

MEMORANDUM

University of Pennsylvania

HUMAN RESOURCES

BENEFITS OFFICE

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TO: PARTICIPANTS IN THE UNIVERSITY OF PENNSYLVANIA BASIC PLAN

FROM: DIVISION OF HUMAN RESOURCES

DATE: FEBRUARY 1, 2006

RE: CHANGE TO TAX-DEFERRED RETIREMENT PLAN

**Summary of Material Modification for the University of Pennsylvania Basic Plan
Employer Identification Number: 23-1352685
Plan Number: 028**

As required by federal law, this is a Summary of a Material Modification ("SMM") to notify you about a material change to the University of Pennsylvania Basic Plan (the "Plan"). Together with the Summary Plan Description for the Tax-Deferred Retirement Plan of the University of Pennsylvania (the "SPD"), the SMM and SPD are intended to provide you with a general description of your Plan benefits. However, please keep in mind that the SMM and SPD are only summaries of the Plan's provisions. If you have questions about how the Plan is administered, you should request and review a copy of the official Plan document. In the event of a conflict between the SMM and the terms contained in the official Plan document, the terms of the official Plan document will control. (Note: Terms that are capitalized below have the same meaning as set forth in the SPD.)

Effective as of January 1, 2006, the Basic Contribution level for Participants who are 30 and under will be increased from 1% of Compensation to 1.5% of Compensation. Please note that a Participant must otherwise satisfy the Plan's eligibility requirements to receive this Basic Contribution. Also, if you are under age 30 as of January 1 and have satisfied the Year of Service requirement under the Plan, you will receive increased Basic Contributions from 1% of your Compensation to 1.5% of your Compensation for that year. Please note that if you are only eligible to receive Basic Contributions for a part of a year, your Basic Contributions will be based on your Compensation only for the period in which you are eligible to receive Basic Contributions under the Plan.