Massachusetts Institute of Technology
457(b) Deferred Compensation Plan

2018 Program Description
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Introduction
This Program Description summarizes the main features of the MIT 457(b) Deferred Compensation Plan. It does not explain all of the Plan’s technical details or cover all aspects of the Plan, but it will provide you with a basic understanding of your benefits and rights under the Plan.

The actual terms of the Plan are stated in the Plan document, the legal document governing the Plan. Copies of the Plan document are available from MIT Employee Benefits. If there are any inconsistencies between this Program Description and the Plan document, the Plan document shall govern.

If you have questions about how the Plan applies to you, please contact MIT Employee Benefits.

Program Description
MIT offers two savings and investment programs, the MIT Supplemental 401(k) Plan and the MIT 457(b) Deferred Compensation Plan. These programs are in addition to the MIT Basic Retirement Plan, a pension plan funded completely by MIT with no contributions from you.

Similar to the 401(k) Plan
The 457(b) Plan is a savings and investment program similar to the 401(k) Plan, but with several important differences.

If you are eligible for the 457(b) Plan, you may voluntarily set aside a portion of your MIT income on a pre-tax basis and invest these contributions in accounts of your choice from a menu of investment options selected by MIT. You do not pay federal or Massachusetts income taxes on your contributions or associated investment earnings until you withdraw funds from the Plan. Withdrawal options are numerous and flexible, though more restrictive than the 401(k) Plan.

Typically, participants contribute to the Plan to enhance their retirement savings or to reach other long-term financial goals.

Different from the 401(k) Plan
Unlike the 401(k) Plan, eligibility for the 457(b) Plan is limited to highly compensated employees as required by federal law and described on the following page. Also required by federal law is that the contents of your 457(b) account remain the property of the Institute until withdrawn and are:

- subject to the claims of MIT’s creditors
- not assignable by you to anyone else
- not subject to the claims of your creditors

In contrast, the contents of your 401(k) account are held in trust solely for your benefit and are not the property of the Institute.

You will, however, be fully vested in your 457(b) account when you leave MIT. This means you have an irrevocable right to your account balance after you leave MIT. Also, upon your death, any unpaid balances will be paid to your designated beneficiary.

When your leave or retire from MIT, your full account balance will be automatically paid to you. Payments you receive from your 457(b) account are taxable in the year they are paid. You can elect to defer receiving your benefit to a later date, but not later than age 70½. Your deferral election must be made when you leave MIT.
The table below provides a comparison of the key features of the 401(k) Plan and 457(b) Plan.

<table>
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<th>Eligibility</th>
<th>MIT 457(b) Deferred Compensation Plan</th>
<th>MIT Supplemental 401(k) Plan</th>
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<tbody>
<tr>
<td>Pre-tax Employee Contributions</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Roth Post-Tax Contributions</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>MIT Matching Contributions</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Investment Decisions Made by Employee</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Maximum Employee Contribution for 2018</td>
<td>$18,500</td>
<td>($24,500 if age 50 or older in 2018)</td>
</tr>
<tr>
<td>Investment Options</td>
<td>Investment options available through TIAA-CREF</td>
<td>Numerous investment options available through Fidelity Investments</td>
</tr>
<tr>
<td>Withdrawal Options</td>
<td>Flexible, although more restrictive than the 401(k) Plan</td>
<td>Flexible</td>
</tr>
<tr>
<td>Rollover Options</td>
<td>Into another employer’s 457(b) Plan. Rollovers into an IRA are not allowed.</td>
<td>Into an IRA or another employer’s 401(k) or 403(b) plan</td>
</tr>
</tbody>
</table>


**Eligibility**

You must be eligible to participate in the MIT 401(k) Plan to be eligible to participate in the 457(b) Plan.

In addition, Federal law requires the 457(b) Plans be limited to an employer’s top management employees or highly paid employees. Accordingly, eligibility for the 457(b) Plan in any calendar year is limited to MIT employees whose

- total pensionable pay in the prior calendar year was at least 175% of the Social Security Taxable Wage Base in effect during the prior calendar year

  or

- annual pensionable rate of pay in effect on the last day of the prior calendar year was at least 175% of the Social Security Taxable Wage Base in effect the prior calendar year, regardless of actual pay received in that prior calendar year

  or

- rate of pay on their MIT date of hire is at least 175% of the Social Security Taxable Wage Base in effect the prior calendar year.

The Social Security Wage Base in 2017 was $127,200. Therefore, the eligibility threshold for 2018 is $222,600. This means 2018 457(b) eligibility will be extended to benefits eligible employees whose

- total pensionable pay in 2017 was at least $222,600

  or

- annual pensionable rate of pay in effect on the last day of 2017 was at least $222,600, regardless of actual pay received in 2017

  or

- rate of pay at hire in 2018 was at least $222,600.

The eligibility threshold will change as the Social Security Wage Base changes.
Annual Review of Eligibility
To ensure the Plan continues to meet federal requirements, employees will not be permitted to contribute to the Plan in any year in which they do not meet the eligibility criteria outlined above. Every year, MIT will inform employees whose eligibility changes, and whether they can contribute to the 457(b) Plan.

How the Plan Works
You designate your 457(b) Plan contributions by using the Voluntary Compensation Deferral Agreement. By executing this agreement, you agree to defer receipt of compensation in an amount you elect and instruct MIT to deposit your deferred compensation into an account in your name. Since you have not received the contribution as salary, you do not pay federal or Massachusetts income tax on the contribution, thereby lowering your current income tax liability.

Contribution Limits
The annual contribution limit is set by federal law. For 2018, the contribution limit is $18,500. Contributions to the 457(b) Plan do not reduce your contribution limits under the MIT 401(k) Plan. MIT does not match 457(b) Plan contributions.

Special 457(b) Catch-up Contributions for Individuals Ages 62, 63, and 64
In each of the three calendar years prior to the year in which your 65th birthday falls (i.e., if you turn age 62, 63, or 64 in 2018), you may elect a special catch-up contribution limit that could significantly increase your contribution above the $18,500 limit. Using this special catch-up contribution, your contribution limit for the year would be the lesser of:

1. twice the normal annual limit for the year
2. the annual limit for the year, plus any underutilized 457(b) Plan contributions for all prior years when you were eligible to contribute to the 457(b) Plan, but contributed less than the maximum allowed

Example: Special Catch-up Contribution Limit for 2018

<table>
<thead>
<tr>
<th>Age on 2018 Birthday</th>
<th>64</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 contribution limit</td>
<td>$18,500</td>
</tr>
<tr>
<td>Prior years unused contribution limit through 2017</td>
<td>$9,000</td>
</tr>
<tr>
<td>Total 2018 Special 457(b) Catch-up Contribution</td>
<td>The lesser of $37,000 ($18,500 x 2); or $27,500 ($18,500 + $9,000)</td>
</tr>
<tr>
<td>Special Catch-up Contribution Limit for 2018</td>
<td>$27,500</td>
</tr>
</tbody>
</table>

Investment Options
When you enroll in the Plan, an account in your name will be established at TIAA-CREF. You will choose how to allocate your contributions to the Plan among investment accounts made available by MIT. MIT places no restrictions on your investment allocation. Information about TIAA-CREF investment accounts is available at www.tiaa.org or call (800) 842-2776.
Payment of Benefits: Automatic Lump Sum
The full value of your account will be paid to you in a single lump sum on or about the 90th day following the end of the semi-annual period in which your MIT employment ends. For this purpose, the year's two semi-annual periods end March 31st and September 30th. So, if your MIT employment ends between October 1 and March 31, the full value of your account will be paid to you by June 29 following your MIT retirement or termination date. If your MIT employment ends between April 1 and September 30, the full value of your account will be paid to you by December 29 following your MIT retirement or termination date. Your total withdrawal will be subject to income tax withholding in the year it is paid. You may not receive payment earlier.

Election to Defer Payment
You may elect to defer payment to a later date if you make your election at least 30 days before the automatic payment date.

With this deferral election, you must choose:

1. the specific date on which deferred payment will begin. Once elected, you may change this date once to a later date. You may not change to an earlier date.
2. the withdrawal option to be used once payments begin. Once elected, you may change this election only once.

Withdrawal Methods
Numerous withdrawal options are available to help you meet your needs, including:

- **Lump Sum Withdrawal**
  You may elect to receive any portion of your accumulation in a single lump sum. Any remainder may be paid as an annuity (i.e., a monthly payment) or minimum distribution (i.e., an amount you are required to take).

- **Fixed Period Annuity (5 to 30 years)**
  Payments are made for a period of years elected by you. However, the period you elect may not exceed your life expectancy (or the joint life expectancy of you and your beneficiary).

- **Lifetime Annuities**
  Depending on the type of annuity you choose, payments are made for as long as you live or, if applicable, you and your beneficiary live.

For more information, contact TIAA-CREF at (800) 842-2776.

Withdrawals before MIT Employment Ends
If you are working at MIT and are at least age 70½, you may elect to receive payment as a lump sum, fixed period annuity, or lifetime annuity. For more information, contact TIAA-CREF at (800) 842-2776.

Minimum Required Distributions
Participants who have retired or terminated from MIT and are at least age 70½ must receive an annual minimum distribution from their 457(b) account. These regular payments are calculated to satisfy the federal minimum required distribution rules. For more information, contact TIAA-CREF at (800) 842-2776.

Taxes on Withdrawals
For purposes of federal income tax, payments will be treated as regular income in the year they are made. No penalty taxes apply for early withdrawal before age 59½.
In the Event ofYour Death
Immediately upon your death, the full value of your account will be payable to your named beneficiary(ies). However, if you were receiving annuity payments prior to your death, survivor benefits will depend on the annuity option you chose.

Unlike the 401(k) Plan, you may name anyone as your beneficiary(ies). Spousal consent is not required when naming your beneficiary(ies). You may update your beneficiary designations at any time. Please be sure to keep them up-to-date so that, in the event of your death, your benefits are paid according to your wishes. To change your beneficiary, request a beneficiary form from TIAA-CREF by calling (800) 842-2776.

In the Event You Become Divorced
Under the terms of a Qualified Domestic Relations Order (QDRO), the Plan may be required to transfer all or part of your account to your former spouse as part of a marital property settlement or to satisfy your child support obligations.

How to Start, Change, or Stop Contributing

To Start Contributing
Complete a 2018 MIT Voluntary Compensation Deferral Agreement and a TIAA-CREF 457(b) Deferred Compensation Plan Information Form and return both to MIT Employee Benefits. The TIAA-CREF account application is required even if you already have a 403(b) Plan account at TIAA-CREF since a MIT 457(b) Plan account must be established for this Plan.

Contributions will continue uninterrupted for employees who continue to be eligible from year-to-year unless they elect to change or to stop their contributions.

To Change Your Contribution Amount
Complete a 2018 MIT Voluntary Compensation Deferral Agreement and return it to MIT Employee Benefits. To obtain a 2018 Voluntary Compensation Deferral Agreement, either contact MIT Employee Benefits or visit http://hrweb.mit.edu/benefits/retirement/457b-plan.

To Stop Contributing
Complete a 2018 MIT Voluntary Compensation Deferral Agreement and return it to MIT Employee Benefits. To obtain a 2018 Voluntary Compensation Deferral Agreement, either contact MIT Employee Benefits or visit http://hrweb.mit.edu/benefits/retirement/457b-plan.

Deadline for Starting, Stopping or Changing Your Contribution
Your request to start, change, or stop contributing must be received by MIT Employee Benefits by the last day of a month before the month in which your request is to be effective. For example, to have your contribution change be effective with your January 2018 paycheck, MIT Employee Benefits must receive your Voluntary Compensation Deferral Agreement by December 29, 2017.

To Change Investment Options
To change how accumulated balances or future contributions are allocated among the TIAA-CREF investment options, call TIAA-CREF at (800) 842-2776 or visit www.tiaa.org.
Change of Address
You are responsible for notifying both MIT and TIAA-CREF of any change to your mailing address.

Future of the Plan
MIT expects to continue the Plan as a benefit to participants, but it reserves the right to change or to terminate the Plan at any time.

If you have questions about how the Plan applies to you, please contact MIT Employee Benefits:

Email
benefits@mit.edu

Campus
Telephone: (617) 253-6151
Building NE49-5000
77 Massachusetts Avenue
Cambridge, MA 02139

Lincoln Laboratory
Telephone: (781) 981-7055
Building S2-170
244 Wood Street
Lexington, MA 02420

For a brief overview of the MIT 457(b) Plan, go to:

If you have questions about investment or withdrawal options, please contact TIAA-CREF:

Telephone: (800) 842-2776
Online: www.tiaa-cref.org