Summary Plan Description

Baylor College of Medicine

403(b) Tax-Deferred Investment Plan

Effective: January 1, 2020

Table of Contents

Introduction

About the Plan

Planning today to meet the financial needs of tomorrow is an important goal for each of us. Sources of income that may help meet this goal include:

- Baylor College of Medicine 403(b) Tax-Deferred Investment Plan (the "Plan")
- Social Security
- Employer-sponsored plan (if available)
- Your personal savings

The Plan, which is designed to qualify for favorable tax treatment under section 403(b) of the Internal Revenue Code of 1986, as amended (the "Code"), may provide income when you retire.

This booklet describes the Plan. You owe it to yourself to read this booklet carefully and share it with your family to find out how the Plan can help you provide for your future financial security.

The full terms of the Plan are contained in the official Plan documents on file with Baylor College of Medicine (the "College"). The information presented in this summary does not replace the Plan 's formal legal documents that govern the administration of the Plan and the payment of benefits. In the event of any conflict between this summary and the Plan 's legal documents, the Plan 's legal documents control.

This booklet supersedes and replaces all previous summaries of the Plan furnished to you.

More detailed information about the Plan is available from the Human Resources area of the College's Intranet at www.bcm.edu, or you may contact:

Baylor College of Medicine
One Baylor Plaza MS207
Houston, TX 77030
(713) 798-1500

How the Plan Works

Building your financial security for the future is important, but it is not always easy. With the Plan, you have help in preparing financially for your retirement years. In addition, you can lower your current taxes by making Before-Tax Contributions (defined below) to the Plan. The Plan is designed to help you build security with money that you set aside for your future, on either a before-tax and/or after-tax basis. Here is how the Plan works:

- Under procedures established by the Benefits Administrative Committee, each employee of the College who is hired or rehired and is eligible to participate in the Plan but is not contributing to the Plan and has not made an affirmative election not to make contributions to the Plan will be automatically enrolled in the Plan and deemed to have elected to contribute to the Plan as a Before-Tax Contribution an amount equal to three percent (3%) of his or her includible compensation each pay period. If you do not wish to be automatically enrolled in the Plan, or you wish to contribute a different amount under the Plan, you may change your election through the BCM Human Resources - Benefits Intranet website , or by contacting the Master Administrator, Fidelity, directly by phone or through their website.

- *You may elect to make contributions on a before-tax basis in which case you will have a fixed percentage of your compensation contributed to the Plan through a salary reduction contribution (these before-tax salary reduction contributions are referred to throughout this booklet as "Before-Tax Contributions");*

- You may also elect to make contributions to the Plan on an after-tax basis in which case you will have a fixed percentage of your after-tax compensation contributed to the Plan (these after-tax contributions are referred to throughout this booklet as "Roth 403(b) Contributions").

- If you do not choose an investment mix, your contributions will be invested in the State Street Target Retirement Fund that most closely matches your expected retirement date.

- If you elect to invest with TIAA, but do not make a valid investment election with TIAA, your contributions will be automatically invested in the Vanguard Balanced Index Fund until you properly make an investment election.

- If you are automatically enrolled in the Plan, you will have 90 days from the date you are automatically enrolled in the Plan to opt out of the Plan and have the contributions that have been deducted from your paycheck returned to you by contacting Fidelity directly.

- A Before-Tax Contribution reduces your current taxable income for federal income tax purposes. However, your contributions do not reduce the amount of your income subject to Federal Insurance Contributions Act (“FICA”) taxes.

- A Roth 403(b) Contribution does not reduce your current taxable income for federal income tax purposes or your income subject to FICA taxes. However, the earnings on your Roth 403(b) Contribution will generally not be subject to federal income tax when you take a distribution of such amounts if certain requirements (generally described in the “Roth 403(b) Contributions” section on page 2) are satisfied.

- You direct the way your contributions are invested. The Plan offers Fidelity Investments and TIAA as investment providers. Each investment provider offers different investment alternatives with different degrees of risk and return. You can invest with either or both of the investment providers.

- You may receive the value of part or all the money that you contribute to the Plan and any earnings on these contributions if you leave the employ of the College for any reason.

- You can borrow a portion of your Plan account.

Who Is Eligible

In general, all salaried and hourly employees, including residents, clinical postdoctoral appointments, and research postdoctoral appointments of the College are eligible to participate in the Plan. However, persons who are enrolled and regularly attending classes at the College and performing services described in section 3121(b)(1) of the Code who are not receiving earned income from the College, and nonresident aliens who receive no earned income from the College that constitutes income from sources within the United States, are not eligible to participate.

Contributions to the Plan

Before-Tax Contributions

You are allowed to make Before-Tax Contributions to the Plan. You can make a Before-Tax Contribution to the Plan for a pay period by submitting an election online through the Master Administrator, Fidelity, to defer a fixed percentage of your includable compensation for the pay period. However, the Code imposes limits on the amount of contributions you may make to the Plan during a year. In 2020, your Before-Tax Contributions in combination with your Roth 403(b) Contributions are generally limited to $19,500 per year (you may also be able to defer more on a pre-tax basis as Before-Tax Catch-Up Contributions, described below, if you will be at least age 50 during the calendar year). After 2020, the limit is adjusted periodically by the Internal Revenue Service (the "IRS") for cost of living increases. This limitation applies to all section 401(k) and 403(b) plans in which you are a participant, not just those maintained by the College. Any contribution in excess of this limitation should be returned to you by April 15 of the following year.

Before-Tax Catch-Up Contributions

Participants who are age 50 or older by the end of a calendar year may make “catch-up contributions” if they have made the maximum Before-Tax Contributions and/or Roth 403(b) Contributions that are otherwise permitted for such year. For 2020, the maximum “catch-up contribution” permitted is $6,500. This limit will be adjusted for cost of living increases periodically. For example, in 2020, if you are age 50 or older, you may contribute $19,500 in Before-Tax Contributions and/or Roth 403(b) Contributions and $6,500 in catch-up contributions for a total tax-deferred contribution of $26,000.

The College will not match your Before-Tax Catch-Up Contributions.

Roth 403(b) Contributions

Effective January 1, 2020, you are also allowed to make Roth 403(b) Contributions to the Plan on an after-tax basis. You can make a Roth 403(b) Contribution to the Plan for a pay period by submitting an election online through the Master Administrator, Fidelity, to contribute to the Plan a fixed percentage of your includable compensation for the pay period on an after-tax basis. As noted above, the Code imposes limits on the amount of contributions you may make to the Plan during a year. In 2020, your Roth 403(b) Contributions in combination with your Before-Tax Contributions are generally limited to $19,500 per year (you may also be able to defer more on an after-tax basis as Roth 403(b) Catch-Up Contributions, described below, if you will be at least age 50 during the calendar year).

Roth 403(b) Contributions are deposited in your Plan account after any applicable taxes have been deducted from your paycheck. This means you will not receive any current tax advantage at the time of the Roth 403(b) Contributions. However, under current tax laws, neither your Roth 403(b) Contributions nor the income on those contributions will be subject to federal income tax when you receive them if the distribution of your Roth 403(b) Contributions (including earnings thereon) is made:

1. On or after the later of the date you attain age 59 1/2 , die, or become disabled; AND

2. After the completion of the five-taxable-year period beginning on the earlier of (a) the first day of the first taxable year in which you first made a Roth 403(b) Contribution to the Plan or (b) if you made a rollover contribution to the Plan from a designated Roth account previously established for you under another retirement plan, the first taxable year for which you made a Roth 403(b) Contribution to such plan;

(a “Qualified Roth 403(b) Distribution”).

If you take a distribution of a Roth 403(b) Contribution that is not a Qualified Roth 403(b) Distribution, the earnings included in your distribution will be subject to federal income tax but your Roth 403(b) Contributions will not be subject to federal income tax. The earnings included in your distribution may also be subject to a 10% excise tax imposed on early distributions.

Roth 403(b) Catch-Up Contributions

Participants who are age 50 or older by the end of a calendar year may make “catch-up contributions” if they have made the maximum Before-Tax Contributions and/or Roth 403(b) Contributions that are otherwise permitted for such year. For 2020, the maximum “catch-up contribution” permitted is $6,500. This limit will be adjusted for cost of living increases periodically. For example, in 2020, if you are age 50 or older, you may contribute $19,500 in Before-Tax Contributions and/or Roth 403(b) Contributions and $6,500 in catch-up contributions for a total tax-deferred contribution of $26,000.

The College will not match your Roth 403(b) Catch-Up Contributions.

Rollover Contributions

You can roll over all or a portion of a cash lump sum distribution from another employer’s section 403(b), 401(k), or 401(a) plan into the Plan. The rules governing rollover contributions are complicated; therefore, you should contact the investment provider or the Benefits Office for more information if you are considering a rollover contribution.

Contribution of Certain Hurricane Hardship Distributions

If you received a hardship distribution from the Plan in connection with Hurricane Harvey, Hurricane Irma or Hurricane Maria, you may recontribute back to the Plan all or any portion of the amount you received as a hardship distribution no later than three (3) years from the date of the distribution, in accordance with Internal Revenue Service guidance and procedures established by the Benefits Administrative Committee.

In-Plan Roth Conversions

An "in-plan Roth rollover" (also known as an "in-Plan Roth conversion") is a distribution from an employee's Plan accounts, other than a Roth 403(b) Contribution Account or a Roth 403(b) Catch-Up Contribution Account, that is rolled over to that employee's designated Roth account in the Plan.

You may elect to make an in-Plan Roth Rollover of all or a portion of your Plan accounts held with one of the current Plan investment providers, other than your Roth 403(b) Account or your Roth 403(b) Catch-Up Contribution Account. However, the amount rolled over and the associated earnings will remain subject to any distribution restrictions applicable to the amount before the rollover. For example, if an employee who is under age 59 1/2 and who has not had a severance from employment makes an in-Plan Roth Rollover from a pre-tax deferral account to an after-tax Roth account the amount rolled over will continue to be subject to the 59½ age restriction that it was subject to in the pre-tax deferral account. In addition, any taxable amount of the in-Plan Roth Rollover must be included in your gross income in the year of the rolllover.

Enrolling In The Plan

Under procedures established by the Benefits Administrative Committee, each employee of the College who is hired or rehired and is eligible to participate in the Plan but is not contributing to the Plan and has not made an affirmative election not to make contributions to the Plan will be automatically enrolled in the Plan and deemed to have elected to contribute to the Plan as a Before-Tax Contribution an amount equal to three percent (3%) of his or her includible compensation each pay period. If you do not wish to be automatically enrolled in the Plan, or you wish to contribute a different percentage under the Plan (including 0%), you may change your election through the BCM Human Resources - Benefits Intranet website , or by contacting the Master Administrator, Fidelity, directly by phone or through their website.

When you join the Plan, you will name a beneficiary who will receive your Plan benefit if you die prior to receiving the benefit.

Changing Your Contribution Election

Because personal circumstances can change during the year, the Plan allows you to change or stop your contributions. However, no change in your Salary Deferral Agreement can be retroactive. Should you need to change or stop your contributions, you can access your online account through the BCM Human Resources – Benefits Intranet website or by contacting the Master Administrator, Fidelity, by phone or through their website. Please note that all changes in contributions must be made through Fidelity, the Master Administrator, even if the change relates to an investment offered by TIAA, because Fidelity is responsible for administering all contribution elections for the Plan

Includable Compensation

"Includable compensation" means your compensation from the College that is includable in your gross income for federal income tax purposes, including regular salary, fee-check income, clinical compensation, affiliate productivity, hourly-based pay, bonuses, overtime pay, extra straight time, "on-call" and "moonlighting" pay, shift differential, and reimbursements or other expense allowances paid to you on your pay check.

In addition, "includable compensation" will also add back to your regular wages income reductions under the Section 125 Pre-tax Premium plan, and income deferrals under the Section 403(b) Tax Deferred Investment Plan and/or the Section 457(b) Deferred Compensation Plan. It does not include non-cash fringe benefits or compensation not included in gross income for Federal taxation purposes. Further, it does not include any amount paid to you while you are not a participant in the Plan.

Vesting

Vesting means ownership of your Plan benefits. You are immediately 100 percent (100%) vested in your Plan benefits.

Limitations on Contributions

The Code limits the amount of Before-Tax Contributions and Roth 403(b) Contributions you may make to the Plan. These limits include a dollar limit on your contributions.

The Dollar Limit

In general, you may not make a contribution of more than $19,500 in 2020 (as adjusted by the Secretary of Treasury from time to time for increases in the cost of living) on a before-tax or after-tax (Roth) basis to the Plan during the calendar year. This includes contributions that you may elect to make to another employer's 401(k) or 403(b) plan during the year.

Increased Limit for Long Service Employees

If you have completed 15 years of service with Baylor College of Medicine, this dollar limit may be increased by whichever of the following is the least:

- $3,000
- $15,000 less the total of amounts not included in your gross income in prior years because of this special rule increasing the limit on Before-Tax Contributions

- The excess of $5,000 multiplied by your number of years of service with the College, minus the total amount of your contributions for those earlier years

Catch-Up Contributions

If you turn age 50 before the end of the calendar year, you can make additional salary deferral contributions, referred to as an "age 50 catch-up contribution." The amount is $6,500 for 2020 as adjusted by the Secretary of Treasury for increases in the cost of living.

The computations do not stop here. The Code also imposes an additional limitation on the amount that you may contribute to the Plan.

The Section 415 Limit

The total of the contributions made to the Plan on your behalf during a calendar year cannot be more than the lesser of the following amounts:

(a) the applicable dollar limitation for the plan year that is established by the Code ($57,000 for 2020), or
(b) 100 percent (100%) of your includible compensation for the calendar year.

Additional Limitations

If you have a Keogh plan or you own part of a business that has a retirement plan, the amount you contribute to this Plan may be reduced. You should consult with your accountant to determine the amount of the reduction, if any. In addition, you must notify the College of your contributions to any other qualified retirement savings plan in order to comply with the federal section 415 regulations.

You are solely responsible for determining the amount of your compensation that you elect to contribute to the Plan.
If you contribute more than the allowable amounts, the excess (and income thereon) will be included in your gross income for the taxable year. Additionally, under certain circumstances, the IRS could assess a six percent (6%) excise tax on the excess contribution. The rules limiting the amount that you can contribute to a Plan are found in sections 402(g), 403(b), and 415(c) of the Code.

For more information about the limitations on your Plan contributions, see IRS Publication 571, "Tax-Sheltered Annuity Programs for Employees of Public Schools and Certain Tax-Exempt Organizations," available from the IRS by calling toll-free 1-800-829-3676 or on the IRS Internet website at *http://www.irs.gov*.

Investment Options

Investment Providers

If you are automatically enrolled in the Plan, your contributions will be placed into the State Street Target Retirement Fund administered by Fidelity, which best corresponds to the year of your birth. You may, however, elect to change the investment provider who will have the responsibility for investing your contributions. The investment providers that you can select from are those designated by the College and they are:

Fidelity Investments 1-800-343-0860 *www.netbenefits.com/bcm*
TIAA 1-800-842-2776 *www.tiaa.org/baylormedicine*

You may make your selections by completing the online investment selection process through the BCM Human Resources – Benefits Intranet website or by contacting the Master Administrator, Fidelity, by phone or through their website. During the investment selection process, you designate the amount of your contribution you wish to make to the Plan that you want allocated to a particular investment provider. For example, a participant could choose to allocate 50% of the contribution to Fidelity and 50% to TIAA. Another participant might choose to direct 25% of the contribution to one investment provider and 75% to another. Yet a third participant might choose to allocate 100% to a single investment provider. You can change your designation and the amounts that are to be allocated to investment providers as often as practicable.

In general, you can transfer amounts held by an investment provider on your behalf to another investment provider. However, such transfers must be approved by the investment providers involved.

Information about each investment provider, including the investment alternatives offered by each investment provider, is available on the investment provider websites.

Choosing Investments

You can direct the investment provider(s) selected by you to invest amounts allocated to your account in any of the investment alternatives offered by each investment provider and offered by the Plan. Your return on your Plan investments may be high or low, depending on the success of the investment alternative(s), and you may incur losses. You can invest in one or more of the available funds.

Education Is Important

Because you are selecting the amount of your contribution and the fund into which your contribution will be deposited, it is important that you feel comfortable managing those contributions. You need to be able to make informed investment decisions that you feel are appropriate for your individual circumstances, ability to tolerate risk, and retirement goals. There are a variety of avenues through which you can educate yourself about investment opportunities and strategies. Both investment providers offer online, personalized investment information and education materials at the following websites:

Fidelity Investments 1-800-343-0860 *www.netbenefits.com/bcm*
TIAA 1-800-842-2776 *www.tiaa.org/baylormedicine*

Additionally, investment provider representatives offer general education investment seminars on the College's campus. Representatives are also available on a monthly basis for one-on-one investment counseling sessions with Plan participants. The calendars of the dates of the one-on-one counseling sessions can be found on the BCM Human Resources - Benefits Intranet website.

The College cannot guarantee the performance of the investments and does not offer investment advice.

The College reserves the right to drop or add investment providers or funds or change investment fund managers in the future. Your investment elections are your responsibility. Therefore, the College encourages you to seek the advice of a personal investment advisor. Only you have any liability for losses that may result from following your investment instructions.

Under the terms of the Plan, you exercise control over the assets in your account by allocating your assets among the available investment fund choices under the Plan. By allowing you to exercise control over your investments, it is the College's intent that the Plan qualify under section 404(c) of the Employee Retirement Income Security Act of 1974, (ERISA), as amended, and Title 29 C.F.R., Section 2550.404c-1. This means that the fiduciaries of the Plan may be relieved of liability for any losses you incur that are the direct and necessary result of your investment instructions.

In addition to this summary, you will be provided with an Enrollment Guide by Fidelity, the Master Administrator of the Plan, that includes:

(1) Detailed information regarding the available investment fund choices including descriptions, investment philosophies, objectives, risk and return characteristics, and
(2) Direction to other useful information resources.

Upon your initial enrollment in the Plan, you may designate how to allocate your assets among the available investment fund choices, or allow your contributions to be invested in the designated default State Street Target Retirement Fund for your projected retirement date. Thereafter you can change your future contributions among the investment fund choices in accordance with applicable Plan procedures. You can also make transfers of your existing investment balances among investment fund choices then available under the Plan.

If you are auto-enrolled, or if you fail to make any election directing the investment of your assets in the Plan, the College will automatically place all of your assets in the age-appropriate State Street Target Retirement Fund until such time as you reallocate the assets to another investment fund choice available under the Plan. You will receive a notice within a reasonable time before each plan year explaining your rights under the Plan to designate how contributions and earnings will be invested. The notice will explain the default investment arrangements and provide you with time before the beginning of the plan year to make a designation of how your contributions and earnings should be invested.

Also note that if you elect to invest with TIAA, but do not make a valid investment election with TIAA, your contributions will be automatically invested in the Vanguard Balanced Index Fund until you properly make an investment election for your contributions.

Contribution Defaults: State Street Target Retirement Funds and Vanguard Balanced Index Fund

State Street Target Retirement Funds

You have the right to direct the investment of the contributions that are made to the Plan for you among a wide range of funds managed by Fidelity Investments and TIAA. However, if you make no decision regarding the destination of these contributions, they will be placed into one of the following target retirement funds administered by State Street. The particular fund into which your contributions are directed is dependent upon the year of your birth.

If your birth date is between:	Fund Name:	Target Retirement Years:
1/1/1900 - 12/31/1947	State Street Target Retirement Fund Class K	Retired before 2013
1/1/1948 - 12/31/1952	State Street Target Retirement 2015 Fund Class K	Target Years 2013 – 2017
1/1/1953 - 12/31/1957	State Street Target Retirement 2020 Fund Class K	Target Years 2018 – 2022
1/1/1958 - 12/31/1962	State Street Target Retirement 2025 Fund Class K	Target Years 2023 – 2027
1/1/1963 - 12/31/1967	State Street Target Retirement 2030 Fund Class K	Target Years 2028 – 2032
1/1/1968 - 12/31/1972	State Street Target Retirement 2035 Fund Class K	Target Years 2033 – 2037
1/1/1973 - 12/31/1977	State Street Target Retirement 2040 Fund Class K	Target Years 2038 – 2042
1/1/1978 - 12/31/1982	State Street Target Retirement 2045 Fund Class K	Target Years 2043 – 2047
1/1/1983 - 12/31/1987	State Street Target Retirement 2050 Fund Class K	Target Years 2048 – 2052
1/1/1988 - 12/31/1992	State Street Target Retirement 2055 Fund Class K	Target Years 2053 – 2057
1/1/1993 – 12/31/1997	State Street Target Retirement 2060 Fund Class K	Target Years 2058 – 2062

The State Street Target Retirement Funds are designed for investors expecting to retire around the year indicated in the applicable fund's name. The funds are managed to gradually become more conservative over time as they approach the designated target retirement date by lowering investment risk over time through changes in asset allocation.

Each State Street Target Retirement Fund invests in a collection of other State Street funds. The Target Retirement Funds with longer time frames tend to have a higher concentration of mutual funds with stock (equity) investments. Those Target Retirement Funds therefore have greater potential for higher investment returns, but are also more likely to fluctuate significantly in value.

As you move closer and closer to retirement, your balances will remain in the same fund, but the strategy of the particular Target Retirement Fund associated with your birth year will shift: the amount of aggressive investments in the fund – like stock funds and certain kinds of bond funds – will go down, and the amount of more conservative investments – like bond funds and short-term investments – will go up. Target Retirement Funds with shorter remaining time frames tend to have higher concentrations of these less risky and volatile investments, and are therefore likely to appeal to investors who are closer to retirement and who want to focus on preserving their investments. Ultimately, they are expected to merge with the State Street Target Retirement Fund Class K. Because the first fund, the State Street Target Retirement Fund Class K, is structured for individuals very near to or already in retirement, its asset allocation remains essentially stable.

Vanguard Balanced Index Fund

If you elect to invest your Plan contributions with TIAA, but in the process of doing so, you do not make a valid and complete investment election with TIAA, your contributions will be automatically invested in the Vanguard Balanced Index Fund until you properly make a valid and complete investment election for those contributions.

The Vanguard Balanced Index Fund seeks to track the performance of the benchmark index that measures the investment return of the overall U.S. stock market with 60% of its assets and seeks to track the performance of a broad, marketweighted bond index with the remaining 40% of its assets. The Vanguard Balanced Index Fund employs an indexing investment approach designed to track the performance of two benchmark indexes. With approximately 60% of the fund's assets, the Vanguard Balanced Index Fund seeks to track the investment performance of the CRSP US Total Market Index and with approximately 40% of its assets, the Vanguard Balanced Index Fund seeks to track the investment performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index.

Additional Information Available upon Request

The Plan fiduciary below will provide the following information upon your request, based on the latest information available to the Plan:

1. A description of annual operating expenses of each investment fund choice (for example, investment management fees, administrative fees, etc.) which reduce your rate of return, and the aggregate amount of expenses expressed as a percentage of average net assets of the investment fund.
2. Copies of any prospectuses, financial statements and reports, and any other materials relating to investment fund choices, to the extent this information is provided to the Plan.
3. With respect to each investment fund choice, a list of assets comprising the portfolio, the value of each asset (or the proportion of the investment alternative which it comprises); and with respect to each asset which is a fixed rate investment contract issued by a bank, savings and loan association or insurance company, the name of the issuer of the contract, the term and rate of return on the contract,
4. Information concerning the value of shares or units in the investment fund choices, and information about the past and current investment performance, net of expenses, on a reasonable and consistent basis.
5. Information concerning the value of shares or units in the investment funds held in your account.

This information is available from:

Baylor College of Medicine
One Baylor Plaza, BCM 207
Houston, TX 77030

And also from the investment providers at the following websites:

Fidelity Investments 1-800-343-0860 *www.netbenefits.com/bcm*
TIAA 1-800-842-2776 *www.tiaa.org/baylormedicine*

Expenses of the Plan

On an annual basis the College will provide you with a disclosure of the fees and expenses under the Plan.

Crediting Investment Earnings and Losses

All contributions are sent to the Investment Providers for investment, investment earnings may grow in your account, but you pay no taxes on these earnings until they are paid from your account. This is an important tax break to encourage long-term savings. The investment earnings may be subject to special tax treatment when they are paid.

You should seek outside tax advice when receiving payments from the Plan, so you can benefit from any special tax breaks.

Loans from the Plan

You may borrow from your Plan account only to the extent a loan is permitted under the terms of your arrangements with the investment provider(s) you selected.

The following are commonly asked questions concerning the Plan loan program.

How much may I borrow from the Plan?

In general, you may borrow up to 50 percent (50%) of your account balance. However, if you are taking a loan from amounts invested at TIAA, you may only borrow up to 45 percent (45%) of the amount you have invested at TIAA. There is an additional limit for large loans. That is, you may not borrow more than $50,000 minus your highest outstanding loan balance from the Plan during the one-year period ending on the day before your loan is made.

Note, however, that special rules applied during 2018 in determining the amount of loans taken from the Plan in connection with Hurricane Harvey, Hurricane Irma or Hurricane Maria.

How do I apply for a Plan loan?

If you wish to borrow from the Plan, contact your investment provider(s). You will be required to sign a note agreement (and in some cases a truth-in- lending disclosure statement).

May I have more than one loan?

No, generally you may have only one outstanding loan regardless of the number of investment providers you use. For example: You contribute a percent of your pay each pay period to both Fidelity and TIAA, and you borrow from your 403(b) with Fidelity. You may not have another loan at the same time from TIAA.

Note, however, that special rules applied during 2017 and 2018 for determining the number of loans that could be taken from the Plan in connection with Hurricane Harvey, Hurricane Irma or Hurricane Maria. All loans taken from the Plan in connection with Hurricane Harvey, Hurricane Irma or Hurricane Maria must be repaid in full before any new loan can be taken from the Plan.

You may not apply for a new loan until 15 calendar days after your previous loan has been paid off.

Do I have to give any collateral for a loan?

A portion of your plan account balance will be considered collateral for your loan. The exact amount will be specified in your note agreement.

How long will I have to repay my loan?

The term of your loan will be specified in your note agreement. The investment provider will work with you to arrange a repayment schedule that will suit your needs. However, under IRS rules, the term of your loan cannot be more than five years. The five-year limit does not apply if you use the loan to buy your principal residence.

Will my loan be repaid through automatic payroll deductions?

If your loan is with Fidelity Investments, your loan will be repaid through payroll deductions. If your loan is with TIAA, your loan will be repaid by remitting monthly payments. It is your responsibility to make arrangements with the investment provider to repay the loan.

May I borrow from the Plan for any reason?

Yes, you may borrow from the Plan without regard to your purpose for the loan.

What interest rate will apply to my loan?

Under federal law, your loan must bear a reasonable rate of interest. The rate will be specified in your note agreement. All of your Plan loan principal and interest repayments will be allocated solely to your Plan account (not the accounts of other participants). So, in effect, you are paying yourself interest on the loan.

What will happen if I still have a loan outstanding when I terminate employment?

You will be given the opportunity to immediately repay the entire outstanding balance of the loan or you may continue to pay on the loan by remitting payments to the appropriate investment provider under procedures provided by the investment provider. If you fail to timely repay the loan, the investment provider will foreclose on your outstanding loan balance. You may choose to roll over that amount to an individual retirement account within 60 days of the date of your termination of employment. If you do not choose to roll over that amount, you will have to pay federal income taxes on that amount. You may also have to pay a ten percent (10%) penalty tax on the amount for early distribution from the Plan.

For example: Assume you have a $20,000 Plan account balance when you terminate employment and $3,000 of your $20,000 account balance consists of a note from you to repay your account. You decide not to pay off the $3,000 outstanding loan balance, so the investment provider "forecloses" on your loan. You are then entitled to keep the $3,000 previously lent to you, and your new account balance will be $17,000. You can avoid current taxation on the $3,000 if you deposit $3,000 in an individual retirement account within 60 days of your termination of employment.

Distributions

To begin the distribution process, you or your beneficiary(ies) should contact your investment provider(s) to request distribution paperwork.

Active Participants: Active participants are current employees paid by the College who have money in the Plan. Current employees are eligible to take a distribution from the Plan at age 59½.

Inactive Participants: Inactive participants are persons who have a vested interest in the Plan and have terminated employment with the College and all affiliates of the College. When benefits become payable, the amount due is determined by the total value of the Plan accounts, including investment interest, gains, and losses. Benefit payment will not begin until you or your beneficiary(ies) submit a written request for distribution. If receipt of a distribution is postponed, your Plan account balance will be subject to investment gains and losses of the funds in which your account balances reside. Distributions from investment funds held by Fidelity and TIAA are handled in accordance with their procedures for the types of investments you selected, and you are subject to the investment provider's distribution rules, regulations, and/or fees.

Distributions are not processed until 30 days after your date of termination.

Termination of employment: You can request a distribution to commence 30 days after your termination of employment or postpone a distribution until a later date. To request a distribution, contact your investment provider, either Fidelity Investments at 1-800-343-0860 or TIAA at 1-800-842-2776. Benefit payment will not begin until you or your beneficiary(ies) submit a written request for distribution. If receipt of a distribution is postponed, your Plan account balance will be subject to investment gains and losses of the funds in which your account balances reside. Distributions from investment funds held by Fidelity and TIAA are handled in accordance with their procedures for the types of investments you selected, and you are subject to the investment provider's distribution rules, regulation, and/or fee.

Disability: If your employment terminates as a result of your qualifying disability, you are eligible to take a distribution from the Plan. You may elect, however, to leave your account balance in the Plan and continue to direct your investments. For purposes of the Plan, you will have a qualifying disability only if your disability would qualify you to receive benefits under the Baylor College of Medicine Long Term Disability Plan, as determined by the administrator of that plan.

Death: If you die, your beneficiary(ies) will receive any money in your account under the terms of the arrangements with the investment provider(s). In general, if you die and were married to the same spouse during the one-year period ending on your date of death and you elected at any time to be paid in the form of a life annuity, your spouse will be paid in the form of a survivor annuity unless you and your spouse waive this form of payment. If you wish to waive this form of payment or wish more information about the survivor annuity, contact the investment provider(s).

Age 70½ Payment Deadline: In general, you must begin receiving your Plan benefit by April 1 of the calendar year following the later of the calendar year in which you reach age 70½ or the calendar year in which you terminate employment with the College. If you do not begin receiving payments from the Plan by that date, you may become liable for a 50 percent excise tax. You should consult with your financial advisor regarding this issue when you approach the age of 70½ payment deadline.

Types of Distributions

If you are an inactive participant, you may continue to maintain your account balances under the Plan with no penalty. However, if your balance is less than or equal to $1,000, you may receive a lump sum payment, or you may direct your distribution to a rollover account. You will not be permitted to contribute yourself nor roll over any funds into the Plan from any other sources. You will continue to receive quarterly statements from the investment provider(s) in which your account balances reside, and those account balances will continue to be subject to gains or losses, as applicable. You will also continue to have the opportunity to transfer account balances among funds offered by the investment provider(s) in which they are currently invested as well as transfer funds between investment providers should you so desire.

Distributions are not processed until 30 days after your date of termination.

Should you desire to receive a distribution, the various forms available to you are described below:

Lump Sum Payment

This can include:

- A full or partial withdrawal payable to you (TIAA places certain restrictions upon withdrawals from its Traditional Annuity fund. Contact TIAA at 800-842-2776 for further information).
- A direct rollover of your account balance to:
    - A new employer's qualified 401(a), 401(k), or a 403(b) plan
    - An Individual Retirement Account (IRA) or Roth IRA administered by either the investment providers(s) or another investment provider not associated with the Plan.

Systematic Withdrawals

You must be at least age 55 to be able to choose one among the following four methods if electing to receive distributions systematically over time:

Specific Dollar Method: This allows you to withdraw a given dollar amount which you specify on a monthly, quarterly, or yearly basis until the full account balance and earnings have been distributed.

Specific Period Method: This allows you to withdraw your account balance over a given period of years specified by you to be on a monthly, quarterly or yearly basis.

Single Life Method: This allows you to receive income over the course of your life expectancy.

Joint Life Method: This allows you to receive income over the course of you and your designated beneficiary's joint life expectancy.

Spousal Annuity

In general, if you are married and you elected at any time to be paid in the form of a life annuity, your spouse is your beneficiary and will be paid in the form of a monthly annuity that provides your spouse with a monthly annuity in an amount equal to 50% of the monthly amount that was payable to you. By law, this is the mandatory form of payment unless you and your spouse have properly executed an election to choose another form of payment. If this mandatory form of payment applies to you, you and your spouse will have the right to elect to receive, in lieu thereof, an optional survivor annuity that provides your spouse with a monthly annuity in an amount equal to 75% of the monthly amount that was payable to you.

Non-Spousal – Joint and Survivor Annuity

Your account balance can be used to purchase an annuity contract that will pay a monthly income to you for your lifetime. At your death, it will pay your designated beneficiary for his or her lifetime a specific percentage of the benefit you were receiving. You can elect a survivor benefit equal to 50%, 66⅔%, 75%, or 100%.

Certain and Life Annuity

Your account balance will be used to purchase an annuity contract from an insurance company that will pay a monthly income for your lifetime with payments guaranteed for a specified annuity period (5, 10, 15, or 20 years). If you die after your monthly benefits have begun but before the end of the specified annuity period, your surviving spouse or designated beneficiary will continue to receive the same benefit you were receiving until the end of the specified annuity period. If you die after the specified annuity period has ended, benefit payments will end, and no survivor benefit will be paid.

Payment options may be limited or unavailable from one or the other of the investment providers. If you wish to receive your benefit in a form that is not available from your current investment provider, you will need to transfer your account balance to an appropriate investment provider offering the form of payment you desire.

Taxation of Distributions

Because the Plan offers tax savings on certain contributions and the related accumulated earnings, almost all Plan distributions will result in some tax to you (other than a Qualified Roth 403(b) Distribution and the related accumulated earnings). All distributions are reported to the IRS. You will receive an IRS Form 1099-R for any year in which a distribution is made to you. It is your responsibility to properly report and pay all of your tax liabilities on distributions from the Plan.

This section explains some of the rules as they exist as of the publication date, but as we have emphasized in this summary, you should seek outside tax advice whenever you receive money from the Plan.

Unless you roll over your distribution(s) (see "Your Rollover Rights") or receive a Qualified Roth 403(b) Distribution from the Plan, you will be subject to current federal income taxation with respect to your distribution(s) from the Plan at ordinary income tax rates.

You may also be subject to a ten percent (10%) federal excise penalty tax on certain distributions from the Plan. You will not be subject to the ten percent (10%) excise penalty tax with respect to any Plan distribution to you that is:

- made on or after the date you attain age 59½,
- made on or after your separation from service with the College after the date you attain age 55,
- attributable to your being disabled (as defined by the Code),
- paid directly to the government to satisfy a federal tax levy,
- part of substantially equal periodic payments (not less frequently than annually) made for your life or the joint lives of you and your beneficiary or for your life expectancy or the joint life expectancy of you and your beneficiary, or
- not in excess of the amount of your deductible medical expenses.

The ten percent (10%) excise penalty tax does not apply with respect to the Plan distributions to your alternate payee under a court order that is a qualified domestic relations order (as defined in the Code) and Plan distributions made to your estate or beneficiary after your death.

You may be subject to the ten percent (10%) excise penalty tax with respect to a financial hardship distribution or a lump sum distribution that does not fit within any of the payment categories listed above.

A Qualified Roth 403(b) Distribution from the Plan and all earnings thereon is not included in your income for federal tax purposes.

Qualified Domestic Relations Order

A Qualified Domestic Relation Order (QDRO) is an order or judgment from a state court directing the Plan Administrator to pay all or part of a Plan participant's benefit to a spouse, former spouse, dependent child, or other dependent for support, alimony, or as marital property rights. The Plan must comply with such an order. The QDRO must specify certain information such as the names and addresses of the Plan participant and each payee, the amount or percentage of the Plan participant's benefit to be paid, etc. For model QDRO language, contact the vendor with which the investment funds to be allocated under the QDRO are invested.

A QDRO cannot provide that benefits be paid in any form or amount inconsistent with Plan provisions.

Your Rollover Rights

If you receive a distribution from the Plan, you may be able to preserve the tax-deferred status of your Before-Tax Contributions and investment earnings and avoid paying the ten percent (10%) penalty tax. Generally, to do this, you need to "roll over" your distributions from the Plan into another eligible retirement plan, an IRA or a Roth IRA. Your distribution must be rolled over within 60 days of the date you receive the payment. If you wish, you may instruct the investment provider selected by you to pay the rollover amount directly to an IRA or another eligible retirement plan. If the Plan pays directly to you an amount that may be rolled over, the payment will be subject to federal tax withholding at the rate of 20 percent (20%). The 20% amount will be forwarded to the IRS and credited against your tax liability.

You may not roll over a payment from the Plan that is:

- required to be made to you under the Code because you have reached the later of age 70½ or retirement,
- one of a series of substantially equal periodic payments (not less frequently than annually) made for a specified period of ten years of more,
- one of a series of substantially equal periodic payments (not less frequently than annually) made for your life or the joint lives of you and your beneficiary or for your life expectancy or the joint life expectancy of you and your beneficiary,
- a corrective distribution of a contribution that exceeds the dollar limit discussed above.

The investment provider selected by you should furnish you with a written description of your rollover rights within a reasonable period of time before any distribution from the Plan is made to you.

Designating Beneficiaries

Designating beneficiaries enables you to direct distribution of your account balances to individuals and/or organizations of your choice in the event of your death. Because you are immediately vested in your account balances, you must designate one or more beneficiaries upon becoming a Plan participant. You initially designate all of your beneficiaries online with each investment provider you choose to invest the contributions that are made for you under the Plan (and the earnings thereon), and make subsequent changes in designated beneficiaries in the same manner. Contact your investment provider directly to obtain assistance necessary to designate your beneficiary.

There are two types of beneficiaries:

Primary: These are the persons and/or organizations who you wish to receive your Plan account balances in the event of your death. You may designate more than one primary beneficiary by indicating what portion of your account balances should be directed to each individual and/or organization named. The total of all designations must equal 100%. If any primary beneficiary predeceases you, the surviving primary beneficiaries will share proportionately in your account balance.

Contingent: These are the persons and/or organizations who will receive your Plan account balances in the event of your death and in the event that none of the primary beneficiaries you have named survives you or continues to exist at the time of your death.

If you are married and no beneficiary has been named at the time of your death, your spouse will be your beneficiary under the Plan; however, if your spouse is not alive at that time, the executor, administrator, or other personal representative of your estate will be your beneficiary under the Plan.

If you are married your spouse is automatically your primary beneficiary. If you are married and name someone other than your spouse to receive all or part of your benefits, your spouse must give consent to your designation of another beneficiary in writing. A spousal consent form for this purpose is available online from each vendor or you may contact the vendor to have the applicable spousal consent form mailed to you. The form must be properly completed, be witnessed by either a Plan representative or a notary public, and then delivered to the vendor before the consent form will be effective.

You may change your beneficiary designations at any time (with proper spousal consent if you are married).

If your marital status changes from single to married or vice versa through death, marriage, or divorce, you must designate new beneficiaries properly reflecting your change in status.

For purposes of the Plan, "spouse" means the person to whom you are married under applicable state or other local law (but ignoring any restrictions that do not recognize a valid marriage performed in another jurisdiction based solely on the gender of you and/or the person you married)

Changes of Address

It is important that correct address records be maintained with the Human Resources – Benefits Office and with your investment provider. If you are an active employee, you may update your address online through Employee Self Service (ESS), and the information will be automatically sent to the investment provider(s). If you have terminated your employment, you must contact the investment provider(s) directly. It is important that quarterly statements reach you in a timely fashion. Additionally, benefits may be delayed or unpaid if you or your beneficiary cannot be located at the time a distribution is due from the Plan.

Tax and Financial Assistance

Because of the complexity of tax laws and everyone's individual financial situation, we cannot counsel employees on financial planning. Neither this booklet nor the notice are adequate substitutes for the advice of a tax or financial planning specialist. However, you will receive a notice describing these options in greater detail before the distribution is made.

Plan Amendment and Termination

Although the College intends to continue the Plan indefinitely, the College reserves the right to amend or terminate the Plan at any time.

Since the Plan is a defined contribution plan, it is not insured by the Pension Benefit Guaranty Corporation, Therefore, it is not covered by plan termination insurance.

Administration

Plan Benefit Statements

On a quarterly basis, you will receive a statement of your Plan benefits. The statement will show the contributions made to the Plan on your behalf, your vested benefit, the value of each investment, any limitations or restrictions on any right of the participant or beneficiary to direct an investment, any payments from the Plan, and an ending balance for that statement period. The statement will also explain the importance of a well-balanced and diversified investment portfolio, including the risks, as well as the website address of the Department of Labor for sources of information on individual investing and diversification. You may also view your account online by accessing it through the BCM Human Resources – Benefits Intranet website, or through the individual providers' websites.

How the Plan Is Administered

The Plan is self-administered by the College. The Human Resources and Compensation Committee of the College appoints the members of the Benefits Administrative Committee. The Benefits Administrative Committee is responsible for performing the day-to-day administration of the Plan; however, Baylor College of Medicine is the Administrator within the meaning of ERISA.

Your account balance may be reduced by adverse investment experience of the funds in which your contributions are invested, by any taxes assessed against or payable by the Plan, and by administrative costs incurred by the Plan to the extent that these costs are not paid by the College.

How Do I File a Claim for My Benefits?

You may contact Fidelity Investments and/or TIAA 30 days after your date of termination for forms or other information regarding a claim for benefits.

After you have completed the forms, under normal circumstances, your claim will be acted upon by the investment provider within 90 days (180 days if special circumstances require a delay) of receipt of your claim. If your claim is denied or reduced for any reason, the investment provider will notify you of its action, the reasons why, the Plan provisions upon which the denial or reduction is based, any additional material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary. The investment provider will also tell you how you can appeal the decision.

If your claim is denied or reduced, or the investment provider does not act upon your claim within 90 days, you (or your beneficiary) may file an appeal with the investment provider. In order to make an appeal, you must submit a written request to the investment provider within 90 days after your claim is first denied or reduced. If your appeal is not filed within 90 days, the denial becomes final. In your request for an appeal, you may submit any arguments, written comments, documents, records, and other information relating to your claim for benefits. In addition, you may receive on request and free of charge reasonable access to and copies of all information relevant to your claim. For this purpose, “relevant” means information that was relied on in making the benefit determination or that was submitted, considered or generated in the course of making the determination, without regard to whether it was relied on, and information that demonstrates compliance with the Plan’s administrative procedures and safeguards for assuring and verifying that Plan provisions are applied consistently in making benefit determinations. The investment provider will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether the information was submitted or considered in the initial benefit determination. You may either represent yourself or appoint a representative. The investment provider can schedule any meeting with you or your representative that it finds necessary or appropriate to complete its review.

The investment provider must make its decision under normal circumstances within 60 days after it receives the appeal. In special circumstances the decision may be delayed but must, in any event, be made no later than 120 days after the appeal is received. The decision on appeal will be in writing and will include specific reasons for its action, the Plan provisions on which its decision is based, and a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits, and a statement of your right to bring an action under section 502(a) of ERISA. If you do not receive a decision within the review period, the claim is treated as if it were denied on the last day of the review period.

If an extension of time for a decision upon a claim is required because of special circumstances, the investment provider will notify you of the extension in writing and will indicate the special circumstances.

General Information

Plan Not an Employment Contract

The adoption and maintenance of the Plan does not represent an employment contract between the College and its employees. Nor do adoption and maintenance of the Plan prohibit the College from discharging any employee at any time, with or without cause, or interfere in any way with an employee’s right to terminate at any time, in accordance with state and federal law.

No Oral Modification of the Plan.

No person has the authority to orally modify the Plan. Therefore, no Plan participant, designated beneficiary, or person claiming through the Plan participant or designated beneficiary, may rely upon any oral representations of any person concerning the coverage or benefits provided under the Plan, and no separate contract shall be created with any person as a result of the oral statement.

Arbitration

As described below, any controversy relating to the Plan must be resolved by arbitration on an individual basis in accordance with the Employee Benefit Plan Claims Arbitration Rules of the American Arbitration Association. You must exhaust the claims review and appeals procedures under the Plan before you may initiate an arbitration proceeding.

By accepting benefits under the Plan or seeking benefits under the Plan you agree to the Plan’s arbitration procedures described below.

Except for any claim that is pending in a court as of January 1, 2020, any controversy arising out of or relating to the Plan, including without limitation, any and all disputes, claims (whether in contract, statutory or otherwise) or disagreements concerning the interpretation or application of the provisions of the Plan, (each, a “Covered Claim”) shall be resolved by arbitration in accordance with the Employee Benefit Plan Claims Arbitration Rules (“Rules”) of the American Arbitration Association (the “AAA”) in effect at the initiation of the arbitration.

All Covered Claims shall be arbitrated on an individual basis and the Plan participant shall not have any right or authority to assert or pursue any Covered Claims as a class action or derivative action of any sort. In addition, notwithstanding anything to the contrary in the Rules (including Rule 12 entitled “Grouping of Claims for Hearing” or this rule’s successor), a Covered Claim by one Plan participant shall not be grouped or consolidated with a Covered Claim by another Plan participant in a single proceeding.

No arbitration proceeding relating to the Plan may be initiated by either the Employer or the Plan participant, unless the Plan's claims review and appeals procedures have been exhausted.

The arbitration shall be administered by the AAA. Three arbitrators shall hear and determine the controversy. Within twenty (20) business days of the initiation of an arbitration hereunder, the Employer and the Plan participant will each separately designate an arbitrator, and within twenty (20) business days of such selection, the appointed arbitrators will appoint a neutral arbitrator from the panel of AAA National Panel of Employee Benefit Plan Claims Arbitrators. All arbitrators shall be impartial and independent. The award (including a statement of finding of facts) shall be made promptly and no later than forty-five (45) days from the date of closing the hearings or, if the hearing has been on documents only, from the date of transmittal of the final statements and proofs to the arbitrator.

The arbitrators shall have the power to rule on their own jurisdiction, including any objections with respect to the existence, scope, or validity of the arbitration agreement or to the arbitrability of any claim or counterclaim, including a Covered Claim. The decision of the arbitrators selected will be final and binding upon both parties, and judgment on the award may be entered in any court having jurisdiction. The Plan's arbitration provision is expressly made pursuant to, and shall be governed by, the Federal Arbitration Act, 9 U.S.C. Sections 1-16 (or replacement or successor statute). Nothing in the Plan's arbitration procedures will be construed to, in any way, limit the rights, powers, and authorities of the Benefits Administrative Committee In any arbitration proceeding full effect shall be given to the rights, powers, and authorities of the Benefits Administrative Committee under the Plan.

Contractual Statute of Limitations for Claims and Disputes.

A Plan participant or designated beneficiary may not bring any arbitration, litigation or other action pertaining to a claim for benefits under the Plan following the earlier of the date that is (1) 365 days after the final denial of his or her claim for benefits, or (2) the expiration of the limitations period under Texas contract law (the applicable limitations period under ERISA.

Venue

Venue for all arbitration or litigation concerning any dispute relating to the Plan, including, without limitation, a claim for benefits under the Plan or any claim for breach of fiduciary duty under ERISA, will be in Harris County, Texas, and in the event of litigation, in the United States District Court for the Southern District of Texas (Houston Division).

Exhaustion of Administrative Remedies

Without limiting any provisions of the Plan, by accepting benefits or asserting a claim to benefits under the Plan, you, your spouse, your surviving spouse and designated beneficiary are affirmatively deemed to agree not to file suit in court or seek arbitration concerning a claim for benefits until such person has exhausted the claims and appeals procedures under the Plan.

Assignments Prohibited

Your benefits under the Plan are not subject to attachment or garnishment by your creditors or those of your beneficiary. Your benefits may not be assigned , sold, or used to borrow money.

Withholding Taxes.

The College and the Plan administrator may withhold from any payment under the Plan any taxes required to be withheld with respect to contributions or benefits under the Plan.

Conflicts Between the Plan and the Summary Plan Description.

To the extent that there is a conflict between the terms of the Plan, as it may be amended from time to time, and the terms of any summary plan description, the terms of the Plan, as it may be amended from time to time, shall govern.

Ambiguous Language.

If the Benefits Administrative Committee discovers Plan language that reflects a drafting error that is inconsistent with the College's intent and the operation of the Plan, the Benefits Administrative Committee may treat such language as an ambiguity. The College may amend the Plan retroactively to eliminate any Plan language that is determined by the Benefits Administrative Committee to be ambiguous.

Governing Law.

The provisions of the Plan shall be construed, administered, and governed under the laws of the State of Texas and, to the extent applicable, by the laws of the United States. In the event that the conflicts of law provisions of laws of the State of Texas would require the application of the relevant law of another jurisdiction, the relevant law of the State of Texas will still apply.

Your Rights under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA, which provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan administrator's office and at other specified locations, such as worksites, all documents governing the Plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed for the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the Plan administrator, copies of documents governing the operation of the Plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you of your vested rights under the Plan. If you do not have such vested rights, the statement will tell you how many more years you have to work to get vested rights. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may institute arbitration proceedings under the terms of the Plan (or file suit in a Federal court to the extent allowed under the Plan or otherwise required under ERISA). In such a case, the arbitrator or court may require the Plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may institute arbitration proceedings under the terms of the Plan (or file suit in a Federal court to the extent allowed under the Plan or otherwise required under ERISA). In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may institute arbitration proceedings under the terms of the Plan (or file suit in a Federal court to the extent allowed under the Plan or otherwise required under ERISA).

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may institute arbitration proceedings under the terms of the Plan (or file suit in a Federal court to the extent allowed under the Plan or otherwise required under ERISA). The arbitrator or court will decide who should pay arbitration/court costs and legal fees. If you are successful, the arbitrator or court may order the person you have sued to pay these costs and fees. If you lose, the arbitrator or court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan administrator. If you have any questions about this summary or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or at www.dol.gov/ebsa, or write to the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at **1-866-444-EBSA (3272).**

More Information about the Plan

The Human Resources – Benefit Office representatives will be glad to answer your questions and help you get the full benefits to which you are entitled. You may contact a Human Resources – Benefits representative by calling 713-798-1500, or by emailing ask-retirement@bcm.edu.

Plan Directory

Plan Name:	Baylor College of Medicine 403(b) Tax-Deferred Investment Plan
Type of Plan:	Tax-deferred annuity and custodial account plan
Plan Number:	008
Plan Year:	The fiscal records of the Plan are kept on a calendar year basis, beginning January 1 and ending December 31
Plan Sponsor, Plan Administrator and Employer:	Baylor College of Medicine One Baylor Plaza Houston, TX 77030 (713) 798-4951
Plan Administration Type	Third party contract administration
Federal Tax Employer Identification Number:	74-1613878
Agent for Service of Legal Process:	General Counsel Baylor College of Medicine One Baylor Plaza Houston, TX 77030 (713)798- 4951 Service of legal process may also be made upon the Plan Administrator

This summary is intended to briefly summarize the relevant terms in the Plan.
A complete copy of the Plan document is on file for any participant who desires more detailed information. If a question should arise concerning the Plan, the Plan document and not this summary will govern and determine your rights.

Baylor
College of
Medicine