SUPPLEMENTAL NOTICE FOR SAFE HARBOR
MIT Supplemental 401(k) Plan
Plan Year Beginning January 1, 2020 and ending December 31, 2020

Important Information for MIT Employees
Special CARES Act Relief

To: MIT Employees Eligible to Contribute to the MIT Supplemental 401(k) Plan
From: MIT Human Resources/MIT Benefits
Date: May 4, 2020

Federal law requires that MIT provide all participants of the MIT Supplemental 401(k) Plan (“Plan”) with this notification annually, and at other times when there are important changes to the Plan. You are receiving this supplemental notification to describe important changes to the Plan effective May 1, 2020. These changes are intended to provide greater access to plan distributions and plan loans for individuals impacted by the novel coronavirus pandemic. These changes are further described in Section VI below. No other changes are being made to the Plan at this time.

SUMMARY

The Plan is intended to qualify as a profit-sharing plan under Sections 401(a) and 401(k) of the Internal Revenue Code (the “Code”). Under section 401(k) of the Code, participants in the Plan may contribute to the Plan on a before-tax basis (“elective contributions”), thereby saving and investing for retirement and deferring the taxation of these savings until they are paid as benefits. Participants in the Plan may also contribute to the Plan on an after-tax basis (“Roth contributions”). Elective contributions and Roth contributions are collectively referred to herein as “elective deferrals.”

To qualify under Section 401(k) of the Code, the Plan must satisfy certain nondiscrimination requirements. These requirements are imposed by federal law to prevent the Plan from discriminating in favor of highly-compensated employees. The Code provides plan sponsors (such as MIT) a method for satisfying these nondiscrimination requirements through certain plan provisions and notice requirements; this is referred to as the “safe harbor”. The Plan is intended to satisfy these safe harbor nondiscrimination requirements.

I. SAFE HARBOR FORMULA

One method of satisfying the safe harbor contribution requirement under the Code is for a plan sponsor to match a certain level of the contributions of participants. The Plan satisfies the safe harbor matching contribution requirement by providing dollar-for-dollar matching contributions by MIT equal to the participant’s elective deferrals up to the first 5% of the participant’s compensation.

II. ADDITIONAL CONTRIBUTIONS

MIT may also make discretionary matching contributions on behalf of every participant who makes elective deferrals for the plan year. The amount of discretionary matching contributions, if any, will be determined by MIT in its sole discretion.

In lieu of employee elective and discretionary matching contributions, MIT will make a special contribution, for disabled participants who are receiving disability benefits under MIT’s long-term disability program, equal to 10% of the participant’s rate of compensation in effect immediately before the participant became disabled.

III. COMPENSATION THAT MAY BE CONSIDERED FOR CONTRIBUTIONS

For purposes of making elective deferrals and matching contributions, “compensation” means regular basic salary or wages (before reduction for pre-tax deductions for health and welfare plan coverages) plus overtime, bonus, shift differential, summer session pay, and temporary rates paid by MIT to the individual after the individual becomes a participant. Compensation does not include any incentive, awards, or other additional payments for service, generally amounts paid after severance from
IV. HOW ELECTIVE DEFERRALS ARE MADE

Eligible employees who are not contributing to the Plan may do so at any time by calling 877-MIT-SAVE (648-7283) or by visiting http://netbenefits.fidelity.com. TTY service is available for the speech and hearing impaired by calling (800) 610-4015. Eligible employees can contribute up to $19,500 for 2020 ($26,000 if age 50 or older).

Plan participants can change their elective deferrals deductions at any time by calling 877-MIT-SAVE (648-7283) or by visiting http://netbenefits.fidelity.com. TTY service is available for the speech and hearing impaired by calling (800) 610-4015. Eligible employees can contribute up to $19,500 for 2020 ($26,000 if age 50 or older) as elective contributions, Roth contributions, or a combination thereof. Participants who make elective deferral changes by the 15th of any month will generally have the change be effective with their paycheck for the first pay period ending in the following month. Amounts will be credited to Participants’ accounts as soon as administratively practicable.

V. VESTING AND BENEFIT PAYMENTS

Plan participants are at all times 100% vested (that is, they fully own their benefit) in their accounts. Upon retirement or severance from employment, a participant can elect to receive his or her balances accumulated under the Plan in a lump sum or as a series of regularly scheduled payments.

Prior to separation from service, a participant will be able to withdraw amounts from the Plan if he or she has reached age 59 1/2 and is scheduled to work 50% or less of a regular full-time work schedule. Such a participant may withdraw amounts in the same forms available to participants who have retired or terminated employment. In addition, certain participants may be eligible to take a Coronavirus-Related Distribution, as further described in Section VI below.

Also, participants are generally eligible to request a loan from their plan accounts, except Roth contributions. In general, participant loans are limited to the lesser of 50% of their account balance, or $50,000; however, certain participants may be eligible to take loans in excess of this limit, as further described in Section VI below.

Married participants generally have to obtain spousal consent to obtain a withdrawal or loan.

However, a participant can withdraw or borrow amounts he or she has rolled over into the Plan from another qualified plan at any time, regardless of age or spousal/partner consent, subject to the procedural requirements established by the Plan’s administrator.

Furthermore, participants who are terminally ill, as determined by the Plan’s administrator, may also withdraw certain contributions prior to separation from service.

If there is any inconsistency between the information in this Notice and the provisions of the Plan Document, the Plan Document will govern.

Please note, for Roth contributions, certain tax liabilities may apply with respect to investment earnings on such contributions, if amounts are paid out earlier than five calendar years since Roth contributions commenced.

VI. SPECIAL CARES ACT RELIEF

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law on March 27, 2020 and provides relief to individuals impacted by the novel coronavirus pandemic, including relief available under the Plan. To be eligible for CARES Act relief described below, you must satisfy at least one of the following requirements:

- You have been diagnosed with COVID-19 or the virus SARS-CoV-2 by a test approved by the Centers for Disease Control and Prevention;
• Your spouse or other tax dependent (as defined in Internal Revenue Code Section 152) has been diagnosed with COVID-19 or the virus SARS-CoV-2 by a test approved by the Centers for Disease Control and Prevention; or
• You are experiencing adverse financial consequences as a result of –
  o being quarantined, furloughed, or laid off or having reduced work hours due to the novel coronavirus pandemic;
  o being unable to work due to a lack of child care caused by the novel coronavirus pandemic; or
  o closing or reducing hours of a business owned or operated by you due to the novel coronavirus pandemic.

If you satisfy at least one of the requirements above, you are an “eligible participant” for purposes of the relief described below.

**Coronavirus-Related Distributions:** If you are an eligible participant, you may withdraw up to $100,000 (or your total vested account balance, if less) from your account as a Coronavirus-Related Distribution at any time between May 1, 2020 and December 30, 2020. Certain balances due to contributions made prior July 1, 1989 may not be eligible for these distributions. The taxable portion of any Coronavirus-Related Distributions is includable in your gross income, but you may pay any federal income taxes on a Coronavirus-Related Distribution ratably over a three-year period beginning with the year of the distribution. In addition, Coronavirus-Related Distributions are not subject to the federal 10% early withdrawal penalty tax that normally applies to withdrawals taken before reaching age 59½. Subject to rules and procedures adopted by the Plan’s administrator in accordance with applicable IRS guidance, you may be permitted to re-contribute amounts received in a Coronavirus-Related Distribution to your account at any time during the three-year period beginning on the day after you receive the distribution.

**Loan Flexibility:** If you are an eligible participant, and you currently have an outstanding Plan loan, any loan repayments that are otherwise due between May 1, 2020 and December 31, 2020 may be suspended. Loan payments will resume in January 2021. If you delay your loan repayments, then subject to rules and procedures adopted by the Plan’s administrator in accordance with applicable IRS guidance, the amount of each required loan repayment upon reinstatement of your loan may be higher due to additional accrued interest during the period that your repayments were suspended. In addition to relief for existing loan repayments, if you request a Plan loan at any time during the 180-day period following enactment of the CARES Act (i.e., by September 22, 2020), the maximum amount of the loan (as described in Section V, above) is increased to the lesser of 100% of your vested account balance, or $100,000.

**Required Minimum Distributions:** If you are receiving required minimum distributions from the Plan, you are not required to take your required minimum distribution for the 2020 Plan Year. Unless you specifically request a distribution, you will not receive a required minimum distribution in 2020. In addition, if you reached age 70½ during 2019, you are no longer required to receive a required minimum distribution for the 2019 Plan Year by April 1, 2020.

### Future of the Plan

MIT expects to continue the Plan as a benefit to employees, but it reserves the right to change or terminate the Plan.

If you need additional information about the Plan, including a copy of the summary plan description (SPD), you may access the SPD online at https://hr.mit.edu/benefits/sars or contact the MIT Benefits by e-mail benefits@mit.edu or by phone (617) 253-6151.

The information contained herein has been provided by MIT and is solely the responsibility of MIT.