

SUMMARY PLAN DESCRIPTION
FOR THE
SUPPLEMENTAL RETIREMENT ANNUITY PLAN
OF THE UNIVERSITY OF PENNSYLVANIA

Note: This booklet is only a summary of certain portions of the Supplemental Retirement Annuity Plan of the University of Pennsylvania (the “Plan”). Only the Plan can give any person a right to benefits. This booklet does not describe all the provisions of the Plan and is not a substitute for the Plan. If you want to determine your rights, if any, under the Plan, ask to see a copy of the Plan. If anything in this booklet conflicts with the Plan, the terms of the Plan will be followed. Nobody speaking on behalf of the Plan or the Plan’s sponsor can alter the terms of the Plan.

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INTRODUCTION

Regardless of what retirement means to you now--or will mean to you when you get there--just about everybody worries about the same thing: financial security. Just how much money will you need to be financially secure and independent at retirement? That depends on many things--most of which are determined by your own personal situation. In your planning, remember that many work-related expenses drop out of your financial picture when you retire. If you have a family, your children will most likely be grown. You will no longer pay Social Security taxes when you stop working, and your other taxes probably will be less. So how much of your working income will you have to replace?

Obviously, based on individual responsibilities and potential sources of retirement income, each person's financial needs in retirement will differ. But two planning considerations apply in everyone's situation:

- First, aim for enough income to maintain your basic lifestyle.
- Second, begin making your retirement plans early.

Few people enjoy a comfortable retirement by accident; it takes careful thought and planning. The Trustees of the University of Pennsylvania (the "University") established the Plan to help eligible employees with their retirement goals.

The terms of the Plan are described in more detail below, but you should keep in mind that this booklet is only intended to give you a general description of the benefits provided under the Plan. Your rights to benefits under the Plan are determined solely by the provisions of the official Plan documents describing the terms of the Plan. **IN THE EVENT OF ANY CONFLICT BETWEEN THIS SUMMARY AND THE OFFICIAL TERMS OF THE PLAN DOCUMENT, THE TERMS OF THE OFFICIAL DOCUMENT FOR THE PLAN SHALL ALWAYS CONTROL.** Thus, if you want to determine your rights under the Plan, you should ask the Plan Administrator for a copy of the official Plan document.

GENERAL INFORMATION

General information applicable to the Plan:

- Name of Plan: Supplemental Retirement Annuity Plan of the University of Pennsylvania
- Type of Plan: 403(b) Defined Contribution Plan
- Plan Number: 002

- Employer/Plan Sponsor: The Trustees of the University of Pennsylvania
3401 Walnut Street, Suite 527A
Philadelphia, Pennsylvania 19104-6228
- Employer IRS Identification Number: 23-1352685
- Plan Administrator: Vice President of Human Resources
The University of Pennsylvania
3401 Walnut Street, Suite 527A
Philadelphia, Pennsylvania 19104-6228
(215) 898-7281
- Type of Administration: The University appoints an individual or individuals to administer the Plan.
- Agent for Service of Legal Process: Legal process on matters pertaining to the Plan may be served in the name of the Plan on the Plan Administrator at the address listed above.
- Plan Year: The Plan Year is January 1 through December 31. Prior to January 1, 2004, there was a short Plan Year from July 1, 2004 to December 31, 2004. Prior to July 1, 2004, the Plan Year was from July 1 to June 30.
- Investment Providers: Teachers Insurance and Annuity Association
College Retirement Equities Fund (TIAA-CREF)
730 Third Avenue
New York, New York 10017
(800) 842-2733

The Vanguard Group Inc.
P.O. Box 2600
Valley Forge, Pennsylvania 19482
(800) 523-1188

HOW THE PLAN WORKS

The Plan permits you to invest in tax-sheltered annuities and other investment funds. These tax-sheltered annuities and other investment funds are purchased with contributions that you make to the Plan. These contributions are discussed in more detail under the “Contributions” section.

Your benefits under the Plan are based on the contributions made by you and any investment gains and losses allocated to your account. Your account consists of the total of your accumulated contributions invested with each authorized investment provider. Currently, Teachers Insurance and Annuity Association/College Retirement Equities Fund (“TIAA-CREF”) and The Vanguard Group Inc. (“Vanguard”) are authorized investment providers under the Plan.

The University reserves the right to choose additional or alternative investment providers from among the insurance companies and open-end investment companies that offer tax-sheltered annuities and other investment funds.

HOW THE PLAN IS ADMINISTERED

The Plan is administered by the Plan Administrator who is appointed by the Executive Vice President of the University. The Executive Vice President of the University has appointed the University's Vice President of Human Resources to administer the Plan.

The Plan Administrator is responsible for all matters relating to the Plan, including, but not limited to: interpreting the Plan's provisions, resolving questions about eligibility to participate in the Plan, making decisions about claims for benefits, and establishing rules and procedures for the Plan's operation. The Plan Administrator may delegate responsibility for any aspect of the Plan's administration to other individuals or entities.

If you have any questions about the Plan or its administration, you should contact the Plan Administrator at the telephone number and address listed in the "General Information" section.

PARTICIPATION

All employees of the University who are "Eligible Employees" are eligible to participate in the Plan after satisfying the requirements described below. Keep in mind that all determinations about eligibility and participation will be made by the Plan Administrator based on its records and the official documents for the Plan. If you have any questions about your eligibility under the Plan, you should contact the Plan Administrator immediately at the telephone number and address listed in the "General Information" section.

Eligibility to Participate in the Plan

You generally are an Eligible Employee if you are employed by the University or an affiliate as a common law employee.

You are not an Eligible Employee and are NOT eligible to participate in the Plan if you are:

- *Hospital Employee* - An employee of the Hospital of the University of Pennsylvania or any other entity that is part of the University of Pennsylvania Health System.
- *Student Workers* - Individuals that are enrolled and regularly attending classes at the University and providing services to the University.
- *Leased Employee* - A leased employee.

- *Non-Employees* - Independent contractors and other individuals who are not classified as employees.

When Participation Begins

If you are an Eligible Employee, you may begin making contributions to the Plan by completing the enrollment process established by the Plan Administrator and the investment providers. Your participation generally will begin on the first payroll period following the completion of the enrollment process. You may begin participation at any time.

When Participation Ends

Your active participation in the Plan will end when you revoke your election to make contributions under the Plan, transfer to an ineligible class of employees, or terminate your employment with the University. However, you will remain a participant in the Plan as long as you have an account balance under the Plan.

CONTRIBUTIONS

The Plan is comprised exclusively of Employee Contributions. These are amounts that you contribute to the Plan.

All contributions are based upon a percentage of your “Compensation.” Compensation means your salary or wages reported on your W-2 form, pre-tax contributions to an Internal Revenue Code (the “Code”) section 125 or 403(b) plan, “Flex Dollars” received under the University’s Health and Welfare Program, and other forms of Compensation as determined by the University. Compensation does not include any overtime, bonuses, incentive pay through the “Management Incentive Program”, reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation, welfare benefits, amounts paid for accrued vacation, and salary received for teaching executive education courses at The Wharton School and other non-regular forms of Compensation as determined by the University. In addition, federal law limits the amount of compensation that may be taken into account for any calendar year. This federal compensation limit is currently \$210,000 for 2005, but may be adjusted by the federal government from time to time.

Election to Make Employee Contributions

Employee Contributions are the contributions you make to the Plan on a pre-tax basis. To begin making Employee Contributions, you must complete a Salary Reduction Election. A Salary Reduction Election authorizes the University to withhold a certain percentage of your Compensation for contribution to the Plan on a pre-tax basis. Your pre-tax Employee Contributions are not treated as taxable income for federal income tax purposes. However, they are subject to Social Security (FICA) tax and, depending on the state, may be subject to state

income tax withholding as well. Your Salary Reduction Election generally will be effective as of the first payroll period after it is received and processed by the Plan Administrator.

You can elect to contribute any amount of your Compensation to the Plan as Employee Contributions, but your Employee Contributions are subject to certain contribution limits imposed by the Code (see the section on “Limits on Contributions”). Also, if you participate in the Plan for only a part of a year, your allocation will be based on the portion of your Compensation for the period in which you participate. Your Employee Contributions will be added to your account after each payroll period.

Changing Your Election for Employee Contributions

You can change your Salary Reduction Election at any time during the calendar year by following the process established by the Plan Administrator. Any change will be effective as of the first payroll period after the new election is processed by the Plan Administrator. You can make as many changes as you want during a calendar year.

Catch-Up Contributions

If you are age 50 or older (or will attain age 50 prior to the end of the Plan Year), you may elect to make additional pre-tax contributions to the Plan called “catch-up contributions”. Like other pre-tax contributions, catch-up contributions are deducted from your pay before taxes, benefit from tax-deferred growth under the Plan, and are subject to restrictions on distribution.

Contributions During a Period of Military Leave

Federal law gives you the right to receive certain make-up contributions (or to contribute make-up contributions to a plan) if you return to employment after certain periods of military leave. Your right to receive (or make) these contributions is determined under federal law and depends upon when you depart for the military leave, how long you are gone, and when you come back. If you think you may be absent for a period of military leave, you should check with the Plan Administrator to find out what rights (if any) you have to receive (or make) these make-up contributions upon your return to employment with the University.

PARTICIPATION DURING A LEAVE OF ABSENCE

If you are on a paid leave of absence approved by the University, you may continue to make Employee Contributions during such leave of absence. However, if you are on an unpaid leave of absence approved by the University, you may not continue to make Employee Contributions during such leave of absence.

LIMITS ON CONTRIBUTIONS

Because federal tax law limits how much you can contribute, there may be cases where your Employee Contributions are less than the percentages which would otherwise apply. There are several different federal tax law limits that may reduce your Employee Contributions. These limits are described below. In the event you may exceed any of these limits, the University reserves the right to reduce the amount of the contribution you make under the Plan to comply with the limits.

Annual Limit on Elective Deferrals

In any calendar year, you generally may contribute up to a specific dollar limit in pre-tax Employee Contributions to the Plan and any other 403(b) plan, or any 401(k) plan or simplified employee pension plan ("SEP") in which you participate. This dollar limit is \$14,000 for 2005 and \$15,000 for 2006. Thereafter, the IRS will adjust the dollar amount in \$500 increments to reflect cost-of-living adjustments. Participants who are 50 or older or who have lengthy service with the University may be eligible to make special catch-up contributions that otherwise would exceed these pre-tax contributions as described in the "Catch-Up Contributions" section below.

If your pre-tax Employee Contributions under the Plan, plus your pre-tax contributions under any other 403(b) plan, 401(k) plan or SEP exceed this limit for any calendar year, you will have made "excess deferrals." It is your responsibility to determine whether you have made excess deferrals for a calendar year. Excess deferrals are included in your gross income for the calendar year in which the deferral is made. If you made excess deferrals for a calendar year and you want to have the excess deferrals distributed from the Plan, you should notify the Plan Administrator no later than March 1 of the year following the year in which the excess deferrals were made. If you notify the Plan Administrator within this time period, the excess deferrals and the applicable earnings will be distributed to you no later than the following April 15. These excess deferrals will be taxable to you for the year in which they were originally contributed to the Plan, but the earnings on such excess deferrals will be taxable to you in the year distributed. If you do not request a distribution of your excess deferrals, the excess deferrals will also be taxed to you in the year distributed.

Catch-Up Contributions

Depending upon your age and service, you may be able to make one or both of the following types of special catch-up contributions that would otherwise exceed the contribution limits as described in the "Limits on Contributions" section:

- *Age 50 and Older Catch-Up Contributions* - If you are age 50 or older at any time during a Plan Year and you contribute the maximum amount prescribed by the IRS for pre-tax contributions (\$14,000 during the 2005 calendar year) or you reach the Plan's percentage limit on pre-tax contributions, you are eligible to make additional pre-tax Employee Contributions to the Plan for the calendar year. The additional amounts are as follows:

\$4,000 for 2005, increasing to \$5,000 for 2006. Thereafter, the IRS will adjust the dollar amount in \$500 increments to reflect cost-of-living adjustments.

- *Long Service Catch-Up Contributions* - If you have completed 15 or more years of service with the University, the contribution limits may be increased by the amount of a catch-up contribution. The catch-up contribution is determined by multiplying your years of service by \$5,000 and subtracting out your actual Employee Contributions to the Plan (and salary reduction contributions to any other 403(b) plan, 401(k) plan, or SEP) during those years. However, you may not make a catch-up contribution that exceeds \$3,000 for any calendar year, and there is a lifetime cap of \$15,000 on all catch-up contributions.

Annual Limit on Contributions

Federal tax law limits the total amount of contributions that may be allocated to certain highly compensated employees for the year. If the limit is exceeded, excess contributions plus earnings may be distributed to the affected highly compensated employees or the University may place limits on the amount of contributions that highly compensated employees can make or receive under the Plan. For 2005, a highly compensated employee is generally defined as an employee receiving more than \$95,000.

VESTING

You always have a nonforfeitable or “vested” right to your Employee Contributions under the Plan.

YOUR INVESTMENT OPTIONS

Employee Contributions are invested in the manner you select. You may direct that your account be invested in any or all of the investment providers made available to you under the Plan. Within each investment provider, contributions can be allocated among any or all of the individual investment funds offered that are open to University employees. Your account under the Plan includes your total accumulation with all investment providers.

Currently, the University will remit contributions to two investment providers: TIAA-CREF and Vanguard. You may allocate contributions any way you choose among the two investment providers. You may change your investment election with respect to future contributions and transfer existing funds from one investment provider or investment option to another in accordance with rules established by the University and the investment providers (a current list of these available investment options is set forth in Exhibit A attached to the back of this booklet). You should contact the applicable investment provider if you would like to change your investment election or would like further information regarding the investment options that are available to you. (Contact information is set forth in the “General Information” section).

ACCOUNT INFORMATION

Account statements are provided to you quarterly by the investment providers. The account statement will show the status of your accumulations, including the total amount of contributions for the report period, and the current value of your accumulation in each investment fund or option in which you have invested (including any gains or losses).

Although the Plan Administrator and the investment providers will review and process your contribution and investment elections, it is your responsibility to make sure that your contribution and investment elections are implemented correctly. This means that you should review your pay stubs and your quarterly account statements to make sure that your contribution and investment elections were properly implemented. If you think that your contribution or investment elections were not properly administered, you should notify the Plan Administrator immediately. **IMPORTANT: IF YOU DO NOT NOTIFY THE PLAN ADMINISTRATOR OF ANY ERROR IMMEDIATELY, YOU WILL BE DEEMED TO ACCEPT THE MANNER IN WHICH YOUR CONTRIBUTION OR INVESTMENT ELECTION WAS IMPLEMENTED. THIS MEANS THAT IT WILL NOT BE POSSIBLE TO REVISE YOUR CONTRIBUTION OR INVESTMENT ELECTION RETROACTIVELY.**

PAYMENT OF YOUR ACCOUNT

Your accounts will be payable upon your retirement, death or other termination of employment.

Retirement or Other Termination of Employment

You may retire or otherwise terminate employment at any time and elect to have your account paid to you. Alternatively, you may elect to defer distribution of your accounts until a later date. But you may not defer distribution of your account beyond April 1 of the calendar year following the later of (i) the calendar year in which you reach age 70½, or (ii) the calendar year in which you terminate employment (your “Required Beginning Date”). However, portions of your accounts accrued before 1987 may be subject to more lenient distribution rules. You should contact the Plan Administrator or the investment providers for more information about these rules. You may be asked to provide additional information to the investment providers to take advantage of these more lenient distribution rules. (Contact information is set forth in the “General Information” section).

Form of Benefit

You can elect to receive your benefit in the form of a life annuity, a lump sum distribution, or any of the optional forms of benefits offered by the investment providers with which your account is invested.

- *Life Annuity* - If you elect to receive payment in the form of a life annuity, or if the investment option in which all or a portion of your account is invested so requires, the following joint and survivor annuity rules will apply:
 - Automatic Form of Annuity Payment for Unmarried Participants - If you are unmarried when payments begin, your account will be paid in equal, monthly installments for your life (that is, in the form of a “single life annuity”). No payments will be made to any beneficiaries you may have upon your death.
 - Automatic Form of Annuity Payment for Married Participants - If you are married when payments begin, your account will be paid as a “qualified joint and survivor annuity.” A qualified joint and survivor annuity provides equal monthly installments for you during your life and, if your spouse lives longer than you, monthly installments to your spouse for your spouse’s lifetime. The monthly benefit payable to your spouse upon your death must be equal to at least 50% but not more than 100% of the monthly installment paid to you during your lifetime. For purposes of this form of annuity payment, you may designate as your spouse, your same-sex domestic partner on a form provided by the Plan Administrator and in accordance with any rules established by the Plan Administrator.
 - Optional Forms of Annuity Payment - If you are unmarried, or if you are married and your spouse consents (consent of a same-sex domestic partner is not necessary), you may elect to receive your account in one of the optional forms of payment available to you through the investment provider. If you are married, your spouse’s consent to your election must be in writing and must be witnessed by a notary public. You do not need to obtain spousal consent if you establish that your spouse cannot be located or you furnish a court order establishing that you are legally separated or have been abandoned. You should contact the Plan Administrator or the investment provider to determine which payment options are available. (Contact information is set forth in the “General Information” section).
- *Single Sum Distribution* - If you terminate employment, you may receive a single sum cash payment of all of your Employee Contributions.
- *Optional Forms of Distributions* - Each investment provider with which your Employee Contributions are invested may offer various optional forms of benefit payments. You should contact the Plan Administrator or the investment provider to determine which options are available. (Contact information is set forth in the “General Information” section). If one of the options allows you to select a beneficiary and you are married, your beneficiary generally must be your spouse, unless your spouse consents, in writing notarized by a notary public, to the designation of another beneficiary, or your spouse cannot be located, or you have a court order stating that you are legally separated or have

been abandoned. If you are not married, you may designate any individual as your beneficiary. A beneficiary designation, or a change to such designation, must be made on a form provided by the applicable investment provider.

Payment of Your Account Upon Death After Payments Commence

If your death occurs after payment of your account has begun, any death benefit payable thereafter will be determined by the form of payment in effect prior to your death. If you die prior to your Required Beginning Date and distribution is not being made in the form of a life annuity, payment of the death benefit will begin on the date elected by your beneficiary and may commence as early as the first day of the month following your death by at least 30 days (or earlier if the funding provider so provides). However, benefits must be paid to your beneficiary no later than (i) December 31 of the year containing the fifth anniversary of your death, if payment is to be made in a lump sum, or (ii) December 31 of the year following the year of your death, if payment is to be made over the life or life expectancy of your beneficiary. If your spouse is your beneficiary, payment may be made on the later of December 31 of the year following your death or December 31 of the year you would have attained age 70½. If you have not named a beneficiary or your beneficiary does not survive you, your remaining account generally will be paid to your spouse, or, if there is no surviving spouse, to your estate.

Payment of Your Account Upon Death Before Payments Commence

- *Participant With No Surviving Spouse* - If you have no spouse when you die, the death benefit will be paid to the beneficiary you have designated to receive death benefits. The death benefit will be paid in the form of a lump sum distribution unless your beneficiary elects another form of payment available through the investment provider in which your account is invested. Payment of the death benefit will begin on the date elected by your beneficiary and may commence as early as the first day of the month following your death (or earlier if the investment provider so provides). However, benefits must be paid no later than (i) December 31 of the year containing the fifth anniversary of your death, if payment is to be made in a lump sum, or (ii) December 31 of the year following the year of your death, if payment is to be made over the life or life expectancy of your beneficiary. If you have not named a beneficiary or if your beneficiary does not survive you, your account generally will be paid to your estate.
- *Participant With Surviving Spouse* - If you have a spouse when you die, the death benefit will be paid to you as follows:
 - Participant Not Subject to Joint and Survivor Annuity Rules - If you have a spouse when you die and you have not elected a joint and survivor annuity at your death, the death benefit will be paid to your surviving spouse (including your designated same-sex domestic partner) unless you have elected an alternate beneficiary with your spouse's written consent, witnessed by a notary public. If your spouse is your beneficiary, the death benefit may be paid, as elected by your spouse, in any form of payment available through the investment provider option

in which your accounts are invested. Payment of the death benefit will begin on the date elected by your spouse, but no later than (i) December 31 of the year containing the fifth anniversary of your death, if payment is to be made in a lump sum, or (ii) December 31 of the later of the year following the year of your death or the year in which you would have reached age 70½, if payment is to be made over the life or life expectancy of your spouse. If you have named an alternate beneficiary with your spouse's consent, the death benefit will be paid as described in the paragraph above for a participant with no surviving spouse.

- Participant Subject to Joint and Survivor Annuity Rules - If you have a spouse (including your designated same-sex domestic partner) when you die and you are subject to the joint and survivor annuity rules described above, the death benefit will be paid to your surviving spouse in the form of an annuity for your spouse's life, unless your spouse elects an alternate form of payment. Payments will begin on the date chosen by your spouse, but no later than the date described in the paragraph above for spousal beneficiaries. Alternatively, you may elect to do the following:
 1. 50% Death Benefit to Spouse - Without your spouse's consent, you may elect to have 50% of your account paid to your spouse at your death in the form and manner described in this section and the remaining 50% paid to the beneficiary you designate in the form and manner described for non-spouse beneficiaries of participants not subject to the joint and survivor annuity rules.
 2. Waiver of Spouse's Annuity - In accordance with the rules established by the Plan Administrator, you may elect to waive the spouse's annuity and (i) have your account paid to the beneficiary you designate, instead, or (ii) have your account paid to your spouse in a form other than a life annuity. Your waiver of the spouse's annuity will only be effective if your spouse consents, in writing, to the waiver and to the beneficiary you have designated, in the presence of a notary public. You may revoke your waiver of the spouse's annuity at any time prior to your death by notifying the University in writing.

WITHDRAWAL DURING EMPLOYMENT

While you generally cannot receive income while you are still working, if you are 55 years or older, you may elect to begin receiving income under the TIAA Interest Payment Retirement Option (“IPRO”) while you are still employed at the University. If you are 59½, you may also start taking withdrawals of your accounts under the Plan. Additionally, some employees who reach age 70½ and are still working may be able to begin taking distributions of their accounts under the Plan.

Lastly, you may also be able to take a withdrawal of your contributions (exclusive of earnings) at any time if you have a financial “hardship.” In general, a withdrawal will be treated as being for a “hardship” if you need money for any of the following reasons:

- to pay expenses for medical care for you, your spouse, or other eligible dependents;
- to pay costs directly related to the purchase of your principal residence (not including mortgage payments or remodeling expenses);
- to pay tuition and related educational fees for the next year of post-secondary education, such as college or advanced technical school, for you, your spouse, or any eligible dependent;
- to pay amounts necessary to prevent eviction from, or foreclosure on the mortgage of, your principal residence;
- to pay for burial or funeral expenses for a parent, spouse, child, or dependent; or
- to pay for the repair of damage to your principal residence that qualifies as a casualty deduction under Code section 165.

You should contact the Plan Administrator and/or the applicable investment provider if you are interested in taking a withdrawal from the Plan.

LOANS

Although the Plan is intended to be a long-term retirement savings vehicle, there may be times when you need to access your savings—for example, to buy a home or pay college tuition—before retirement. While you are working, the Plan allows you to borrow a portion of your vested account for any reason. When you take a loan from the Plan, you are the lender as well as the borrower because you take money out of your own Plan assets and repay it with interest into your account. In other words, you repay yourself so that the money will still be available for your retirement. You will not pay taxes on the loan amount, as long as you repay it on time.

The rules regarding loans are governed by the Plan as well as by the procedures established by the investment providers. Currently, loans are offered through TIAA-CREF only. You may transfer eligible funds from Vanguard to TIAA-CREF to take a loan.

Loan Rules

You should contact TIAA-CREF for specific loan rules, however, the following rules generally apply:

- If your benefit under the Plan will be paid as a qualified joint and survivor annuity (as described earlier), your spouse must consent to the loan within the 90 days prior to the date the loan is made. This consent must be in writing, acknowledge the effect of the loan on your spouse's benefit under the Plan, be witnessed by a Plan representative or notary public, and is irrevocable.
- You may borrow up to the lesser of (1) \$50,000 reduced by any outstanding loans issued to you under the Plan or any other benefit plan sponsored by the University, or (2) 45% of your account balance under the Plan.
- The minimum loan amount is \$1,000.
- All loans must be adequately secured.
- You may choose a repayment period of up to five years. A loan used to acquire your primary residence may be repaid over a longer period in accordance with the rules prescribed by TIAA-CREF.
- Loan repayments (principal and interest) will be made in level payments, no less frequently than quarterly, over the repayment period. All repayments go back into your Plan account and are invested according to your most recent investment election.
- You may repay your total outstanding loan balance in full, in advance, at any time with no penalty.

Applying for a Loan

To apply for a loan, you must contact TIAA-CREF, by calling the Retirement Call Center at 1-877-736-6738.

If You Fail to Repay Your Loan

If TIAA-CREF determines that your loan is in default, the unpaid balance of the loan, with interest, shall be deemed a distribution and reported to the IRS as current taxable income. It is important to remember that a default on a loan under the Plan is taxable as ordinary income in the year that it occurs. If you are under age 59½, the default may also be subject to an additional 10% federal tax penalty for an early distribution.

ROLLOVERS

If you are entitled to receive a distribution from your account in the Plan which is an "eligible rollover distribution" (as determined under the Code), you may roll over all or a portion of it either directly, or within 60 days after receipt, into an IRA or another employer's plan (such as, a

403(b) plan, a 401(k) plan, or a governmental 457 plan). Special tax withholding rules apply to any portion of such a distribution that is not directly rolled over to an IRA or another employer's 403(b) plan. (See the section entitled "Tax Information").

NON-ASSIGNMENT OF BENEFITS

The Plan has been established to help provide financial security for you and your family. For this reason, you may not borrow against the value of your account or assign your rights under the Plan as collateral for a loan or for any other purpose. However, all or a portion of your benefit may be assigned under a federal tax lien or a qualified domestic relations order, as discussed below.

DOMESTIC RELATIONS ORDERS

Federal law requires the University to honor judgments, decrees or court-approved property settlement agreements arising under state domestic relations laws. To be honored, such domestic relations orders (referred to as "qualified domestic relations orders" or "QDROs") must require payments of all or part of your benefit under the Plan to your former spouse or your child(ren) and must comply with certain requirements of federal law. These orders must relate to, and must specify that they arise from, child support, alimony, or marital property rights. The Plan Administrator has procedures to respond to such QDROs. You should contact the Plan Administrator if you need further information or have any questions about QDROs. (Contact information is set forth in the "General Information" section).

TAX INFORMATION

You are not required to pay federal income tax on your account until amounts are actually distributed to you. If distributions are made to you before you reach age 59½, however, an additional 10% excise tax may be imposed on the distribution unless you meet one of the limited exceptions to this rule (for example, an exception exists for payments made for terminations of employment after age 55).

If you receive an eligible rollover distribution from the Plan which you do not have transferred directly to an IRA or another employer's qualifying plan as described in the section entitled "Rollovers" above, federal law requires the automatic withholding of 20% of the distribution as federal income taxes. You are not permitted to elect not to have tax withheld on such a distribution, even if you intend to roll the distribution over into an IRA or another employer's plan within 60 days.

Federal income tax must be withheld from any distribution from the Plan that is not an eligible rollover distribution, unless you elect not to have tax withheld. You will receive a tax

withholding election form when you apply for benefits. If you elect to have tax withheld from a distribution upon termination of employment, by law, the withheld amount will be calculated according to schedules published by the Internal Revenue Service. In certain cases, the amount withheld may not cover the actual tax due. Distributions from the Plan may also be subject to state and local income tax withholding.

Because tax consequences of distributions vary depending on factors such as age, marital status, and other income, you are strongly encouraged to consult with your personal tax advisor to determine how to treat any distribution from the Plan for tax purposes.

AMENDMENT OR TERMINATION OF THE PLAN

While it is expected that the Plan will continue indefinitely, the Board of Trustees of the University reserves the right to amend or terminate the Plan in whole or in part, or discontinue contributions to the Plan, at any time. The University, by action of the Board of Trustees (or a person who is delegated the authority to act by the Board of Trustees), also may delegate any of its power and duties with respect to the Plan to one or more officers or other employees of the University. In the event of termination, distribution will be made in accordance with the benefit provisions of the investment provider. No amendment to the Plan will reduce the amount of benefit you have accrued to date or divest you of any entitlement to a benefit.

LOSS, REDUCTION OR SUSPENSION OF BENEFITS

Under certain circumstances, your benefits may be lost, reduced or suspended. These circumstances include the following:

- *QDRO or Federal Tax Lien* - All or a portion of your benefits under the Plan is directed to be paid to your spouse, former spouse or child pursuant to a QDRO or are subject to a federal tax lien.
- *No Current Address* - You do not provide the University with your most recent address and you cannot be located.
- *No Proper Application for Benefits* - You fail to make proper application for benefits or fail to provide necessary information.
- *Investment Losses* - The value of your account decreases due to investment losses.

BENEFIT CLAIMS

If you feel that you are entitled to certain Plan benefits you are not receiving, you may make a written request to the Plan Administrator (or its delegate) for such benefits. If your request is denied, you will be notified in writing within 90 days after the Plan Administrator receives your request. This notice will contain the following information:

- The specific reason or reasons for the denial;
- Specific reference to the Plan provisions on which the denial is based;
- A description of any additional material or information necessary in order to present a thorough appeal and an explanation of why such material or information is needed; and
- An explanation of the claim appeal procedure and time limits applicable to the procedure, including a statement of your right to bring a civil action under ERISA Section 502 after a denial on appeal.

If the Plan Administrator needs more than 90 days to review your claim for benefits, you will be advised in writing within 90 days after the Plan Administrator receives your claim. The notice will tell you why the Plan Administrator needs more time (which cannot exceed an additional 90 days), and the date by which you can expect a decision.

If you disagree with the decision, you may appeal the denial to the Plan Administrator.

IMPORTANT: You must submit this appeal to the Plan Administrator within 60 days of the date that you receive the Plan Administrator's response to your initial claim. For purposes of the review, you have the right to:

- Submit written comments, documents, records and other information relating to the claim for benefits;
- Request, free of charge, reasonable access to, and copies of all documents, records and other information relevant to your claim for benefits; and
- A review that takes into account all comments, documents, records, and other information submitted by you relating to the claim, regardless of whether the information was submitted or considered in the initial benefit decision.

The denied claim will be reviewed by the Plan Administrator and within 60 days after receipt of the request for review, you will receive a written notice of the Plan Administrator's decision.

The notice will:

- Provide the specific reason(s) for the denial;
- Refer to the provisions of the Plan on which the denial is based;

- Contain a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- Describe any voluntary appeal procedures offered by the Plan and your right to obtain information about the procedures, and a statement of your right to bring a civil action under ERISA Section 502 if you disagree with the Plan Administrator's decision on appeal.

If the Plan Administrator needs more than 60 days to review the denied claim, you will be advised in writing within 60 days after the Plan Administrator receives the request for review. The notice will tell you why the Plan Administrator needs more time (which cannot exceed an additional 60 days), and the date by which you can expect a decision.

TERMINATION INSURANCE

The Employee Retirement Income Security Act of 1974 ("ERISA") created the Pension Benefit Guaranty Corporation ("PBGC"), which provides federal insurance for certain retirement benefits. The benefits under this Plan are NOT insured by the PBGC. The PBGC insures only pension plans that promise a fixed level of benefits without regard to whether sufficient contributions have actually been made. Under the Plan, the benefits promised are exactly equal to contributions actually made (adjusted by investment performance), so no insurance is provided.

YOUR RIGHTS UNDER ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Receiving Information About Your Plan and Benefits

ERISA provides that all Plan participants are entitled to examine, without charge, at the office of the Plan Administrator and other specified locations, such as worksites, all documents governing the Plan, including insurance contracts and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Participants are also entitled to obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, copies of the latest annual report (Form 5500 Series), and an updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies. The Plan Administrator is required by law to furnish each member with a copy of the Plan's annual financial report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, or any other person may prevent you from obtaining a pension benefit or exercising any of your rights under ERISA by firing you or discriminating against you in any way.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within a certain time schedule.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, you may file suit in federal court if you disagree with the Plan’s decision, or lack thereof, concerning the qualified status of a domestic relations order.

If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about the Plan, you should contact your Human Resources Department. If you have any questions about this statement or about your rights under ERISA or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory. Or, you can write to:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration, U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

EXHIBIT A

The investment providers and their funds as of August 2001 are as follows:

I. TIAA-CREF

A. Guaranteed

Annuity

TIAA Traditional Account

B. Equities

Variable Annuities

CREF Equity Index Account

CREF Global Equities Account

CREF Growth Account

CREF Stock Account

Mutual Funds

TIAA-CREF International Equity Fund

TIAA-CREF Large-Cap Value Fund

TIAA-CREF Mid-Cap Growth Fund

TIAA-CREF Mid-Cap Value Fund

TIAA-CREF Small-Cap Equity Fund

C. Real Estate

Variable Annuities

TIAA Real Estate Account

D. Fixed Income

Variable Annuities

CREF Bond Market Account

CREF Inflation-Linked Bond Account

E. Money Market

Variable Annuities

CREF Money Market Account

F. Multi-Asset

Lifecycle Funds

TIAA-CREF Lifecycle Fund 2010

TIAA-CREF Lifecycle Fund 2015

TIAA-CREF Lifecycle Fund 2020
TIAA-CREF Lifecycle Fund 2025
TIAA-CREF Lifecycle Fund 2030
TIAA-CREF Lifecycle Fund 2035
TIAA-CREF Lifecycle Fund 2040

G. Socially Responsible Investing

CREF Social Choice Account

II. The Vanguard Group

A. Money Market Funds

Federal Money Market Fund
Prime Money Market Fund
Treasury Money Market Fund

B. Bond Funds

Short-Term

Inflation-Protected Securities Fund
Short-Term Bond Index Fund
Short-Term Corporate Fund
Short-Term Federal Fund
Short-Term Treasury Fund

Intermediate-Term

GNMA Fund
High-Yield Corporate Fund
Intermediate-Term Bond Index Fund
Intermediate-Term Corporate Fund
Intermediate-Term Treasury Fund
Total Bond Market Index Fund

Long-Term

Long-Term Bond Index Fund
Long-Term Corporate Fund
Long-Term Treasury Fund

C. Balanced Funds

Asset Allocation Fund
Balanced Index Fund
LifeStrategy Conservative Growth Fund
LifeStrategy Growth Fund
LifeStrategy Income Fund

LifeStrategy Moderate Growth Fund
STAR Fund
Vanguard Target Retirement Income
Vanguard Target Retirement 2005
Vanguard Target Retirement 2015
Vanguard Target Retirement 2025
Vanguard Target Retirement 2035
Vanguard Target Retirement 2045
Wellesley Income Fund
Wellington Fund

D. Vanguard Stock Funds Domestic

Large-Cap

500 Index Fund
Calvert Social Index Fund
Equity Income Fund
Growth and Income Fund
Growth Equity Fund
Growth Index Fund
Morgan Growth Fund
PRIMECAP
Total Stock Market Index Fund
U.S. Growth Fund
U.S. Value Fund
Value Index Fund
Windsor II Fund

Mid-Cap

Capital Opportunity Fund
Capital Value Fund
Convertible Securities Fund
Extended Market Index Fund
Mid-Cap Growth Fund
Mid-Cap Index Fund
Selected Value Fund
Strategic Equity Fund
Windsor Fund

Small-Cap

Explorer Fund
REIT Index Fund
Small-Cap Growth Index Fund
Small-Cap Index Fund
Small-Cap Value Index Fund

E. Vanguard Stock Funds International

Developed Markets Index Fund
Emerging Markets Stock Index Fund
European Stock Index Fund
Global Equity Fund
International Explorer Fund
International Growth Fund
International Value Fund
Pacific Stock Index Fund
Total International Stock Index Fund

F. Sector Funds

Dividend Growth Fund
Energy
Healthcare