
- (b) An eligible distribution from an individual retirement account or annuity described in Section 408(a) or (b) of the Code;
- (c) An eligible rollover distribution from a qualified plan described in Section 401(a) or 403(a) of the Code; or
- (d) A repayment of a qualified hurricane distribution in accordance with Section 1400Q(a) of the Code.

However, this plan will not accept any rollovers from a governmental 457(b) plan and cannot accept any non-Roth after-tax contributions.

You must notify the Plan Administrator in advance if you would like to make a rollover contribution. You must also notify the plan administrator of the plan from which you are receiving the distribution if you want to make a

direct transfer to this plan. You must request a direct transfer if any part of your rollover consists of Designated Roth Contributions.

Your rollover contribution(s) will be placed in your rollover contribution account(s). You will always be 100% vested in the amounts in your rollover contribution account(s) and these amounts may be withdrawn or distributed to you, in whole or in part, at anytime. Separate accounts will be maintained for rollovers of Before Tax Contributions (and their earnings) and Designated Roth Contributions (and their earnings).

A rollover contribution may result in tax savings to you. You should consult your tax advisor before making such a contribution.

### **TRANSFERS BETWEEN ACCOUNTS**

You can transfer funds from any Designated Provider(s) authorized to transfer funds to any other Designated Provider(s) authorized to receive such transfer, provided the contract or custodial account authorizes such transfers and the Designated Provider(s) is authorized to do so. See the list of eligible Designated Provider(s) in the back of this booklet.

### **EMPLOYER CONTRIBUTIONS**

We will make a matching contribution on your behalf equal to 100% of the salary reduction amount you are contributing during the plan year that does not exceed 3% of your compensation received during the plan year.

Age-50 catch-up contributions are not eligible for a matching contribution.

#### **For employees hired on or after January 13, 2011:**

Each plan year we will make an employer base contribution on your behalf equal to 3% of your compensation for that year. This employer base contribution will be made whether or not you are making contributions.

#### **For employees hired before January 13, 2011:**

Each plan year we will make an employer base contribution on your behalf equal to 6% of your compensation for that year. This employer base contribution will be made whether or not you are making contributions.

### **Compensation Defined**

For purposes of calculating employer contributions, compensation generally means, all your taxable earnings from us. It will also include contributions made by a salary reduction agreement with us to certain other retirement or benefit plans.

It excludes reimbursements, expense allowances, fringe and welfare benefits, moving expenses and certain deferred compensation.

Compensation in excess of \$255,000 per year in 2013, as may be adjusted for inflation in future years, is not counted for purposes of employer contributions. This federal tax law limit may be increased for future years according to the Internal Revenue Code.

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### **LIMITATIONS ON CONTRIBUTIONS**

Federal tax law limits the total of all contributions that may be made to a participant's account. Generally, the maximum annual contribution (including any forfeitures) to all plans that can be made on behalf of a participant is (1) \$51,000 in 2013, as may be adjusted for inflation in future years or (2) 100% of compensation, whichever is less. This amount may have to be reduced because of other contributions to, or benefits of, other retirement plans.

### **YOUR INDIVIDUAL ACCOUNT**

All contributions to this plan will be credited to your individual account on or as soon as is reasonably practical after the date received in Mutual of America Life Insurance Company's home office in New York.

Mutual of America Life Insurance Company will send you quarterly statements showing the contributions, interest and investment gains or losses, charges, opening and closing account balances and any transactions you have made during the quarter.

### **YOUR INVESTMENT CHOICES**

Detailed information about the interest and investment alternatives will be provided by the Plan Administrator or the Designated Provider(s) listed in the back of this booklet. This detailed information, which includes a prospectus or brochure, describes your alternatives, including details about charges and expenses.

You should read this material carefully before making your decisions. This information is not intended by the Plan Administrator as investment advice. You should consult your own professional investment advisor for such advice.

If you fail to provide investment directions, any contributions made on your behalf will be allocated to the plan's "default investment alternative". This default investment alternative is one of the Designated Providers' invest-

ment alternatives specified by the plan document in accordance with government regulations.

Your contributions will continue to be allocated to the default investment alternative until you provide directions to the contrary. Any contributions allocated to the default investment alternative (and their earnings, if any) will remain there until you request a withdrawal or a transfer to another investment alternative.

For contributions made on and after January 1, 2009, the default investment alternative is the Fidelity VIP Asset Manager Portfolio. You will receive a summary description of this investment alternative before it begins to receive your contributions and at least once a year thereafter until you provide affirmative investment directions. A more detailed description of this alternative may be found in the prospectus or brochure.

You can direct the allocation of future contributions or transfer money from one interest or investment alternative to another or any of the eligible Designated Provider(s), if authorized, and listed in the back of this booklet, by contacting the Designated Provider(s) identified in the back of this booklet.

Because you have the right to decide how to invest your retirement plan funds, you are responsible for any losses that result from your decision.

Under the Employee Retirement Income Security Act of 1974 (ERISA), the people who operate a retirement plan (called "fiduciaries") are generally responsible for the investment of all plan funds and are usually liable for any losses that result from imprudent investment decisions. However, an exception to this rule (enacted as Section 404(c) of ERISA) provides that if a retirement plan permits a participant or beneficiary to direct the investment of his or her plan funds in accordance with certain Department of Labor regulations, the plan's fiduciaries will not be liable for any loss that directly results from the participant's or beneficiary's investment decisions. Our plan is designed to comply with these regulations, so the plan's fiduciaries are not responsible for your investment results.

Since you bear the risk of your investment decisions, you should carefully weigh the potential earnings and risk of the plan's Investment Options (including charges and expenses) before you decide how to invest your plan funds. You may consider dividing your plan funds among several investment options to help avoid potential losses.

## **VESTING**

Vesting means that you are entitled to the value of your individual account, even if you terminate employment with us before retirement.

The value of your individual account is fully and immediately vested from your date of participation in the plan.

## **LOANS**

No loans are permitted under this plan.

## **WITHDRAWALS FROM YOUR ACCOUNT**

### **Salary Reduction Contributions**

Amounts in your salary reduction contribution account as of December 31, 1988, if any, may be withdrawn at anytime. In addition, if applicable, any amounts in your salary reduction contribution account as of December 31, 1988 attributable to any prior tax-deferred annuity plan may be withdrawn at anytime.

Federal tax law restricts withdrawals of salary reduction amounts made to your account after December 31, 1988. The law also restricts withdrawals of interest and investment earnings credited after that date on all salary reduction contributions. These amounts may not be withdrawn before you reach age 59½ unless the withdrawal is made on account of death or if you incur a disability that prevents you from working. Vested amounts can also be withdrawn after you have terminated employment with us or if the plan is terminated.

### **Employer Contributions**

While you remain employed with us, you can withdraw vested amounts from your employer contribution account after age 59½ or if you incur a disability that prevents you from working. Vested amounts can also be withdrawn after termination of employment with us or if the plan is terminated.

Contact the Plan Administrator for instructions concerning the procedures and forms for withdrawals.

## **Hardship**

In addition, federal law permits you to withdraw salary reduction contributions and vested employer contributions because of a financial hardship. However, interest and investment earnings credited after December 31, 1988, to your individual account attributable to salary reduction contributions cannot be withdrawn for financial hardship.

A hardship is generally defined as an immediate and heavy financial need by you, or in some cases by certain of your family members, dependents or beneficiaries. Under the plan hardship situations are limited to purchase of (and certain repairs to) a principal residence, certain tuition expenses, certain funeral expenses, certain medical expenses and payments necessary to prevent eviction from, or the foreclosure of a mortgage on, your principal residence.

The hardship withdrawal cannot exceed the amount of the immediate need, including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the withdrawal.

Before you can qualify for a hardship withdrawal, you will be required to make any available withdrawals and take any available loans from this and other retirement plans.

After taking a hardship withdrawal you will not be permitted to make contributions for a period of 6 months to this or any other retirement plan which we maintain, except for mandatory contributions to a defined benefit plan.

## **Methods Of Payment For Withdrawals**

Any amounts withdrawn due to a hardship must be distributed in a single sum. Any other withdrawal may be paid in a single sum or in any other method of payment permitted by the contract or custodial account from which the withdrawal is made, such as the Specified Payment Option permitted by the contract issued by Mutual of America Life Insurance Company, as described below.

If you have met other requirements for withdrawals and you (a) are age 59½ or older, or (b) have terminated employment at age 55 or later, you can elect to receive regularly scheduled withdrawals from your account, provided that it is an option available under the contract or custodial account issued by an eligible Designated Provider(s), under the Specified Payments Option. Under this form of benefit, you can choose to receive regular monthly payments of \$100 or more. You can also specify in advance the number of payments you wish to receive. You can increase or decrease



(not below \$100) the amount of income you receive and you can stop payments at any time subject to Minimum Distribution Requirements described below.

Your monthly payments of \$100 or more, as you elect, will be made from the amount maintained for you in the interest or investment alternatives you specify. Payments will continue up to the earliest of the following events: (a) the date you elect to have payments end, (b) the date you elect to purchase an annuity benefit, (c) your date of death and (d) the date your balance in any account from which you are receiving payments is insufficient to pay the specified amount.

Payments are subject to any restrictions that apply to withdrawals.

### **Spousal Consent**

If you are married, federal law requires that your spouse consent in writing before a withdrawal is made. Your spouse's consent must be made on a form provided by the plan and must be witnessed by a notary public or an authorized representative of the Plan Administrator.

### **Disaster Relief Withdrawals**

Prior to January 1, 2010, in accordance with Federal disaster relief legislation, certain participants were permitted to take emergency withdrawals from their plan accounts to pay certain expenses resulting from the Gulf Coast hurricanes of 2005 and the Midwestern storms and floods of 2007 and 2008. These withdrawals were generally tax-free to the recipient if the funds were recontributed to the plan or an IRA within three years. Similar emergency withdrawals may be permitted for future disasters. Affected participants may obtain additional details from the Plan Administrator.

### **TAX TREATMENT OF CONTRIBUTIONS AND DISTRIBUTIONS**

The tax treatment of your contributions and distributions generally depends on whether they are Before Tax Contributions or Designated Roth Contributions.

**Before Tax Contributions** are deducted from your salary *before* federal income tax is imposed. This means that any Before Tax Contributions that you make during a calendar year will reduce your gross income reported on IRS Form W-2 and therefore your federal income tax for that year.

Since Before Tax Contributions are not taxable when made, they are generally taxable when they are distributed from the plan. Investment earnings accumulated on Before Tax Contributions are tax-free as long as they remain in the plan, but are also generally taxable when they are distributed.

**Designated Roth Contributions** are deducted from your salary *after* federal income tax is imposed. This means that any Designated Roth Contributions that you make during a calendar year are reported as gross income on IRS Form W-2 and are subject to federal income tax for that year. Since these contributions are taxable when made, they are not taxable when distributed.

Investment earnings accumulated on Designated Roth Contributions are tax-free as long as they remain in the plan, and are generally not taxable when they are distributed unless one of the following conditions applies:

- (a) The distribution occurs before the end of the fourth tax year following the tax year in which you first made Designated Roth Contributions to this plan (this is called the "Five-Year Rule"); or
- (b) The distribution is made before you die, attain age 59-1/2, or become totally disabled.

In some cases, a distribution from your Designated Roth Contribution accounts will consist of a pro rata share of both contributions and earnings. Accordingly, your distribution may be partially taxable and partially tax-free.

**Early Distribution Penalty Tax.** If you receive a taxable distribution of Before Tax Contributions and earnings (or of Designated Roth earnings) before you attain age 59-1/2, you may be subject to an early distribution penalty tax in addition to the regular federal income tax. This penalty tax is equal to 10% of the amount of the taxable distribution. However, there are several exceptions to this penalty for certain early retirement and emergency distributions. For example, the 10% penalty tax does not apply if your distribution is paid:

- (a) In the form of substantially equal periodic payments over your life or life expectancy after you leave your job; or
- (b) Because you separated from service with us after you attained age 55; or
- (c) To pay certain medical expenses; or
- (d) After you become disabled; or
- (e) After your death to your beneficiary or estate.

**Rollovers.** In some cases, it may be possible to postpone the taxation of a distribution by rolling it over (transferring it) to an Individual Retirement Arrangement (IRA) or an eligible retirement plan. In that case, the funds that were rolled over will generally not be taxable until they are distributed from the recipient IRA or plan. For some payments, you may request this plan to make a rollover for you (a "direct rollover"). Designated Roth Contributions (and their earnings) may only be rolled over to a Roth IRA or an eligible retirement plan that does not commingle those contributions with Before Tax Contributions (and their earnings).

### **Impact on Other Employee Benefits**

Your Before Tax Contributions and Designated Roth Contributions will be made through salary reduction and will reduce your take-home pay. However, these contributions will not reduce your Social Security Tax or the Social Security benefits that you will be entitled to receive when you retire.

Making Before Tax Contributions and/or Designated Roth Contributions may have an effect on your benefits under other retirement and welfare plans in which you are participant, based on whether benefits are attributable to your salary before or after any contributions are made to this plan.

Please review the provisions of these other retirement and welfare plans and/or request information from the Plan Administrator identified on the last page of this booklet.

**Tax Planning.** As discussed above, Before Tax Contributions are generally tax-free when made and taxable when distributed. Designated Roth Contributions are generally taxable when made and tax-free when distributed.

You should remember this when you decide what sort of contributions you wish to make to this plan.

You should also consider the tax consequences whenever you request a distribution from the plan. When you receive a distribution from the plan, Before Tax Contributions and their earnings (which are usually taxable) will generally be distributed before Designated Roth Contributions and their earnings (which are usually tax-free) unless you elect otherwise.

The information in this booklet is a brief summary of the applicable federal income tax rules. State tax may also apply, and may be subject to different rules. When you are about to receive a payment from this plan, you will be given a notice that explains the federal tax consequences in greater detail, including the rules concerning the payment and withholding of federal income tax. However, that notice and this booklet are not intended to be, and should not be considered, tax advice. You should consult your account-

ant, attorney, or other tax advisor before you make any decisions about your contributions to, or distributions from, this plan.

### **IF YOU LEAVE OUR EMPLOY**

If you terminate employment with us and your vested account balance is greater than \$1,000, you have the following choices:

- (a) You can generally leave all or part of your vested account in the plan and defer receipt of your benefit. Your account will continue to accumulate interest or share in the investment experience of the funds in which your vested account is invested.
- (b) You can withdraw all or part of your vested account in a single sum provided you have met the requirements for withdrawals. (See section entitled **Withdrawals From Your Account.**)

If your vested account balance is \$1,000 or less, you will receive a single-sum payment at termination of employment.

Once this cash payment is made, you will not be entitled to any further benefits under this plan. (See section entitled **Tax Treatment Of Contributions And Distributions.**)

### **VETERANS' RIGHTS**

If you are absent from work due to a period of qualified military service, you will continue to earn retirement benefits during your absence if you return to work within the time period determined in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

If you return to work within the time period required by law, your period of military service will be treated as service with us for purposes of determining whether you are eligible to participate in the plan and whether you are entitled to a vested benefit. After you return to work, you may make up any missing salary reduction contributions (and receive any missing Employer Contributions) that would have been made to the plan if you had continued to work for us during your period of military service (including any Employer Contributions that match your make-up salary reduction contributions).

Alternatively, if you are absent from work due to a period of qualified military service, we may continue to pay you a portion of your salary to make up all or part of the difference between your military pay and what you would have received if you had continued to work for us. If so, this "differential pay" will count as Compensation for purposes of determining contributions under the plan (See section entitled **Compensation Defined.**) In that case, you may make salary reduction contributions (and receive Employer Contributions)

based on your differential pay during your period of military service, whether or not you return to work for us afterward.

If you are absent from work due to active military service for at least 30 days, you may obtain a withdrawal from your individual accounts attributable to salary reduction contributions provided you suspend your contributions to the plan for a period of at least six months. (See section entitled **Withdrawals From Your Account**.)

In addition, if you die on or after January 1, 2007, while performing qualified military service, your spouse or other beneficiary will be entitled to a death benefit provided by 100% of the value of your Accounts as if you had died while working for us. (See section entitled **Death Benefits**.)

### **DEATH BENEFITS**

If you die before you begin to receive annuity payments, your beneficiary will be entitled to the total value of your account. If you are married, your spouse will automatically be your beneficiary unless he or she consents to your naming another beneficiary. Your spouse's consent must be given in writing on a form provided by the plan and must be witnessed by a notary public or an authorized representative of the Plan Administrator. A spousal waiver which is signed before the first day of the plan year that contains a participant's 35th birthday is valid only until the participant's 35th birthday. A new spousal waiver would have to be signed on or after the first day of the plan year in which the participant reaches age 35.

Your beneficiary can elect to receive the death benefit in a single sum or, provided your beneficiary is not an entity such as your estate or a trust, use the account to purchase a guaranteed lifetime annuity subject to the applicable tax laws, including regulations governing the time by which death benefits must be distributed.

If you die after annuity payments have begun, a death benefit, if any, will be paid in accordance with the form of annuity you chose at retirement.

Participants have the opportunity to designate a beneficiary by completing the appropriate enrollment form or Beneficiary Designation form. A beneficiary is a person entitled to receive all or part of the value of your account in the event of your death. If a beneficiary is not surviving when a payment is made to a beneficiary, the plan will make a single sum payment or the commuted value of any remaining periodic payment to the first surviving class of the following classes of successive preference beneficiaries:

- (a) your surviving spouse;
- (b) your surviving children in equal shares;

- (c) your surviving parents in equal shares;
- (d) your surviving brothers and sisters in equal shares; or
- (e) the executors or administrators of your estate.

### **RETIREMENT BENEFITS**

You may elect to retire and receive your vested benefit any time on or after the date you terminate employment. (See section entitled **Minimum Distribution Requirements After Age 70½**.)

At retirement, the total value of your individual account, including interest and investment earnings, will be available to purchase a uniform monthly annuity to provide your retirement income.

The election of the type of annuity you wish to receive must be made at least one month before your benefit commencement date.

A choice of benefit payment methods is available so that you can choose the one best suited to your needs. All forms of annuity available under the plan provide income for your lifetime or a specified period of time. Some forms also provide an income to another person after your death. The amount of your monthly income will depend on the type and the extent of the payments, if any, that the Designated Provider(s) will make after your death.

If you are married when you retire, you will automatically receive the 66⅔% Joint and Survivor with 10 Years Certain and Continuous Annuity with your spouse as the joint annuitant unless your spouse has signed a spouse's waiver within the 180-day period before benefit payments are to begin consenting to the naming of another individual as your beneficiary or the election of another method of benefit payment. Your spouse's consent must be on a form provided by the plan and must be witnessed by a notary public or an authorized representative of the Plan Administrator.

If you are not married when you retire, your benefit will be paid as a Life Annuity unless you choose another form of benefit.

The available forms of annuity are:

- (a) Non-Refund Life Annuity - You will receive monthly payments for life. All payments cease upon your death.
- (b) Full Cash Refund Annuity - You will receive monthly payments for life. If your death occurs before your benefit payments equal the total value

of your account when you began to receive annuity payments, your beneficiary will receive the balance of that value in a single sum.

- (c) Period Certain and Continuous Annuity - You will receive monthly payments for life. You may choose a 36, 60, 100, 120 or 180 month guarantee. If your death occurs before you have received the entire 36, 60, 100, 120 or 180 monthly payments, as selected, the same monthly benefit will be continued to your beneficiary until a total of 36, 60, 100, 120 or 180 payments have been made.
- (d) Joint and Survivor Life Annuity - You will receive monthly payments for life. You may choose a survivorship percentage of 50%, 66 $\frac{2}{3}$ %, 75% or 100%. After your death, your joint annuitant will receive a lifetime monthly income equal to 50%, 66 $\frac{2}{3}$ %, 75% or 100%, as selected, of your original monthly payment. Payments will end upon the death of the last survivor.
- (e) Joint and Survivor with Period Certain and Continuous Annuity - You will receive monthly payments for life. You may choose a survivorship percentage of 50%, 66 $\frac{2}{3}$ %, 75% or 100%. After your death, if your joint annuitant is still alive, your joint annuitant will receive monthly payments for life equal to that elected percentage of your original monthly payment amount. If both you and your joint annuitant die before the period certain elected, your beneficiary will receive monthly payments (in the amount paid to the last surviving annuitant) until the period ends. You may choose a 36, 60, 120 or 180 month period certain.
- (f) Lump Sum Payment - You will receive a single payment instead of a monthly annuity. This payment will be the single sum amount equal to the total value of your vested individual account. However, if any portion of your account is allocated to an investment account that restricts the distribution of such portion, the value of such portion shall be subtracted from 100% of the value of the account and any single sum cash payment made to you under this option shall not exceed the difference.
- (g) Other Optional Forms - You may receive payments in any other form, you choose, provided under the contract or custodial account issued by the eligible Designated Provider(s) listed in the back of this booklet.

Before retirement, you or your spouse should request that the Designated Provider(s) provide an estimate of the income you would receive under the annuity forms before you decide which form of benefit to choose.

In lieu of an annuity, you will receive your benefit in a single sum payment if your vested account balance is \$1,000 or less. Once annuity payments begin, you cannot change your payment form or your joint annuitant. (See section entitled **Tax Treatment of Contributions And Distributions.**)

#### **MINIMUM DISTRIBUTION REQUIREMENTS AFTER AGE 70½**

The Internal Revenue Code generally requires that payments from this plan begin by April 1 of the calendar year following the year in which you reach age 70½. However, there are several exceptions:

- (a) If you reach age 70½ and remain actively employed with us, you may postpone payments until April 1 of the calendar year following the year in which you terminate your employment.
- (b) Contributions, interest and investment earnings credited to your account before January 1, 1987, must begin to be distributed no later than the end of the calendar year in which you attain age 75 or, if later, April 1 of the calendar year following the calendar year in which you terminate employment.
- (c) Instead of receiving your required minimum distribution from this plan, you may withdraw it from any balance that you may have in any other 403(b) Thrift or Tax Deferred Annuity plan.

#### **HOW TO APPLY FOR BENEFITS**

In order to receive benefits under the plan, your claim must be submitted in writing on a form provided for this purpose. Forms may be obtained from, and submitted to the Plan Administrator. The Plan Administrator will generally either approve or deny the claim within 90 days. Under some circumstances, this date may be extended an additional 90 days. You will be notified in writing if there is to be any delay in making a decision on your claim. Misstatements of fact, such as age, will result in an adjustment in the amount of the payment.

#### **CLAIMS REVIEW PROCEDURE**

You will be furnished with a detailed written explanation of any denial of your claim. The explanation will include specific reference to the plan provision on which denial was based. You also will be advised of any information that may be needed for the resubmission and review of your claim. The explanation will include any interpretation made by the Plan Administrator, who has the right to interpret the plan provisions. If your claim is fully or partially denied, you or your representative have the right to appeal



that decision and request a review by the Plan Administrator. You also have the right to see all pertinent documents, and to submit written comments. A decision generally will be made by the Plan Administrator no later than 60 days after your request for review is received. Under some circumstances this time may be extended for another 60 days, in which case you will be notified in writing of the reason for the delay. The final decision on your appeal will also be explained in writing with specific reasons

### **BENEFITS NOT ASSIGNABLE**

The benefits provided under this plan may generally not be assigned or attached. As an exception, the Plan Administrator may be required by law to honor a "Domestic Relations Order" issued by a court. A Domestic Relations Order is a court order which obligates a participant to pay child support or alimony or allocates part of his or her benefit to a current or former spouse. The court order must meet certain federal tax law rules to be a "qualified" order. All or a portion of a participant's account balance may be used to satisfy a "Qualified Domestic Relations Order." It is the responsibility of the employee to provide the Plan Administrator with a copy of the Domestic Relations Order so that the Plan Administrator may determine if it qualifies as a "Qualified Domestic Relations Order." If it does qualify, the Plan Administrator must comply with the order. If it does not qualify, the order must be amended, or the Plan Administrator cannot implement it. Participants should consult their own legal counsel concerning preparation of such orders and their implications.

The plan procedures for review of Domestic Relations Orders to determine whether they are Qualified Domestic Relations Orders are available on request from the Plan Administrator identified on the last page of this booklet.

### **PLAN AMENDMENTS OR TERMINATION**

It is our intention to provide a plan for our employees on a continuing basis. Nevertheless, we reserve the right in our discretion to amend, modify, suspend or terminate the plan permanently or temporarily, at such time as it seems appropriate, without the consent of or prior notice to any employee, retiree or beneficiary, subject to the provisions of applicable laws.

In the event that the plan is terminated, or employer contributions are permanently discontinued, the total value of your individual account will be fully vested.

Only the employer may amend the plan. The employer may amend the plan only by a written amendment which must be executed by an officer duly authorized to do so by the board of directors or authorized board committee

of the employer. No amendment to the plan will result in a reduction of the vested value of your account.

Only the employer may decide to terminate the plan. The employer may terminate the plan according to the same procedure required for plan amendments. If the plan is fully or partially terminated, affected participants become fully vested. A plan is considered to be terminated only after all assets have been distributed to participants.

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### **STATEMENT OF ERISA RIGHTS**

As a participant in this 403(b) Thrift Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

#### **Receive Information About Your Plan and Benefits**

Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, 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 operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan descriptions. The 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 telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to receive a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

### **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 the employee benefit plan. The people who operate your 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, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

### **Enforce Your Rights**

If your claim for a pension 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 \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in the state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that 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 a 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.

### **Assistance with Your Questions**

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. 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.

### **ANY QUESTIONS**

This booklet generally explains the major provisions of the plan. It also contains a general discussion of some federal tax law rules. It does not discuss state or local taxes. It is not intended as tax advice. This booklet is only a summary of the highlights of the plan. It is not the complete plan document. It does not in any way alter or modify any of the provisions of the plan document. If there are any inconsistencies between this booklet and the actual plan document, the actual plan document controls. Please retain this booklet for your reference.

If you have any questions about your plan, contact the **Plan Administrator** shown on the last page, who can give you additional details and has the authority to interpret the provisions of the plan and this booklet.

**DESIGNATED PROVIDERS**

**Designated Providers**

(Permitted to make and receive Rollovers and Transfers and may accept Salary Reduction Contributions and Employer Contributions)

Mutual of America Life Insurance Company

320 Park Avenue  
New York, NY 10022  
Contract No.: 057-727-C

**Designated Providers**

(Permitted to make Rollovers and Transfers but may not receive Rollovers, Transfers, Salary Reduction Contributions or Employer Contributions)

American Funds Service Company

P.O. Box 6164  
Indianapolis, IN 46206-6164

Mainstay Investments

30 Dan Road  
Canton, MA 02021

Sun Life Financial

P.O. Box 9133  
Wellesley Hills, MA 02481

New York Life

P.O. Box 922  
New York, NY 10159

Plan Administrator:

**Arrowhead Economic Opportunity Agency, Incorporated**

702 South 3rd Avenue  
Virginia, MN 55792-2775

(218) 749-2912

The Plan Administrator is designated as the agent for service of legal process.

Employer Identification Number: 41-6052144  
Plan Number: 001  
Plan Year: January 1-December 31  
Effective Date: January 1, 2009  
Issue Date: 7/2013

## **Mailing Labels**

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**Mr. Harlan Tardy, Executive Director  
Arrowhead Economic Opportunity Agency, Incorporated  
702 South 3rd Avenue  
Virginia, MN 55792-2775**

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**Service Manager and Consultant**

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**Beth Eberbach and Adam Johnson  
Minneapolis Field Office**

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SPD Processing Log			
Department	Date In	Date Out	Initials
Quality Control		8-5-13	MS
Boca Printing Department			
Boca Mail Room			
Documents Issuance		N/A	

SPD Job Information	
Documents Issuance Contact	Brenda Carroway Ext.1081
ER Number	057-727-C-3B
Quantity Requested	300
Plan Type	403(b) Thrift
Request Type	Amendment
Special Instructions	