

MEMORANDUM

To: Board of Trustees

From: Steven R. Schultz, SVP and General Counsel

Cc: Mung Chiang, President
Christopher A. Ruhl, EVP, Treasurer and Chief Financial Officer
Amy Boyle, VP for Human Resources
Candace Shaffer, Associate VP, Benefits & Payroll

Re: Retirement Plan Amendments

Date: December 13, 2024

This memo requests Board of Trustees approval of the attached Resolution to authorize various actions in connection with proposed amendments to the University's qualified retirement plans. The purpose of these amendments, which have been identified through a review of current plan provisions and practices, is to ensure compliance with new or updated IRS regulatory guidance, including the following changes to the Purdue University's 457(b) deferred compensation plan:

- Expanded ROTH in-plan conversion options
- Pre-tax and ROTH contribution option

Additionally, the amendments give effect to: (i) a definition for the term "Actuarial Equivalent" in the Purdue University Police Officer and Firefighter Pension Plan, and (ii) the allowance of after-tax (non-Roth) contributions effective as of January 1, 2024 under the Purdue University 403(b) Voluntary Retirement Savings Plan. Specifics are described in more detail in the attached resolution and amendments, which are generally self-explanatory.

The Board's adoption of the attached resolution is respectfully requested to give effect to the actions described therein.

**RESOLUTION OF THE BOARD OF TRUSTEES
OF THE TRUSTEES OF PURDUE UNIVERSITY**

- 1. GRANTING AUTHORITY TO ADOPT SECOND AMENDMENT TO THE PURDUE UNIVERSITY 457(b) DEFERRED COMPENSATION PLAN;**
 - 2. APPROVING AMENDMENT TO THE PURDUE UNIVERSITY VOLUNTARY 403(b) PLAN; AND**
 - 3. GRANTING AUTHORITY TO ADOPT AMENDMENT SEVENTH AMENDMENT TO THE PURDUE THE PURDUE UNIVERSITY POLICY OFFICERS AND FIREFIGHTERS PENSION PLAN**
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WHEREAS, the Board of Trustees (the “Board”) of The Trustees of Purdue University (the “Corporation”) is authorized by Indiana Code § 21-38-3-8 to fix and regulate compensation, including retirement programs, for the employees of Purdue University (the “University”); and

WHEREAS, the Board has previously authorized the establishment of various retirement plans, including: (i) the Purdue University 403(b) Voluntary Retirement Savings Plan; (ii) the Purdue University 457(b) Deferred Compensation Plan; and (iii) the Purdue University Police Officers and Firefighters Pension Plan.

WHEREAS, the above identified retirement plans require amendment to implement additional benefit features.

NOW THEREFORE, it is **RESOLVED** by the Board as follows:

1. Full power and authority are hereby conferred upon the Corporation’s Treasurer or Assistant Treasurer to, and the Corporation's Treasurer or Assistant Treasurer shall, amend the Purdue University 457(b) Deferred Compensation Plan in substantially the form of the Second Amendment thereto attached to this Resolution as Exhibit A.
2. Full power and authority are hereby conferred upon the Corporation’s Treasurer or Assistant Treasurer to, and the Corporation's Treasurer or Assistant Treasurer shall, amend Purdue University 403(b) Voluntary Retirement Savings Plan to provide for the allowance of after-tax (non-Roth) contributions effective as of January 1, 2024, and in such form as may be provided Fidelity as plan administrator, it being understood that the Treasurer and Assistant Treasurer may, in their judgment and discretion, and in consultation with Fidelity, approve the final language of the necessary amendment.
3. Full power and authority are hereby conferred upon the Corporation’s Treasurer or Assistant Treasurer to, and the Corporation's Treasurer or Assistant Treasurer shall, amend the Purdue University Police Officers and Firefighters Pension Plan in substantially the form of the Seventh Amendment thereto attached hereto as Exhibit B.
4. Full power and authority is hereby conferred upon the Corporation’s Treasurer and Assistant Treasurer, and each of them, to do all things and execute all instruments as, in their judgment and discretion, are deemed necessary or appropriate to effectuate these resolutions.

**SECOND AMENDMENT
TO THE
PURDUE UNIVERSITY
457(b) DEFERRED COMPENSATION PLAN
(Roth Contributions)**

The Purdue University 457(b) Deferred Compensation Plan (the “Plan”) is amended effective as of *January 1, 2024*, as follows:

1. **Section 1.2** “Purpose of Plan” is hereby amended by removing the phrase “on a pre-tax basis” in the first sentence.
2. **Section 2.5** “Elective Deferral” is hereby amended by adding the following language: “Elective Deferrals will be categorized as either Pre-Tax Deferrals or after-tax Roth Elective Deferrals.”
3. **Section 2.19** “Voluntary Salary Deferral Agreement” is hereby amended by adding the following language: “An Elective Deferral made through a Voluntary Salary Deferral Agreement may include Roth Elective Deferrals described in Section 2.21. An Elective Deferral contributed to the Plan either as a Pre-Tax Deferral or as a Roth Elective Deferral may not be re-classified as either type of Elective Deferral.
4. The following definitions are added to **Article 2** of the Plan:
 - 2.20 Pre-Tax Deferral means an Elective Deferral which is not a Roth Elective Deferral.
 - 2.21 Roth Elective Deferral means an Elective Deferral that is:
 - (a) Designated irrevocably by the Participant at the time of the Voluntary Salary Deferral Agreement described in Section 2.19 as a Roth Elective Deferral that is being made in lieu of all or a portion of the Pre-Tax Deferral the Participant is otherwise eligible to make under the Plan; and
 - (b) Treated by the Employer as includible in the Participant’s income at the time the Participant would have received that amount in cash if the Participant had not made an election to defer pursuant to the Voluntary Salary Deferral Agreement.
5. **Article 4** of the Plan is amended to include the following:
 - 5.8 Roth Contributions. The Plan will accept Roth Contributions made on behalf of Participants. A Roth Contribution is a Plan Contribution of amounts deferred pursuant to a Roth Elective Deferral, and all earnings, losses and fees on those amounts. A Roth Elective Deferral is made in lieu of all or a portion of the pre-tax Elective Deferral the Participant is otherwise eligible to make under the Plan and is treated by the Employer as includible in the Participant’s income during the taxable year in which the Participant contributed such amount to the Plan. Roth Contributions shall be held in a separately designated Roth Contribution Account for each Participant to reflect any Roth Elective Deferrals made on behalf of the Participant, along with any distributions, earnings, and charges allocable to such Roth Elective Deferrals.

6. **Article 5** of the Plan is amended to include the following:

5.8 In-Plan Roth Rollover.

- (a) An in-Plan Roth rollover may be accomplished by an in-Plan direct rollover or by a distribution of amounts to the Participant (if such amounts are otherwise eligible for distribution) who then rolls over the funds into the Participant's Roth Contribution Account in the Plan within 60 days in accordance with Section 402A(c)(4) of the Code. An in-Plan Roth rollover may be accomplished only by a direct rollover (not a 60-day rollover) if the amount is not otherwise eligible for distribution.
- (b) Any amount held in the Participant's Pre-Tax Elective Contribution Account is eligible for direct rollover to the Participant's Roth Contribution Account under the Plan, even if the amount is not otherwise distributable (pursuant to Section 402A(c)(4) of the Code) under this Article 5, and the transfer shall be treated as a qualified rollover contribution (within the meaning of Section 402A of the Code) to such Roth Contribution Account. Unless a Participant directs otherwise, in the event the Participant does not maintain a Roth Contribution Account at the time of the in-Plan Roth rollover, such in-Plan Roth rollover will be invested in the same Plan investment options as the Participant's Pre-Tax Contribution Account was invested in before the in-Plan Roth rollover occurred.
- (c) A Participant's election under this Section 5.08 shall be subject to the reasonable administrative procedures established by the Plan Administrator, Section 402A(c)(4) of the Code and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.
- (d) Any election under this Section 5.08 shall be irrevocable.
- (e) The taxable portion of the Participant's Pre-Tax Contribution Account transferred to a Roth Contribution Account under this Section 5.08 shall be included in the Participant's gross income in the tax year in which the transfer occurs.
- (f) The Plan shall provide written tax information regarding in-Plan Roth rollovers under this Section 5.08 for amounts that are otherwise distributable under Article 5 to the extent required by Section 402(f) of the Code.

7. **Article 7** of the Plan is hereby amended to include the following:

7.5 Pre-Tax and Roth Contribution Accounts.

- (a) Pre-Tax Elective Contribution Account. There shall be established and maintained in a separate Pre-Tax Elective Contribution Account for Pre-Tax Elective Deferrals in the name of each Participant, which shall be fully vested at all times, and to which shall be credited or charged: (i) Pre-Tax Elective Deferrals made to the Participant's account (ii) withdrawals, and (iii) any income or expenses, gains or losses (whether or not realized, based on a fair market value of invested assets) attributable or allocable thereto.
- (b) Roth Contribution Account. There shall be established and maintained a separate Roth Contribution Account for Roth Elective Deferrals in the name of each

Participant, which shall be fully vested at all times, and to which shall be credited or charged: (i) Roth Elective Deferrals made to the Participant's account (ii) withdrawals, and (iii) any income or expenses, gains or losses (whether or not realized, based on a fair market value of invested assets) attributable or allocable thereto. A Roth Contribution Account may not contain Pre-Tax Elective Deferrals or any earnings (whether or not realized) attributable or allocable to Pre-Tax Elective Deferrals.

- (c) Separate Accounting. For purposes of accounting: (i) contributions and withdrawals of Roth Contributions will be credited and debited to the Roth Contribution Account maintained for each Participant; (ii) the Plan will maintain a record of the amount of Roth Contributions in each Participant's account; (iii) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth Contribution Account and each of the Participants other accounts under the Plan; and (iv) no contributions other than Roth Contributions will be credited to each Participant's Roth Contribution Account.

IN WITNESS WHEREOF, The Trustees of Purdue University has caused this Second Amendment to the Purdue University 457(b) Deferred Compensation Plan to be executed this ____ day of December, 2024 by its duly authorized officer pursuant to the authority conferred by the Board of Trustees of The Trustees of Purdue University.

THE TRUSTEES OF PURDUE UNIVERSITY

By: _____
Christopher A. Ruhl
Treasurer

**SEVENTH AMENDMENT
TO THE
PURDUE UNIVERSITY
POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN**

The Purdue University Police Officers and Firefighters Pension (the “Plan”) is amended effective as of *July 1, 2024*, as follows:

1. **Section 2.1** definition of “Actuarial Equivalent” is hereby amended to read as follows:

“Actuarial Equivalent” means a benefit which is of equal value to a benefit or benefits otherwise payable in a different form under the Plan, based on PubS-2010 with SOA Scale MP-2021 and an interest rate of 6.25%. The Administrator may adopt tables of actuarial adjustments based on such rates for purposes of determining Actuarial Equivalent benefits.

IN WITNESS WHEREOF, The Trustees of Purdue University has caused this Seventh Amendment to the Purdue University Police Officers and Firefighters Pension Plan to be executed this ___ day of December, 2024 by its duly authorized officer pursuant to the authority conferred by the Board of Trustees of The Trustees of Purdue University.

THE TRUSTEES OF PURDUE UNIVERSITY

By: _____
Christopher A. Ruhl
Treasurer