

2021 HIGHLIGHTS

PUBLIC SCHOOLS OF THE CITY OF ANN ARBOR 403(B) PLAN

(as of January 1, 2021)

Ann Arbor Public Schools (“AAPS”) established the Public Schools of the City of Ann Arbor 403(b) Plan (“Plan”) for certain eligible employees. This 2021 Highlights document has been prepared to generally highlight certain important provisions of the Plan. Please note that this document does not give the full details of the Plan, nor any separate plans or programs of AAPS. This document is not meant to interpret, extend, or change the Plan in any way. In case of a conflict between this document and the actual provisions of the formal Plan document, the provisions of the Plan document shall control.

Basic Plan Information

Plan Name: Public Schools of the City of Ann Arbor 403(b) Plan

Plan Sponsor: Ann Arbor Public Schools, 2555 South State Street, Ann Arbor, Michigan 48104; EIN 38-6004028

Plan Administrator: AIG / VALIC, Retirement Manager, 1-866-294-7950

Agent for Service of Legal Process: Ann Arbor Public Schools, 2555 South State Street, Ann Arbor, Michigan 48104

Plan Year: January 1 to December 31

Benefits Generally Available

The following benefits are generally available to eligible participants in the Plan:

- Pre-Tax Elective Deferrals -- pre-tax salary reduction contributions can generally be made from an employee’s compensation into the Plan
- Roth Elective Deferrals – post-tax salary reduction contributions can generally be made from an employee’s compensation into the Plan
- Rollover Contributions – an active participant in the Plan may generally rollover money from a plan that is eligible to be rolled into the Plan.

Eligibility Requirements

Employees are generally eligible to participate in the Plan and make pre-tax elective deferrals and/or Roth elective deferrals immediately upon their hire date.

Eligible employees may make or change their deferral elections by returning a deferral election form to the Plan Administrator.

Contributions Limits

The maximum pre-tax elective deferral and Roth elective deferrals that a participant may make to this Plan is 100% of his or her compensation or the Code section 402(g) limit (\$19,500 in 2021) (as indexed), whichever is less.

Age 50 catch-up contributions are allowed (\$6,500 for 2021) (as indexed).

Vesting

Participants are fully vested in their elective deferral and rollover account balances.

Distributions and Loans

Distributions can generally be made upon termination of employment with AAPS in accordance with the terms and conditions of the Plan.

Additionally, the following in-service distributions are generally available from fully vested account balances in accordance with the terms and conditions of the Plan:

- After attainment of age 59 ½
- At any time for rollover contributions
- Upon disability
- In conjunction with certain military service (qualified reservist distributions and deemed severance distributions)
- Upon hardship
- Upon birth or adoption of a child

Loans can also generally be taken by active employees from vested account balances.

Investments

Participants can generally invest in annuity contracts and custodial accounts.

Participants can generally direct the investment of all or some of their account balances.

Participants may also be able to establish individual brokerage accounts under certain circumstances.

Please note that these Plan Highlights are intended to be a very concise overview of Plan features. For a detailed description of Plan features, please review the applicable Plan documents or contact the Plan Administrator and/or Plan Sponsor for additional information. The Plan features described in these Plan Highlights are subject to change. In the event of a discrepancy between

the applicable Plan documents and this Plan Highlights document, the Plan documents shall control.

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03/18/21