

**LUTHERAN SENIOR SERVICES TAX DEFERRED SAVINGS PLAN**

**SUMMARY OF PLAN PROVISIONS**

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# LUTHERAN SENIOR SERVICES TAX DEFERRED SAVINGS PLAN

## SUMMARY OF PLAN PROVISIONS

### INTRODUCTION TO YOUR PLAN

Lutheran Senior Services Tax Deferred Savings Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax advantaged basis. This Plan is a type of retirement plan known as a 403(b) plan.

#### **What information does this Summary of Plan Provisions provide?**

This Summary of Plan Provisions (summary) contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this summary to understand the features of the Plan.

If you have any questions about the Plan, contact the Plan Administrator or other Plan representative. The Plan Administrator is generally responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan, unless those responsibilities have been delegated to other parties. The name of the Plan Administrator can be found at the end of this summary in the Article entitled "General Information about the Plan."

This summary describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this summary and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

The Plan, and your rights under the Plan, are subject to federal laws such as the Internal Revenue Code and other federal and state laws. The provisions of the Plan are subject to revision due to a change in laws. Your Employer may also amend or terminate this Plan.

**Investment arrangement.** The investment products you select (known as investment arrangements) may also affect the provisions of the Plan. In some cases the investment arrangements may limit your options under the Plan. This summary does not address the provisions of the various investment arrangements. You should contact the Plan Administrator or the investment provider if you have questions about the provisions of your specific investment arrangements.

**NOTE:** This Plan has been adopted by other Employers.

**Types of contributions.** The following types of contributions are allowed under this Plan:

- Elective deferrals including Roth Deferrals
- Rollover contributions

## ARTICLE I PARTICIPATION IN THE PLAN

### **How do I participate in the Plan?**

Provided you are not an Excluded Employee, you can begin participating under the Plan once you have satisfied the eligibility requirements and reached your Entry Date, except as indicated below. The following describes Excluded Employees, the eligibility requirements and Entry Dates that apply.

#### **Elective Deferrals**

See "Additional Excluded Employee provisions" below for special provisions that might apply in determining who is an Excludable Employee.

**Eligibility Conditions.** You will be eligible to participate in the Plan for purposes of making elective deferrals on your date of hire.

**Entry Date.** For purposes of elective deferrals, your Entry Date will be your date of hire.

#### **Additional Excluded Employee provisions**

For all contribution purposes union members at Cedars of Town and Country who became an Employee of Lutheran Senior Services on February 1, 2016, and who were eligible to participate in a separate plan of the Employer were excluded until April 1, 2017. These

Employees became Eligible Employees for Plan purposes on April 1, 2017. Contact the Plan Administrator for additional information if you are not sure if this affects you.

**What happens if I'm a Participant, terminate employment and then I'm rehired?**

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

**ARTICLE II  
EMPLOYEE CONTRIBUTIONS**

**What are elective deferrals and how do I contribute them to the Plan?**

**Elective Deferrals.** As a Participant under the Plan, you may elect to reduce your compensation by a specific amount and have that amount contributed to the Plan as an elective deferral. There are two types of elective deferrals: Pre-Tax Deferrals and Roth Deferrals. For purposes of this summary, "elective deferrals" generally means both Pre-Tax Deferrals and Roth Deferrals. Regardless of the type of elective deferral you make, the amount you defer is counted as compensation for purposes of Social Security taxes.

**Pre-Tax Deferrals.** If you elect to make Pre-Tax Deferrals, then your taxable income is reduced by the deferral contributions so you pay less in federal income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, with a Pre-Tax Deferral, federal income taxes on the elective deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

**Roth Deferrals.** If you elect to make Roth Deferrals, the elective deferrals are subject to federal income taxes in the year of elective deferral. However, the elective deferrals and, in certain cases, the earnings on the elective deferrals are not subject to federal income taxes when distributed to you. In order for the earnings to be tax free, you must meet certain conditions. See "What are my tax consequences when I receive a distribution from the Plan?" below.

You will always be 100% vested in your elective deferrals (see the Article in this summary entitled "Vesting").

**Elective Deferral procedure.** The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. You may elect to defer a portion of your compensation payable on or after your Entry Date. Such election will become effective as soon as administratively feasible after it is received by the Plan Administrator. Your election will remain in effect until you modify or terminate it unless notified by the Employer.

Your deferral election will also apply to irregular pay (e.g., bonuses). You may, however make a separate election to have a different amount deferred from any irregular pay (e.g., bonuses) paid to you during the year. Also, your deferral election will not apply to amounts that are taxable but not payable in cash (such as taxable fringe benefits).

**Deferral modifications.** You are permitted to revoke your elective deferral election at any time during the Plan Year. You may make a new election or modify an existing election as of each payroll period or in accordance with any other procedure that your Employer provides. Any modification will become effective as soon as administratively feasible after it is received by the Plan Administrator.

**Elective Deferral Limit.** Your total elective deferrals in any taxable year cannot exceed a dollar limit which is set by law. The limit for 2020 is \$19,500. After 2020, the dollar limit may increase for cost-of-living adjustments. See the paragraph below on Annual dollar limit.

**Age 50 Catch-Up Deferrals.** If you are at least age 50 or will attain age 50 before the end of a calendar year, then you may elect to defer additional amounts (called Age 50 Catch-Up Deferrals) to the Plan as of the January 1st of that year. You can defer the additional amounts regardless of any other limitations on the amount you can defer to the Plan. The maximum Age 50 Catch-Up Deferrals that you can make in 2020 is \$6,500. After 2020, the maximum might increase for cost-of-living adjustments.

**Qualified Organization Catch-Up Deferral.** If you have completed at least 15 years of service with the Employer, and the Employer is a "qualified organization," then you may elect to defer additional amounts (called Qualified Organization Catch-Up Deferrals) to the Plan which exceed the elective deferral limit. A Qualified Organization Catch-Up Deferral increases the elective deferral limit by the lesser of: (1) \$3,000; (2) \$15,000 reduced by all amounts excluded from your gross income for prior taxable years by reason of your prior Qualified Organization Catch-Up Deferrals; or (3) the excess of \$5,000 multiplied by the number of years of service with the Employer, over your elective deferrals (including Qualified Organization Catch-Up Deferrals, but excluding Age 50 Catch-Up Deferrals) made for prior calendar years. This means that the maximum Qualified Organization Catch-Up Deferral you can contribute is \$3,000 in any calendar year. A "qualified organization" is an educational organization, hospital, home health service agency, health and welfare service agency, or a church-related organization.

If you qualify for both Age 50 Catch-Up Deferrals and Qualified Organization Catch-Up Deferrals, you may contribute both types of catch-up deferrals; however, your contributions must be applied to the Qualified Organization Catch-up Deferrals before they are applied to the Age-50 Catch-Up Deferrals.

**Automatic Deferral.** The Plan includes an automatic deferral feature. Accordingly, the Employer will automatically withhold a portion of your compensation from your pay each payroll period and contribute that amount to the Plan as a Pre-Tax Deferral unless you make a contrary election.

- **Application to existing Participants.** For those Participants in the Plan as of the automatic deferral effective date, the automatic deferral provisions apply to all Participants except those who have a Salary Reduction Agreement in effect on the automatic deferral provisions effective date, provided that the deferral amount under the agreement is at least equal to the automatic deferral amount specified below.
- **Participants affected.** The automatic deferral provisions apply to employees described above, except employees who have not attained age 21 and completed 1 Year of Service are excluded for Automatic Deferral purposes. For Employees that attain age 21 and complete 1 Year of Service after the Automatic Deferral effective date, the Automatic Deferral shall apply on the first day of the Plan Year quarter coinciding with or next following attainment of age 21 and completion of 1 Year of Service. A Year of Service is defined as working 1,000 Hours of Service in an Eligibility Computation Period. The first Eligibility Computation Period is the first twelve months following employment. The second and all succeeding Eligibility Computation Periods will be the Plan Year.

**Automatic deferral provisions.** The following provisions apply as to automatic deferrals:

- You may complete a Salary Reduction Agreement at any time to select an alternative elective deferral amount or to elect not to defer under the Plan in accordance with the deferral procedures of the Plan.
- The amount to be automatically withheld from your pay each payroll period will be equal to 2% of your compensation, and that amount will continue to be automatically withheld from your pay in succeeding Plan Years unless the Employer amends the Plan or you enter a Salary Reduction Agreement.

#### **Additional automatic deferral provisions**

Automatic deferral provisions are effective July 1, 2013.

Contact the Plan Administrator if you have any questions concerning the application of the automatic deferral provisions.

**Annual dollar limit.** You should also be aware that each separately stated annual dollar limit on the amount you may defer (the annual deferral limit and the "catch-up contribution" limit) is a separate aggregate limit that applies to all such similar elective deferral amounts and "catch-up contributions" you may make under this Plan and any other cash or deferred arrangements (including other tax-sheltered 403(b) annuity contracts, simplified employee pensions or 401(k) plans) in which you may be participating. Generally, if an annual dollar limit is exceeded, then the excess must be returned to you in order to avoid adverse tax consequences. For this reason, it is desirable to request in writing that any such excess elective deferral amounts and "catch-up contributions" be returned to you.

If you are in more than one plan, you must decide which plan or arrangement you would like to return the excess. If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Plan Administrator no later than the March 1st following the close of the calendar year in which such excess deferrals were made. However, if the entire dollar limit is exceeded in this Plan or any other plan the Employer maintains, then you will be deemed to have notified the Plan Administrator of the excess. The Plan Administrator will then return the excess deferral and any earnings to you by April 15th.

#### **What are rollover contributions?**

**Rollover contributions.** Subject to the provisions of your investment arrangements and at the discretion of the Plan Administrator, you might be permitted to deposit into the Plan distributions you have received from other plans and certain IRAs. Such a deposit is called a "rollover" contribution and might result in tax savings to you. You may ask the Plan Administrator of the other plan or the trustee or custodian of the IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, you may elect to deposit any amount eligible to be rolled over within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is in your best interest.

You will always be 100% vested in your "rollovers" (see the Article in this summary entitled "Vesting"). Rollover contributions will be affected by any investment gains or losses. In addition, any Roth deferrals that are accepted as rollovers in this Plan will be accounted for separately.

**Withdrawal of rollover contributions.** You may withdraw your rollover contributions at the same time you are able to withdraw your elective deferrals. See "When can I get money out of the Plan?".

### **ARTICLE III COMPENSATION AND ACCOUNT BALANCE**

**What compensation is used to determine my Plan benefits?**

## All Contributions

**Definition of compensation.** Compensation is defined as your total compensation that is subject to income tax and paid to you by your Employer for the Plan Year.

**Adjustments to compensation.** The following adjustments to compensation will be made:

- elective deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- compensation paid while not a Participant in the component of the Plan for which compensation is being used will be excluded.
- minister's housing allowance under Code Section 107 will be included.
- compensation paid after you terminate is generally excluded for Plan purposes. However, the following amounts will be included in compensation even though they are paid after you terminate employment, provided these amounts would otherwise have been considered compensation as described above and provided they are paid within 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment:
  - compensation paid for services performed during your regular working hours, or for services outside your regular working hours (such as overtime or shift differential), or other similar payments that would have been made to you had you continued employment.

### Is there a limit on the amount of compensation which can be considered?

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2020 is \$285,000. After 2020, the dollar limit might increase for cost-of-living adjustments.

### Is there a limit on how much can be contributed to my account each year?

The law imposes a limit on the amount of contributions that may be made to your accounts during a year. For 2020, this total cannot exceed the lesser of \$57,000 or 100% of your includible compensation (generally your compensation for any 12 month period, as limited under the previous question). After 2020, the dollar limit might increase for cost-of-living adjustments.

**The above limit may also need to be applied by taking into account contributions made to other retirement plans in which you are a participant.** If you have more than 50% control of a corporation, partnership, and/or sole proprietorship, then the above limit is based on contributions made in this Plan as well as contributions made to any 403(b) or qualified plans maintained by the businesses you control. If you control another business that maintains a plan in which you participate, then you are responsible for providing the Plan Administrator with information necessary to apply the annual contribution limits. If you fail to provide necessary and correct information to the Plan Administrator, it could result in adverse tax consequences to you, including the inability to exclude contributions to the Plan from your gross income for tax purposes.

### How is the money in the Plan invested?

The Plan assets may be invested in mutual funds and/or Annuity Contracts. Contact the Plan Administrator for further details regarding the investments.

You will be able to direct the investment of your Plan account, including your elective deferrals. The Plan Administrator will provide you with information on the investment choices available to you, the frequency with which you can change your investment choices and other information. If you do not direct the investment of your Plan account, then your account will be invested in accordance with the default investment alternatives your Employer establishes under the Plan.

When you direct investments, your account is segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance for other Participants who have directed their own investments.

You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and your Employer and the Plan Administrator will not provide investment advice or guarantee the performance of any investment you choose.

Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. It is your responsibility to notify the Plan Administrator of any errors you see on any statements within 30 days after the statement is provided or made available to you.

**Importance of diversification.** To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement portfolio in any one company or industry, your accounts may not be properly diversified. The use

of diversification and asset allocation as part of an overall investment strategy does not assure a profit or protect against loss in a declining market.

In deciding how to invest your retirement portfolio, you should take into account all of your assets, including any retirement accounts outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help verify that your retirement portfolio is on target to meet your retirement goals.

**Will Plan expenses be deducted from my account balance?**

**Expenses allocated to all accounts.** Subject to the terms of the investment arrangements funding the plan, the Plan might pay some or all Plan related expenses except for a limited category of expenses which the law requires your Employer to pay. The category of expenses which your Employer must pay are known as "settlor expenses." Generally, settlor expenses relate to the design, establishment or termination of the Plan. The expenses charged to the Plan might be charged pro rata to each Participant in relation to the size of each Participant's account balance or might be charged equally to each Participant. In addition, some types of expenses might be charged only to some Participants based upon their use of a Plan feature or receipt of a Plan distribution. Finally, the Plan might charge expenses in a different manner as to Participants who have terminated employment with your Employer versus those Participants who remain employed with your Employer.

**Terminated employee.** After you terminate employment, subject to the terms of the investment arrangements funding the Plan, your Employer reserves the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether your Employer pays some of these expenses on behalf of current employees.

**Expenses allocated to individual accounts.** There are certain other expenses that might be paid just from your account subject to the terms of the investment arrangements funding the Plan. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan might incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses might be paid directly from your account (and not the accounts of other Participants) because they are directly attributable to you under the Plan. The Plan Administrator will inform you when there will be a charge (or charges) directly to your account.

Your Employer might, from time to time, change the manner in which expenses are allocated.

**ARTICLE IV  
VESTING**

**What is my vested interest in my account?**

You are always 100% vested in all of your Plan accounts.

**ARTICLE V  
DISTRIBUTIONS PRIOR TO TERMINATION OF EMPLOYMENT**

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

**Can I withdraw money from my account while working?**

**In-service distributions.** You may be entitled to receive an in-service distribution. However, this distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement. This distribution is made at your election subject to possible administrative limitations on the frequency and actual timing of such distributions.

**Conditions.** Generally, you may receive a distribution from certain accounts prior to termination of employment provided you satisfy any of the following conditions:

- you have attained age 59 1/2. Satisfying this condition allows you to receive distributions from all contribution accounts.
- you have incurred a financial hardship as described below.



- you incur a disability (as defined in the Plan). Satisfying this condition allows you to receive distributions from all contribution accounts.

**Qualified reservist distributions.** If you: (i) are a reservist or National Guardsman; (ii) were/are called to active duty after September 11, 2001; and (iii) were/are called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature federal distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

#### **Can I withdraw money from my account in the event of financial hardship?**

**Hardship distributions.** You may withdraw money on account of financial hardship if you satisfy certain conditions, subject to the rules and conditions set forth in the investment arrangements. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance. You may not receive a hardship distribution from your qualified nonelective contribution accounts, if any.

**Qualifying expenses.** A hardship distribution may be made to satisfy certain immediate and heavy financial needs that you have. A hardship distribution may only be made for payment of the following:

- Expenses for medical care (described in Section 213(d) of the Internal Revenue Code) for you, your spouse or your dependents.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children or your dependents.
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children or your dependents.
- Expenses for the repair of damage to your principal residence (that would qualify for the casualty loss deduction under Internal Revenue Code Section 165).

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

- (a) The distribution is not in excess of the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution;
- (b) You have obtained all distributions, other than hardship distributions.

**Account restrictions.** You may request a hardship distribution only from the vested portion of the following accounts:

- elective deferrals
- accounts attributable to rollover contributions

**Restricted Amounts.** There are additional restrictions placed on hardship distributions from certain accounts (referred to as "Restricted Amounts"). Restricted Amounts include earnings on elective deferrals. Ask the Administrator if you need further details.

## **ARTICLE VI DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT**

To the extent permitted in the investment arrangements, the provisions in this Article apply to distributions from the Plan following termination of employment.

#### **When can I get money out of the Plan?**

You might be able to receive a distribution of some or all of your accounts in the Plan when you terminate employment with your Employer. The rules regarding the payment of death benefits to your beneficiary are described in the Article in this summary entitled "Distributions upon Death."

If you terminate employment and your vested benefit exceeds \$1,000, you will be entitled to a distribution within a reasonable time after your termination. You must consent to this distribution. (See the question "How will my benefits be paid?" for a further explanation of how benefits are paid from the Plan.)

If you terminate employment, and the value of your vested benefit does not exceed \$1,000, then a distribution will automatically be paid to you even if you do not consent. Such distribution will be paid to you within a reasonable period of time after your termination of employment. See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.

**Treatment of "rollover" contributions for consent to distribution.** In determining if the value of your vested account balance exceeds the \$1,000 threshold described above used to determine whether you must consent to a distribution, your "rollovers" will be considered as part of your benefit.

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

**Distributions for deemed severance of employment.** If you are on active military duty for more than 30 days, then the Plan generally treats you as having severed employment for purposes of receiving a distribution from the Plan from all contribution accounts. If you request a distribution on account of this deemed severance of employment and all or part of the distribution is taken from elective deferrals, then you are not permitted to make any contributions to the Plan for six (6) months after the date of the distribution.

#### **What is Normal Retirement Age and what is the significance of reaching Normal Retirement Age?**

**Normal Retirement Age.** Your Normal Retirement Age is the date you reach age 65.

**Payment of benefits.** You will become 100% vested in all of your accounts under the Plan (assuming you are not already fully vested) if you are employed on or after your Normal Retirement Age. However, the actual payment of benefits generally will not begin until you have terminated employment. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Age, you may generally defer the receipt of benefits until you actually terminate employment. In such event, benefit payments will begin as soon as feasible at your request, but generally not later than age 70 1/2. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

#### **When am I considered to be disabled under the Plan?**

**Definition of disability.** Under the Plan, disability is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. The permanence and degree of such impairment must be supported by medical evidence. The Plan Administrator may require that your disability be determined by a licensed physician.

#### **How will my benefits be paid to me?**

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

**Lump-sum distributions.** If you terminate employment and your vested account balance does not exceed \$5,000, then your vested account balance might only be distributed to you in a single lump-sum payment.

**Distribution methods.** If you terminate employment and your vested account balance exceeds \$5,000 (or another amount as provided in your investment arrangement), then your vested account balance might be distributed to you under the following methods provided they are permitted under your investment arrangements:

- a single lump-sum payment
- installments over a period of not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary)
- partial withdrawals

**Required beginning date.** There are rules that require that certain minimum distributions be made from the Plan. Distributions are required to begin not later than the April 1st following the end of the year in which you reach age 70 1/2 or terminate employment, whichever is later. Contact the Plan Administrator if you think you might be affected by these rules.

## ARTICLE VII DISTRIBUTIONS UPON DEATH

### What happens if I die while working for the Employer?

If you die while still employed by the Employer, then your account balance will be used to provide your beneficiary with a death benefit.

### Who is the beneficiary of my death benefit?

**Beneficiary designation.** You may designate a beneficiary of your choosing.

**Divorce.** If you have designated your spouse as your beneficiary for all or a part of your death benefit, then upon your divorce, the designation is no longer valid. This means that if you do not select a new beneficiary after your divorce, then you are treated as not having a beneficiary for that portion of the death benefit.

**No beneficiary designation.** Subject to the terms of the investment arrangements, at the time of your death, if you have not designated a beneficiary or your beneficiary is not alive, the death benefit will be paid in the following order of priority to:

- (a) your surviving spouse
- (b) your children, including adopted children in equal shares (and if a child is not living, that child's share will be distributed to that child's living descendants)
- (c) your surviving parents, in equal shares
- (d) your estate

### How will the death benefit be paid to my beneficiary?

**Lump-sum distribution.** If the death benefit payable to your beneficiary does not exceed \$5,000, then the benefit may only be paid as a lump sum.

**Distribution method.** Except for special distributions described below, if the death benefit payable to your beneficiary exceeds \$5,000, the benefit may be paid in the methods described above under "How will my benefits be paid to me?" provided the methods are permitted under your investment arrangements. The beneficiary may choose among the then available distribution methods unless you elected the death benefit distribution method prior to your death.

### When must payments be made to my beneficiary (required minimum distributions)?

If your designated beneficiary is a person (other than your estate or most trusts) then minimum distributions of your death benefit must generally begin within one year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, the start of payments may be delayed until the year in which you would have attained age 70 1/2. Generally, if you die before you are required to begin minimum distributions (which for most people is shortly after the later of age 70 1/2 or retirement) and your beneficiary is not a person, then your entire death benefit must be paid within five years after your death. Some investment products may allow a person to use this five-year rule.

### What happens if I terminate employment, commence required minimum distribution payments and then die before receiving all of my benefits?

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

## ARTICLE VIII TAX TREATMENT OF DISTRIBUTIONS

### What are my tax consequences when I receive a distribution from the Plan?

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59 1/2 could be subject to an additional federal 10% penalty tax.

You will not be taxed on distributions of your Roth deferrals. In addition, a distribution of the earnings on the Roth deferrals will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59 1/2 or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior

to the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning the calendar year in which you first make a Roth deferral to our Plan (or to a 401(k) plan or another 403(b) plan if such amount was rolled over into this Plan) and ending on the last day of the calendar year that is 5 years later.

**Qualified reservist distributions.** If you: (i) are a reservist or National Guardsman; (ii) were/are called to active duty after September 11, 2001; and (iii) were/are called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution federal penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

#### **Can I elect a rollover to reduce or defer tax on my distribution?**

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

(a) **60-day rollover.** You may roll over all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances, all or a portion of a distribution (such as a hardship distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, then the direct rollover option described in paragraph (b) below would be the better choice.

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

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

### **ARTICLE IX LOANS**

#### **Is it possible to borrow money from the Plan?**

No, loans are not permitted under the Plan.

### **ARTICLE X CLAIMS PROCEDURES**

#### **Are my benefits protected?**

As a general rule, your interest in your account, including your "vested interest," may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred (except at death to your beneficiary). In addition, your creditors (other than the IRS) may not attach, garnish or otherwise interfere with your benefits under the Plan.

#### **Are there any exceptions to the general rule?**

There are three exceptions to this general rule. The Plan Administrator must honor a qualified domestic relations order (QDRO). A QDRO is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, children or other dependents. If a QDRO is received by the Plan Administrator, all or a portion of your benefits may be used to satisfy that obligation. The Plan Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Plan Administrator, without charge, a copy of the procedure used by the Plan Administrator to determine whether a qualified domestic relations order is valid.

The second exception applies if you are involved with the Plan's operation. If you are found liable for any action that adversely affects the Plan, the Plan Administrator can offset your benefits by the amount that you are ordered or required by a court to pay the Plan. All or a portion of your benefits may be used to satisfy any such obligation to the Plan.

The last exception applies to federal tax levies and judgments. The federal government is able to use your interest in the Plan to enforce a federal tax levy and to collect a judgment resulting from an unpaid tax assessment.

### **Can the Employer amend the Plan?**

Your Employer has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of Participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

### **What happens if the Plan is discontinued or terminated?**

Although your Employer intends to maintain the Plan indefinitely, your Employer reserves the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will continue to be 100% vested. Your Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. You will be notified if the Plan is terminated.

### **How do I submit a claim for Plan benefits?**

You may file a claim for benefits by submitting a written request for benefits to the Plan Administrator. You should contact the Plan Administrator to see if there is an applicable distribution form that must be used. If no specific form is required or available, then your written request for a distribution will be considered a claim for benefits. In the case of a claim for disability benefits, if disability is determined by the Plan Administrator (rather than by a third party such as the Social Security Administration), then you must also include with your claim sufficient evidence to enable the Plan Administrator to make a determination on whether you are disabled.

### **What if my benefits are denied?**

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will provide you with a written or electronic notification of the Plan's adverse determination.

## **ARTICLE XI GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

### **Plan Name**

The full name of the Plan is Lutheran Senior Services Tax Deferred Savings Plan.

### **Plan Effective Dates**

This Plan was originally effective on January 1, 1990. The amended and restated provisions of the Plan become effective on January 1, 2010.

### **Other Plan Information**

**Plan Year.** The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year ends on December 31st.

The Plan will be governed by the laws of the state of the Employer's principal place of business to the extent not governed by federal law.

Service of legal process may be made upon the Employer. Service of legal process may also be made upon the Employer's chief executive officer or Plan Administrator.

### **Employer Information**

The Employer's name, address, business telephone number and identification number are:

Lutheran Senior Services  
1150 Hanley Industrial Court  
St. Louis, Missouri 63144  
(314) 446-2487  
43-0654862

The Plan allows other employers to adopt its provisions. Another Employer who has adopted the provisions of the Plan is:

The Cole County Lutheran Home Association  
address same as primary employer

(314) 446-2487  
43-1147326

**Plan Administrator Information**

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. If you have any questions about the Plan or your participation, you should contact the Plan Administrator. The Plan Administrator may designate other parties to perform some duties of the Plan Administrator, and some duties are the responsibility of the investment provider(s) to the Plan.

The name, address and business telephone number of the Plan's Administrator are:

Lutheran Senior Services  
1150 Hanley Industrial Court  
St. Louis, Missouri 63144

(314) 446-2487

**APPENDIX**  
**ROLLOVERS FROM OTHER PLANS**

The Plan will accept Participant "rollover" contributions and/or "direct rollovers" of distributions from the types of plans specified below: (check all that apply)

**Direct Rollovers.** The Plan will accept a "direct rollover" of an eligible rollover distribution from:

- a qualified plan described in Section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan)
- a qualified plan described in Section 403(a) of the Internal Revenue Code (an annuity plan)
- an annuity contract described in Section 403(b) of the Internal Revenue Code (a tax-sheltered annuity).
- a governmental plan described in Section 457(b) of the Internal Revenue Code (eligible deferred compensation plan).
- after-tax contributions from a source described above
- a Roth deferral account under a qualified plan described in Section 401(a) of the Internal Revenue Code (a 401(k) plan) or an annuity contract described in Section 403(b) of the Internal Revenue Code (a tax-sheltered annuity)..

**Participant Rollover Contributions from Other Plans.** The Plan will accept a Participant "rollover" contribution of an eligible rollover distribution from:

- a qualified plan described in Section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan).
- a qualified plan described in Section 403(a) of the Internal Revenue Code (an annuity plan).
- an annuity contract described in Section 403(b) of the Internal Revenue Code (a tax-sheltered annuity).
- a governmental plan described in Section 457(b) of the Internal Revenue Code (eligible deferred compensation plan).
- the taxable portion of certain Roth distributions

**Participant Rollover Contributions from IRAs:**

- The Plan will accept a Participant "rollover" contribution of the portion of a distribution from a traditional IRA that is eligible to be rolled over and would otherwise be includible in gross income. Rollovers from Roth IRAs or a Coverdell Education Savings Account (formerly known as an Education IRA) are not permitted because they are not traditional IRAs. A rollover from a SIMPLE IRA is allowed if the amounts are rolled over after the Participant has been in the SIMPLE IRA for at least two years.

# SUMMARY MATERIAL MODIFICATION FOR HARDSHIP DISTRIBUTION PROVISIONS

## I INTRODUCTION

If the Plan, prior to this modification, does not provide for hardship distributions, then this Summary Material Modification ("SMM") will have no effect until such time the Plan is amended to add hardship distributions. This SMM reflects the changes to the Plan and information contained in the Summary Plan Description ("SPD") previously provided to you. It supplements and amends that SPD so you should retain a copy of this document with your copy of the SPD. If you have any questions, contact the Plan Administrator. If there is any discrepancy between the terms of the Plan, as modified, and this SMM, the provisions of the Plan will control. In general, these changes are effective for plan years beginning after December 31, 2018. However, special effective dates apply to some specific provisions.

## II SUMMARY OF CHANGES TO HARDSHIP DISTRIBUTION PROVISIONS

If the Plan allows you to withdraw money for financial hardship, then the Plan's hardship distribution provisions are amended as described below. You should note that all the other hardship provisions set forth in the Plan and explained in the SPD continue to apply.

**Hardship conditions.** If you have a qualifying hardship expense, the Plan requires that certain conditions be satisfied to demonstrate the necessity of the distribution. We have made the following changes in these conditions:

1. You will be required to certify in writing or electronically, as a condition of receiving a hardship distribution, that you have insufficient cash or other liquid assets reasonably available to meet your financial hardship.
2. You are not required to suspend any contributions you are making to the Plan.
3. You are not required to obtain all nontaxable loans currently available under all plans that your Employer maintains.

**Hardship Events.** The plan has expanded effective January 1, 2018 the list of expenses which qualify for a hardship distribution. You can now receive a hardship distribution if your principal residence or place of employment at the time of a disaster was in an area FEMA designates as qualifying for individual assistance in connection with a federally declared disaster. The distribution can cover your expenses and losses (including loss of income) on account of the disaster. The definition of residential casualty loss has been broadened to include residential casualties even if they are not part of a federally declared disaster.