

Idaho State Board of Education
Optional Retirement Plan

A Defined Contribution Retirement Plan

Restated effective January 1, 2026

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Article I: Definitions

- 1.1 **Account** means the separate account(s) established for each Participant. The current value of a Participant's Account includes all Plan Contributions, less expense charges, and reflects credited investment experience.
- 1.2 **Annual Additions** means the sum of the following amounts credited to a Participant's Account during the Limitation Year: (a) Plan Contributions; (b) forfeitures, if any; and (c) individual medical account amounts described in section 415(1)(2) and 419A(d)(2) of the Code, if any.
- 1.3 **Beneficiary (ies)** means the individual, institution, trustee, or estate designated by the Participant to receive the Participant's benefits at his or her death. Each Participant may designate, in a manner approved by the Administrator, one or more Beneficiaries to receive payment of the Participant's Account and may, in addition, name a contingent Beneficiary. A Participant may change his Beneficiary designation at any time, but a designation must be on file with the Administrator or the Administrator's delegate prior to a Participant's death to be valid.
- 1.4 **Board** means the Idaho State Board of Education.
- 1.5 **Code** means the Internal Revenue Code of 1986, as amended.
- 1.6 **Compensation** means an employee's total annual salary (inclusive of bonuses, overtime pay and overload pay, as applicable) paid in the Plan Year not reduced by a compensation election deduction because of the application of Code section 125, 403(b) or 457(b). Compensation does not include the following items (even if includible in gross income):
- (a) Contributions by employers to employee held medical savings accounts, as those accounts are defined in section 63-3022K, Idaho Code.
 - (b) Lump-sum payments inconsistent with usual compensation patterns made by the employer to the employee only upon termination from service including, but not limited to, vacation payoffs and bonuses.
 - (c) Employer payments to employees for or related to travel, mileage, meals, lodging or subsistence expenses, without regard to the taxability of such payments for federal income tax purposes and without regard to the form of payment, including payment made as reimbursement of an itemized expense voucher and payment made of an unvouchered expense allowance.
 - (d) The value of a reduction in tuition provided by an educational institution to an employee which does not qualify for exclusion from the employee's wages because of the application of Code section 117.
 - (e) Fringe benefits (cash and noncash).

- (f) Moving expense reimbursements as defined in section 67-5337, Idaho Code.

Annual Compensation Limit. The annual Compensation of each Participant taken into account in determining allocations for any Plan Year shall not exceed \$350,000, as adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code for periods after January 1, 2025. Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to Annual Compensation for the determination period that begins with or within such calendar year. If a determination period consists of fewer than 12 months, the Annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

If Compensation for any prior determination period is taken into account in determining an employee's benefits accruing in the current Plan Year, the compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. '

Notwithstanding the above, employees who became Participants in the Plan before the first day of the Plan Year beginning on or after January 1, 1996, will be subject to the annual compensation limit in effect under the Plan before that date, as determined by IRS regulations.

- 1.7 ***Date of Employment or Reemployment*** means the effective date of the appointment for a faculty member or professional staff. For all other employees, the Date of Employment or Reemployment is the first day upon which an employee completes an Hour of Service for performance of duties during the employee's most recent period of service with the Institution.
- 1.8 ***Eligible Employee*** means the Institutions' applicable staff members and officers as provided in Idaho Statute sections 33-107A and 33-107B. However, "Eligible Employee" shall exclude:
- (a) an Employee whose employment is expected to be less than five months;
 - (b) an Employee whose employment is incidental to his or her status as a student at the Institution; and
 - (c) in accordance with Idaho Statute section 33-107A, except as stated below in (d) and (e), an Employee who is vested in PERSI;
 - (d) an Employee who has credited service in PERSI, is hired as an Employee of the Board on or after July 1, 2024 and who makes a one-time irrevocable election to remain a member PERSI within 60 days of the date of initial hire or appointment; and

- (e) in accordance with Idaho Statute section 33-107B, an Employee of the College of Southern Idaho, North Idaho College, College of Western Idaho, or College of Eastern Idaho, who is vested in PERSI, and who makes a one-time irrevocable election to remain a member of PERSI within 60 days of the date of initial hire or appointment.

The term Eligible Employee shall not include a "leased employee" as defined in Code section 414(n), which defines a "leased employee" as any person (other than an employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Code section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient.

If an individual is classified as an independent contractor during any period of providing services to the Institution, such individual will be deemed to be in an ineligible class of employees for purposes of the Plan during such period, even if the individual is determined to be a common law employee during such period pursuant to a government audit or litigation. Notwithstanding the above, if the failure to cover such reclassified individual would prevent the Plan from satisfying the minimum coverage requirement under Code section 410(b) for a Plan year, the minimum number of such individuals necessary for the plan to fulfill such minimum coverage requirements will be included as eligible employees for the plan year, with preference given to those reclassified individuals with the smallest amount of compensation.

No individual who is deemed to be an independent contractor, as determined by the Plan Administrator in its sole discretion, or individual performing services for the Employer pursuant to an agreement that provides that such individual shall not be eligible to participate in the retirement or other benefit plans of the Employer, shall be an Eligible Employee for purposes of this plan.

1.9 **Fund Sponsor** means a bank, insurance company, regulated investment company, or other entity that provides Investment Funds available to Participants under this Plan. The Board, in its sole discretion, shall select the Fund Sponsor(s) and may add or remove Fund Sponsor(s) at any time.

1.10 **Hours of Service** means:

- (a) Each hour for which an employee is paid, or entitled to payment, for the performance of duties for the Institution. These hours will be credited to the employee for the computation period in which the duties are performed.
- (b) Each hour for which an employee is paid, or entitled to payment, on account of a period of time during which no duties are performed (regardless of whether employment has terminated) due to vacation, holiday, illness,

incapacity (including disability), layoff, jury duty, military duty, leave of absence, or maternity or paternity leave (whether paid or unpaid). However, any period for which a payment is made or due under a plan maintained solely for the purpose of complying with Workers' Compensation or unemployment compensation or disability insurance laws, or solely to reimburse the employee for medical or medically-related expenses is excluded. An employee is directly or indirectly paid, or entitled to payment by the Institution regardless of whether payment is made by or due from the Institution directly or made indirectly through a trust fund, insurer or other entity to which the Institution contributes or pays premium. No more than 501 Hours of Service will be credited under this paragraph for any single continuous period. Hours of Service under this paragraph will be calculated and credited pursuant to section 2530.200b-2 of the Department of Labor Regulations, incorporated herein by reference.

- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Institution. The same hours of service will not be credited both under paragraph (a) or paragraph (b), as the case may be, and under this paragraph (c). These hours will be credited to the employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made.
- (d) Hours of Service will be credited for employment with other members of an affiliated service group (under Code section 414(m)), a controlled group of corporations (under Code section 414(b)), or a group of trades or businesses under common control (under Code section 414(c)) of which the Institution is a member, and any other entity required to be aggregated with the employer pursuant to Code section 414(o). Hours of Service also will be credited for any person considered an employee for this Plan under Code section 414(n).

Hours of Service will be determined on the basis of actual hours that an employee is paid or entitled to payment.

1.11 ***Institution*** means the Board and employment units under its jurisdiction, namely:

The Office of the Idaho State Board of Education
Boise State University
Idaho State University
University of Idaho
Lewis-Clark State College
College of Eastern Idaho
College of Southern Idaho
North Idaho College
College of Western Idaho

- 1.12 ***Institution Plan Contributions*** means contributions made by the Institution under this Plan.
- 1.13 ***Investment Fund*** means the mutual funds, annuity contracts, custodial accounts, or other investment vehicles specifically approved by the Board and made available to Participants for the investment of their Accounts. The Board, in its sole discretion, will select, retain or remove Investment Funds.
- 1.14 ***Limitation Year*** means a calendar year.
- 1.15 ***Normal Retirement Age*** means age 65.
- 1.16 ***Participant*** means any Eligible Employee of the Institution participating in this Plan.
- 1.17 ***Participant Plan Contributions*** means contributions made by a Participant under this Plan. Participant Plan Contributions are designated as being picked up by the Institution in lieu of contributions by the Participant, in accordance with Code section 414(h)(2). The pick-up amounts cannot be received directly by the Participant and are required to be made.
- 1.18 ***PERSI*** means the Public Employee Retirement System of Idaho.
- 1.19 ***Plan*** means the Idaho State Board of Education Optional Retirement Plan as set forth in this document, and pursuant to Idaho Code sections 33-107A and 33-107B.
- 1.20 ***Plan Contributions*** means the combination of Participant Plan Contributions and Institution Plan Contributions.
- 1.21 ***Plan Entry Date*** means the later of the Effective Date of the Plan or the Eligible Employee's Date of Employment or Reemployment.
- 1.22 ***Plan Year*** means January 1 through December 31.
- 1.23 ***Spouse*** means the legally married spouse of a Participant.
- 1.24 ***Valuation Date***. Each business day or such other dates as the Board determines for purposes of valuing the Plan.
- 1.25 ***Year of Service*** means a 12-consecutive month period (computation period) during which the Eligible Employee completes 1,000 or more Hours of Service.

Article II: Establishment of Plan

- 2.1 ***Establishment of Plan.*** The Idaho State Legislature authorized the Board to establish the Plan as of July 1, 1990.

This Plan document sets forth the provisions of this Code section 401(a) money purchase plan. The Plan was restated most recently as of January 1, 2026.

Plan Contributions are invested at the direction of each Participant, in one or more of the Investment Funds available to Participants under the Plan. Plan Contributions shall be held for the exclusive benefit of Participants. Participant Plan Contributions are designated as being picked up by the Institution in lieu of contributions by the Participant, in accordance with Code section 414(h)(2).

It is intended that this Plan is a governmental plan as defined in Code section 414(d) and will not be subject to the requirements of ERISA under Department of Labor Regulation section 2510.3-2(f).

Article III: Eligibility for Participation

- 3.1 **Eligibility.** An Eligible Employee must, as a condition of employment, begin participation in this Plan on the Plan Entry Date following employment at the Institution.
- 3.2 **Notification.** The Institution will notify an Eligible Employee when he or she has completed the requirements necessary to become a Participant. An Eligible Employee who complies with the requirements and becomes a Participant is entitled to the benefits and is bound by all the terms, provisions, and conditions of this Plan, including any amendments that, from time to time, may be adopted, and including the terms, provisions and conditions of any Investment Funds to which Plan Contributions for the Participant have been applied.
- 3.3 **Enrollment in Plan.** To participate in this Plan, an Eligible Employee must complete the necessary enrollment form(s) and return them to the Institution.
- 3.4 **Reemployment.** A former employee who is reemployed by the Institution as an Eligible Employee will be eligible to participate upon meeting the requirements stated in the "Eligibility" section of this Article III. A former employee who satisfied these requirements before termination of employment will be eligible to begin participation immediately after reemployment provided the former employee is an Eligible Employee.
- 3.5 **Termination of Participation.** A Participant will continue to be eligible for the Plan until one of the following conditions occur:
- he or she ceases to be an Eligible Employee;
 - the Plan is terminated.

On the date a Participant is no longer an Eligible Employee, the Participant becomes an inactive Participant. Status as an inactive Participant will continue until the date the Plan has satisfied all liabilities with respect to the inactive Participant. An inactive Participant is not eligible for any Plan Contributions for any period in which the inactive Participant is not an Eligible Employee.

Article IV: Plan Contributions

4.1 **Plan Contributions.** For each Plan Year, Plan Contributions will be made for Eligible Employees who have satisfied the requirements of Article III as follows:

- (a) Institution Contributions. Each Institution shall contribute the percentage indicated below of the Compensation of that Institution's Participants, reduced by the amount necessary, if any, to provide contributions to a total disability program, but in no event less than 5% of each Participant's Compensation:
 - (i) Northern Idaho College, College of Southern Idaho, College of Western Idaho and College of Eastern Idaho: an amount equal to the PERSI contribution rate for General Members in that Plan Year; and
 - (ii) University of Idaho, Boise State University, Idaho State University, Lewis-Clark State College and the Office of the State Board of Education: 9.35%.
- (b) Participant Plan Contributions. Each Participant shall contribute an amount equal to 6.97% of his or her Compensation. No Voluntary Contributions are allowed.

Plan Contribution rates are defined in Idaho Code sections 33-107A and 33-107B and are subject to change as those sections are amended.

4.2 **When Contributions Are Made.** Plan Contributions will begin when the Institution has determined that the Participant has met or will meet the requirements of Article III. Any part of a year's Plan Contributions not contributed before this determination will be included in contributions made for that year after the determination. Plan Contributions will be forwarded to the Fund Sponsor in accordance with the procedures established by the Institution.

Institution Plan Contributions made by the Institutions will be forwarded to the Fund Sponsor(s) at least annually.

Participant Plan Contributions will be forwarded by the Institution to the Fund Sponsor(s) as soon as it is administratively feasible for the Institution to segregate contributions, but in any event, within the time required by law.

4.3 **Leave of Absence.** During a paid leave of absence, Plan Contributions will continue to be made for a Participant on the basis of Compensation then being paid by the Institution. No Plan Contributions will be made during an unpaid leave of absence.

4.4 **Transfer of Funds from Another Plan.** The Plan shall accept contributions that are transferred directly from any other plan qualified under section 401(a) or 403(a) of the Code, whether such plans are funded through a trustee arrangement or

through an annuity contract, if such contributions are attributable only to employer and employee contributions and the earnings thereon and accompanied by instructions showing the respective amounts attributable to employer and employee contributions. Such funds and the accumulation generated from them shall always be fully vested and nonforfeitable.

4.5 ***Transfer of Funds to PERSI.*** Should an existing Plan Participant be hired into a PERSI-eligible position and no longer be eligible for Plan Contributions, the Participant may request to have all or a portion of his or her Account transferred to PERSI through a trustee-to-trustee transfer by completing the forms required by the Board. At its sole discretion, the Board may refuse to make a transfer of assets if the Board reasonably believes the transfer could jeopardize the tax-exempt status of the Plan or could create adverse tax consequences for the Plan.

- (a) PERSI Base Plan. If a prior PERSI participant transferred funds into the Plan upon taking a Plan-eligible position and then transfers back into a PERSI-eligible position, the Participant may request that funds be transferred to the PERSI Base Plan in order to buy back PERSI service. To be eligible to buy back PERSI service, a Participant must be employed in a PERSI-eligible position and have satisfied all other eligibility requirements. A Participant may only transfer funds to the PERSI Base Plan up to the exact amount of the determined buy back cost.
- (b) 401(k) Choice Plan. If a Participant has transferred funds to repurchase all available service credit in the PERSI Base Plan and has remaining amounts in his or her Account, the Participant may request that the remaining amounts be transferred to the PERSI 401(k) Choice plan. All rollovers must be submitted with all required forms and documentation and are subject to the approval of the PERSI Board. Such amounts shall retain their character (e.g., employer or employee contributions) once transferred to the 401(k) Choice Plan.

The transfer of a Participant's entire Plan balance to PERSI will result in termination of the Participant's participation in the Plan and the Participant shall not be eligible for any future benefits from the Plan unless the Participant returns to Plan-eligible employment and receives additional Plan Contributions.

4.6 ***Rollovers from other Plans.***

- (a) Direct Rollovers. The Plan will accept a direct rollover of an eligible rollover distribution from:
 - (i) A qualified plan described in section 401(a) or 403(a) of the Code including after-tax employee contributions.
 - (ii) An annuity contract described in section 403(b) of the Code, excluding after-tax employee contributions.

- (iii) An eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- (b) Participant Rollover Contributions from Other Plans. The Plan will accept a Participant contribution of an eligible rollover distribution from:
 - (i) A qualified plan described in section 401(a) or 403(a) of the Code, including after-tax employee contributions.
 - (ii) An annuity contract described in section 403(b) of the Code, excluding after-tax employee contributions.
 - (iii) An eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- (c) Participant Rollover Contributions from IRAs. The Plan will accept a Participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

4.7 ***Military Service.*** Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided to the extent required by Code section 414(u).

- (a) For purposes of applying the limitations of Code section 415 as described in section 4.8 of the Plan, compensation includes differential wage payments. A “differential wage payment” is a payment which (1) is made by the Institution with respect to a period during which an individual is on active military duty for a period of more than 30 days, and (2) represents all or a portion of the wages the individual would have received from the Institution if the individual were performing service for the Institution, all as defined by Code section 3401(h)(2).
- (b) To the extent required by Code section 401(a)(37), if a Participant dies while performing qualified military service (within the meaning of Code section 414(u)(5)), the Participant shall be treated as having resumed employment on the day preceding the Participant’s death and terminated employment with the Institution due to his death for purposes of any additional benefits (other than contributions relating to the period of qualified military service) provided under the Plan.
- (c) Effective December 12, 1994, a Participant who returns to employment with the Institution as an Eligible Employee during the period within which reemployment rights are guaranteed by law may elect to contribute to the Plan all or a part of the contributions the Participant would have made to the

Plan if the Participant had remained continuously employed by the Institution throughout the period of the Participant's qualified military service. The amount of contributions the Participant may make according to this subsection 4.7(c) shall be determined on the basis of the Participant's Compensation in effect immediately before the qualified military service and the terms of the Plan at that time. A Participant may make such contributions during a period beginning on the Participant's reemployment with the Institution and lasting for the shorter of five years or three times the Participant's period of qualified military service. To the extent the Participant makes contributions permitted by this subsection 4.7(c), the Participant's Account will receive Institution Contributions that would have been made during the same period.

- 4.8 ***Maximum Plan Contributions.*** Notwithstanding anything contained in this Plan to the contrary, the total Annual Additions made for any Participant for any year will not exceed the amount permitted under section 415 of the Code. The limitations of Code section 415 are hereby incorporated by reference.

If the limitations are exceeded because the Participant is also participating in another plan required to be aggregated with this Plan for Code section 415, then the extent to which annual contributions under this Plan will be reduced, as compared with the extent to which annual benefits or contributions under any other plans will be reduced, will be determined by the Institution in a manner as to maximize the aggregate benefits payable to the Participant from all plans. If the reduction is under this Plan, the Institution will advise affected Participants of any additional limitation on their annual contributions required by this paragraph.

Maximum Annual Addition. The annual addition that may be contributed or allocated to a Participant's Account under the Plan for any limitation year shall not exceed the lesser of:

- (a) \$40,000, as adjusted for increases in the cost-of-living under section 415(d) of the Code, or
- (b) 100% of the Participant's compensation, within the meaning of section 415(c)(3) of the Code, for the limitation year.

The compensation limit referred to in (b) shall not apply to any contribution for medical benefits after separation from service (within the meaning of section 401(h) or section 419(f)(2) of the Code), if any, otherwise treated as an annual addition.

Solely for purposes of applying Code section 415 limits, compensation is defined as wages within the meaning of Code section 3401(a), plus amounts that would be included in wages but for an election under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b), all as described in Treas. Reg. section 1.415(c)-2.

Article V: Investment of Accounts

- 5.1 ***Investment of Contributions.*** In accordance with uniform and nondiscriminatory rules established by the Board, a Participant may direct his or her Plan Contributions to one or more Investment Funds available under the Plan in any whole number percentages that equal 100%. A Participant may change his or her allocation of future contributions according to the administrative procedures established by the Fund Sponsors and the Board.
- 5.2 ***Allocation of Income.*** Participant Accounts will be valued as of each Valuation Date in accordance with the income accounting principles applicable to each Investment Fund in which the assets of the Accounts are invested. Accounts will be adjusted to reflect applicable Plan Contributions, income and expenses and all other transactions since the preceding Valuation Date.
- 5.3 ***Valuation of a Participant's Account.*** The Administrator shall determine the value of a Participant's Account for purposes of distributions as of the Valuation Date coincident with or immediately preceding the date a distribution occurs or commences.
- 5.4 ***Participant Directed Investment.*** To the extent allowable under applicable law, the Board and the Institutions are not liable or responsible for any loss or for any breach resulting from a Participant's or Beneficiary's direction of the investment of any part of his or her Account or from the investment of a Participant's Account in an Investment Fund designated by the Board as a default in the event the Participant or Beneficiary fails to properly provide investment direction in accordance with this Article V.
- 5.5 ***Fund Transfers.*** Subject to an Investment Fund's rules for transfers and in accordance with the provisions of the Code for maintaining the tax deferral of the Account(s), a Participant may transfer funds accumulated under the Plan among the Plan's approved Investment Funds to the extent permitted by the Fund Sponsor. Effective December 2, 2024, transfers may only be made from TIAA-CREF and Corebridge to Fidelity. No transfers may be made from Fidelity to TIAA-CREF and Corebridge Investment Funds.

Article VI: Vesting

- 6.1 ***Plan Contributions.*** Plan Contributions shall be fully vested and nonforfeitable when such Plan Contributions are made.

Article VII: Distributions

- 7.1 ***Distribution Upon Termination of Employment.*** A Participant's Account shall not be distributed prior to the Participant's severance of employment, unless specifically authorized in the Plan.
- 7.2 ***Timing of a Distribution.*** A Participant may elect to receive a distribution of his Account upon severance of employment. Except for minimum distributions and mandatory distributions of small amounts as provided below, a Participant's failure to elect an immediate distribution shall be deemed an election to postpone distribution. The Participant's right to elect a distribution shall continue until distribution is required, unless the Participant is reemployed as an Eligible Employee.
- 7.3 ***Forms of Benefit.*** Unless additional forms are offered by the Investment Funds available under this Plan, and subject to the forms offered by each Investment Fund, a Participant may elect from the following Forms of Benefit:
- (a) Lump-sum payments;
 - (b) Partial withdrawals; or
 - (c) Recurring payments.
- 7.4 ***Retirement Transition Benefit.*** As allowed by the Investment Fund, a Participant may elect to receive a one-time lump-sum payment of up to 10% of his or her Account(s) in TIAA and/or the CREF account(s) at the time annuity income begins, provided the one-sum payment from each TIAA contract and/or CREF account(s) does not exceed 10% of the respective Account(s) being converted to retirement income.
- 7.5 ***Application for Benefits.*** An individual entitled to benefits from the Plan must file an application for benefits with the Fund Sponsor in a manner approved by the Administrator. The Administrator and Fund Sponsor shall process a claim for benefits in accordance with the Plan's Claims Procedures in Article 12 below.
- 7.6 ***Minimum Distribution Requirements.*** No payment option may be selected by the Participant (or a Beneficiary) unless it satisfies the requirements of Code section 401(a)(9) (including the incidental death benefit requirements of Code section 401(a)(9)(G) and Treasury Regulations 1.409(a)(9)-1 through 1.401(a)(9)-8), all as applicable to governmental plans. The requirements of this section shall take precedence over any inconsistent provisions of the Plan. All distributions shall begin not later than the April 1 following the later of the calendar year in which the Participant either attains the applicable age provided by Code section 401(a)(9)(c)(v) or terminates employment with the Institution ("Required Beginning Date"). Subject to each Investment Fund's procedures, if a Participant has not taken a distribution as required by Code section 401(a)(9) by the Participant's Required Beginning Date, the Participant shall automatically receive

a distribution in the amount required to comply with the Code and applicable Regulations.

Notwithstanding any provision of this section 7.6, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2020 but for the enactment of Code section 401(a)(9)(I) ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are (a) equal to the 2020 RMDs or (b) one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), will receive those distributions for 2020 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving distributions described in the preceding sentence.

There shall be no new annuity starting date upon recommencement of required minimum distributions if suspended in accordance with this provision.

7.7 *Survivor Benefits.* If a Participant dies before they receive their entire Account, the Account is payable to the Beneficiary(ies) under the options offered by the Investment Funds. Distribution of Survivor Benefits is subject to the required distribution rules set forth in Code section 401(a)(9) and section 7.6 above.

(a) **Automatic Revocation at Divorce.** Notwithstanding the provisions of this section 7.7, in the event a married Participant designates his or her Spouse as Beneficiary and that marriage is legally terminated by divorce, then any prior beneficiary designation naming the former Spouse as Beneficiary shall be null and void and it will be as if the former Spouse predeceased the Participant. If the Participant desires to again designate the former Spouse as Beneficiary, the Participant must complete and submit a new beneficiary designation form after the marriage is legally terminated by divorce, listing such former Spouse as Beneficiary.

(b) **No Beneficiary Designated.** Effective for deaths occurring on or after January 1, 2026, if, at the time of the Participant's death, no valid Beneficiary designation is on file with the Administrator or the Beneficiary predeceased the Participant, the Plan shall distribute the Participant's remaining Account to the Participant's surviving Spouse or, if none, to the Participant's estate.

7.8 *Direct Rollovers.* Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. A portion of a distribution shall

not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

For this section, the following definitions apply:

- (a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code section 401(a)(9); and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and, for any distributions after 12/31/99, any hardship distribution described in Code section 401(k)(2)(b)(i)(iv).
- (b) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Code section 408(a), an individual retirement described in section 408(b) of the Code, or a qualified retirement plan described in Code section 401(a) or 403(a), that accepts the distributee's eligible rollover distribution, a tax sheltered annuity plan described in section 403(b) of the Code and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. Effective January 1, 2008, an eligible retirement plan shall also mean a Roth IRA described in Code section 408A, subject to the adjusted gross income limits of Code section 408A(c)(3)(B), if applicable, and subject to the distribution rules of Code section 408A(d)(3). The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code.
- (c) Distributee: A distributee includes an employee or former Employee. In addition, the Employee's or former Employee's surviving Spouse and the Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in

section 414(p) of the Code, are distributees with regard to the interest of the Spouse or former Spouse.

- (d) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

7.9 ***Distribution to IRA of Nonspouse Beneficiary.*** A Participant's nonspouse Beneficiary may elect payment of any portion of the deceased Participant's account in a direct trustee-to-trustee transfer to an individual retirement account or annuity described in section 402(c)(8)(B)(i) or (ii) of the Code that is established to receive the Plan distribution on behalf of the Beneficiary. For purposes of this section, a trust maintained for the benefit of one or more designated beneficiaries may be the Beneficiary to the extent provided in rules prescribed by the Secretary of Treasury. If the Participant dies after the Participant's Required Beginning Date as defined in section 7.6, the required minimum distribution in the year of death may not be transferred according to this section. The requirements of section 402(c)(11) of the Code apply to distributions under this section.

7.10 ***Mandatory Distribution of Small Amounts.*** Effective December 1, 2025, the Plan will not make any mandatory distributions of small amounts. "

7.11 ***Coronavirus Related Distributions.*** To the extent allowed by the Fund Sponsor, effective March 27, 2020 through December 31, 2020, an eligible Participant (as defined below) who is otherwise eligible for a distribution may elect to receive one or more distributions of any portion of the vested value of his Account not to exceed \$100,000.

- (a) Eligibility. A Participant is eligible for a Coronavirus Related Distribution under this section 7.9 if he certifies that he satisfies one of the following criteria:

- (i) the Participant, the Participant's Spouse or the Participant's dependent (as defined in Code section 152 without regard to Code section 152(d)(1)(B)) was diagnosed with the virus SARS-CoV 2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;
- (ii) the Participant, the Participant's Spouse or a member of the Participant's household experienced adverse financial consequences as a result of:
 - (A) being quarantined, furloughed, laid off or having his or her work hours reduced due to such virus or disease;
 - (B) being unable to work due to lack of child care due to such virus or disease;

- (C) closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or a member of the Participant's household;
- (D) experiencing a reduction in pay, rescinded job offer or delayed start date for a job because of COVID-19; or
- (E) meeting such other factors as may be issued in Treasury guidance.

For purposes of this section 7.11(a), a member of a Participant's household is defined as an individual who shares the Participant's principal residence.

- (b) Repayment. A Participant is permitted, but is not required, to repay his Coronavirus Related Distribution(s) to the Plan in full or in part within three years of the date of the distribution in accordance with procedures established by the Plan Administrator. Any repayment made to the Plan shall not exceed the aggregate amount of the Participant's Coronavirus Related Distribution(s) and will be treated as an eligible rollover contribution.

7.12 ***Qualified Domestic Relations Order***. Upon receipt of a domestic relations order issued by a court or administrative agency of competent jurisdiction relating to a Participant's Account in the Plan, the Administrator or its delegate shall determine whether such domestic relations order constitutes a qualified domestic relations order, as defined in Code section 414(p) (a "QDRO") and shall administer QDRO distributions in accordance with procedures adopted by the Board for this purpose.

Article VIII: Administration

- 8.1 ***Plan Administrator.*** The Idaho State Board of Education, located at 650 West State Street, Boise, Idaho 83720, is the administrator of this Plan and in accordance with section 8.2 has designated each Institution as responsible for enrolling Participants, sending Plan contributions for each Participant to the Fund Sponsor selected by a Participant, and for performing other duties required for the operation of the Plan as delegated by the Board.
- 8.2 ***Authority of the Board.*** The Board has the full and complete authority and control with respect to Plan operations and administration unless the Board allocates and delegates such authority or control. These powers include any that are necessary to manage and control Plan operations and administration. Further, the Board shall have discretionary and final authority to determine all questions concerning eligibility and contributions under the Plan, to interpret and construe all terms of the Plan, including any uncertain terms, and to determine any disputes arising under and all questions concerning administration of the Plan. Benefits under this Plan will be paid only if the Board decides in its discretion that the Participant is entitled to benefits. Any decisions of the Board or its delegate shall be final and binding upon all persons dealing with the Plan or claiming any benefit under the Plan. Any determination made by the Board shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary or capricious. In exercising these powers and authority, the Board will always exercise good faith, apply standards of uniform application, and refrain from arbitrary action. The Board may employ attorneys, agents, and accountants, as it finds necessary or advisable to assist it in carrying out its duties. The Board may designate a person or persons other than the Board to carry out any of its powers, authority, or responsibilities. Any delegation will be set forth in writing.
- 8.3 ***Action of the Board.*** Any act authorized, permitted, or required to be taken by the Board under the Plan, which has not been delegated in accordance with section 8.2 "Authority of the Board," may be taken by a majority of the members of the Board, by vote at a meeting. All notices, advice, directions, certifications, approvals, and instructions required or authorized to be given by the Board under the Plan will be in writing and signed by either (i) a majority of the members of the Board, or by any member or members as may be designated by the Board, as having authority to execute the documents on its behalf, or (ii) a person who becomes authorized to act for the Board in accordance with the provisions of section 8.2 "Authority of the Board." Any action taken by the Board that is authorized, permitted, or required under the Plan and is in accordance with the Fund Sponsors' contractual obligations are final and binding upon the Board, and all persons who have or who claim an interest under the Plan, and all third parties dealing with the Board.
- 8.4 ***Indemnification.*** Subject to the limits of the Idaho Tort Claims Act, Idaho Code section 6-901 et. seq., the Board will satisfy any liability actually and reasonably incurred by any members of the Board or any person to whom any power, authority

or responsibility of the Board is delegated pursuant to section 8.2 "Authority of the Board" (other than the Fund Sponsors or other entities paid to perform services related to the Plan) arising out of any action (or inaction) relating to this plan. These liabilities include expenses, attorney's fees, judgments, fines, and amounts paid in connection with any threatened, pending or completed action, suit or proceeding related to the exercise (or failure to exercise) of this authority. This is in addition to whatever rights of indemnification exist under the articles of incorporation, regulations or by-laws of the Institution, under any provision of law, or under any other agreement.

- 8.5 **No Reversion.** Under no circumstances or conditions will any Plan Contributions of the Institution revert to, be paid to, or inure to the benefit of, directly or indirectly, the Institution. However, if Plan Contributions are made by the Institution by mistake of fact, these amounts may be returned to the Institution within one year of the date that they were made, at the option of the Institution and in accordance with applicable law.
- 8.6 **Statements.** The Institution will determine the total amount of Plan Contributions to be made for each Participant from time to time on the basis of its records and in accordance with the provisions of this Article. When each contribution payment is made by the Institution, the Institution will prepare a statement showing the name of each Participant and the portion of the payment that is made for him or her, and will deliver the statement to the appropriate Fund Sponsor with the contribution payment. Any determination by the Institution, evidenced by a statement delivered to the Fund Sponsor, is final and binding on all Participants, their Beneficiaries or contingent annuitants, or any other person or persons claiming an interest in or derived from the contribution's payment.
- 8.7 **Reporting.** Records for each Participant under this Plan are maintained on the basis of the Plan Year. At least once a year the Administrator or its delegate will send each Participant a report summarizing the status of his or her Account(s) as of December 31 each year. Similar reports or illustrations may be obtained by a Participant upon termination of employment or at any other time by writing directly to the Administrator or its delegate.
- 8.8 **Administrative Expenses.** Reasonable expenses incurred in the proper administration of the Plan may be paid from the Trust Fund. At its discretion, the Board may charge reasonable Plan administrative expenses to the Accounts of Participants on a pro rata basis, or another reasonable basis as determined by the Board.

Article IX: Amendment and Termination

- 9.1 ***Amendment and Termination.*** While it is expected that this Plan will continue indefinitely, the Board reserves the right to amend, otherwise modify, or terminate the Plan, or to discontinue any further contributions or payments under the Plan, by resolution of the Board or its authorized delegate. In the event of a termination of the Plan or complete discontinuance of Plan Contributions, the Board or its authorized delegate will notify all Participants of the termination. As of the date of complete or partial termination, all Accounts will become nonforfeitable to the extent that benefits are accrued.
- 9.2 ***Limitation.*** Notwithstanding the provisions of the "Amendment and Termination" section of Article IX, the following conditions and limitations apply:
- (a) No amendment will be made which will operate to recapture for the Institution any contributions previously made under this Plan. However, Plan Contributions made based on a mistake of fact may be returned to the Institution within one year of the date on which the Plan Contribution was made. Also, Plan Contributions made in contemplation of approval by the Internal Revenue Service may be returned to the Institution if the Internal Revenue Service fails to approve the Plan.
 - (b) No amendment will deprive, take away, or alter any then accrued right of any Participant insofar as Plan Contributions are concerned.

Article X: Miscellaneous

- 10.1 ***Plan Non-Contractual.*** Nothing in this Plan will be construed as a commitment or agreement on the part of any person to continue his or her employment with the Institution, and nothing in this Plan will be construed as a commitment on the part of the Institution to continue the employment or the rate of compensation of any person for any period, and all employees of the Institution will remain subject to discharge to the same extent as if the Plan had never been put into effect.
- 10.2 ***Claims of Other Persons.*** The provisions of the Plan will not be construed as giving any Participant or any other person, firm, entity, or corporation, any legal or equitable right against the Institution, its officers, employees, or directors, except the rights as specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.
- 10.3 ***Merger, Consolidation, or Transfers of Plan Assets.*** In the event of a merger or consolidation with, or transfer of assets to, another plan, each Participant will receive immediately after such action a benefit under the plan that is equal to or greater than the benefit he or she would have received immediately before a merger, consolidation, or transfer of assets or liabilities.
- 10.4 ***Finality of Determination.*** All determinations with respect to the crediting of Years of Service under the Plan are made on the basis of the records of the Institution, and all determinations made are final and conclusive upon employees, former employees, and all other persons claiming a benefit interest under the Plan. Notwithstanding anything to the contrary contained in this Plan, there will be no duplication of Years of Service credited to an employee for any one period of his or her employment.
- 10.5 ***Non-Alienation of Retirement Rights or Benefits.*** No benefit under the Plan may, at any time, be subject in any manner to alienation, encumbrance, the claims of creditors or legal process to the fullest extent permitted by law. No person will have power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so will be void and of no effect. However, this Plan will comply with any judgment, decree or order which establishes the rights of another person to all or a portion of a Participant's benefit under this Plan to the extent that it is a "qualified domestic relations order" under section 414(p) of the Code.
- 10.6 ***Governing Law.*** Except as provided under federal law, the provisions of the Plan are governed by and construed in accordance with the laws of the State of Idaho.
- 10.7 ***Forfeitures.*** Any amounts forfeited under the Plan shall be used to pay expenses incurred by the Plan no later than the close of the Plan Year following the Plan Year in which the forfeiture occurred. In the event forfeitures exceed authorized Plan expenses, such forfeitures shall be allocated to Participant Accounts on a pro

rata basis. The Plan will comply with applicable Internal Revenue Service regulations relating to forfeitures.

10.9 **Facility of Payment.** If a Participant's guardian or legal representative makes a
10.9 claim for any amount owed to the Participant, the Plan may pay the amount to
10.9 which the Participant is entitled to such guardian, or legal representative. In the
10.9 event a distribution is to be made to a minor, the Administrator may direct that such
10.9 distribution be paid to the legal guardian, or if none, to a parent of such minor or
10.9 an adult with whom the Beneficiary maintains his residence, or to the custodian for
10.9 such Beneficiary under the Uniform Gift to Minors Act if permitted by the laws of
10.9 the state in which the Beneficiary resides. Any payment made pursuant to this
10.9 section in good faith shall be a payment for the Account of the Participant and shall
10.9 be a complete discharge from any liability of the Plan. **Overpayment.** As allowed
by applicable law, in the event any payment is made from the Plan to any individual
who is not entitled to such payment, in whole or in part, the Administrator shall
have the right to recover the erroneous payment through reasonable means from
the individual who received it. Reasonable means may include suspending,
withholding payments of, or reducing future payments due to, or on behalf of, such
individual by the amount of any such erroneous payment. This right of recovery,
however, shall not limit the rights of the Plan to recover such overpayments in any
other manner, including, but not limited to, commencing a legal action under State
law.

Article XI: Trust Provisions

- 11.1 ***Establishment of Trust.*** The Board shall enter into an agreement or agreements with one or more Trustees, pursuant to which the Trustee(s) shall receive and hold in trust all contributions and income paid into the Trust Fund (as defined below). The Trust Fund shall consist of mutual funds available under the Plan as investment options and all other Plan assets, except that TIAA-CREF annuity contracts or certificates (and any other annuity contracts that satisfy the requirements of section 401(f) of the Code) shall not be part of the Trust Fund. It shall be prohibited at any time for any part of the Trust Fund (other than such amounts as are required or permitted to be used to pay Plan expenses) to be used for, or diverted to, purposes other than the exclusive benefit of Plan Participants and Beneficiaries except as otherwise permitted under the Code.
- 11.2 ***Appointment of Successor and Additional Trustees.*** The Board may at any time and from time to time appoint successor Trustees and/or additional Trustees. The appointment of a successor and/or an additional Trustee shall become effective upon such Trustee's written acceptance of such appointment. Upon acceptance of the appointment, each successor and/or additional Trustee shall have all the powers and duties of a Trustee. Except to the extent otherwise provided under ERISA, no successor or additional Trustee shall be personally liable for any act or omission which occurred prior to the time he or she became a Trustee.

Article XII: Claims Procedures

12.1 ***Appeal Procedures for Denial of Benefits.*** A Participant or Beneficiary may file with the Board a written claim for benefits if the Participant or Beneficiary receives an Adverse Benefit Determination. An Adverse Benefit Determination can be a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for a benefit, including a denial, reduction, termination, or failure to provide or make payment that is based on a determination of a Participant's or Beneficiary's eligibility to participate in the Plan.

1. Written Appeal. Within 60 days following the receipt of an Adverse Benefit Determination, a claimant must file a written appeal of the Adverse Benefit Determination with the Board. The claimant may submit written comments, documents, records, and other information relating to the claim for benefits with the appeal. Upon request, the claimant will be provided reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits free of charge.

A document, record or other information is considered "relevant" to a claimant's claim if such document, record, or other information:

- Is relied upon in making the benefit determination;
 - Is submitted, considered, or generated in making the benefit determination, without regard to whether such document, record, or other information is relied upon in making the benefit determination; or
 - Demonstrates compliance with the administrative processes and safeguards required in making the benefit determination.
2. Review of Denied Claim. The Board's review of the claim will consider all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Board's determination on review is binding on all parties.
 3. Notification of Benefit Determination on Review. The Board will provide the claimant with written or electronic notification of the determination within a reasonable period of time, but not later than 60 days after receipt of the claimant's request for review by the Board. The Board may determine that an extension of time for processing the claim is required. If an extension is required, the Board will provide written notice of the extension to the claimant before the end of the initial 60-day period. The extension of the determination on review will not exceed a period of 60 days from the end of the initial period.

The notification of determination on review:

- States the specific reason or reasons for the benefit determination;
- Refers to the specific Plan provisions on which the benefit determination is based; and
- States that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits.

Legal action against the Plan may not be commenced more than 365 days after the Board notifies the claimant of the determination on review. Any claim or action by a Participant or Beneficiary relating to or arising under the Plan can only be brought in a state court in the State of Idaho.

12.2 ***Deemed Exhaustion of Remedies.*** If the Board fails to follow these procedures in accordance with applicable law, a claimant is deemed to have exhausted the administrative remedies available under the Plan.

12.3 ***Authorized Representative of Claimant.*** The Plan's claims procedures do not preclude an authorized representative of a claimant from acting on behalf of such claimant in pursuing a benefit claim or appeal of an adverse benefit determination. The Board may establish reasonable procedures for determining whether an individual has been authorized to act on behalf of the claimant. Absent direction from the claimant, the Board directs all information and notifications to the representative authorized to act on the claimant's behalf.

IN WITNESS WHEREOF, the Board has caused this instrument to be executed by its duly authorized representative effective on this 17th day of December 2025.

Name: Jennife White

Signature: [Handwritten Signature]

Title: Executive Director