SUMMARY PLAN DESCRIPTION

FOR THE

RETIREMENT ALLOWANCE PLAN OF THE UNIVERSITY OF PENNSYLVANIA

Note: This booklet is only a summary of certain portions of the Plan. Only the Plan itself can give any person a right to benefits and this is not the Plan. 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 Plan will be followed. Nobody speaking on behalf of the Plan or the Plan 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 Retirement Allowance Plan of the University of Pennsylvania ("Plan") described in this summary plan description can help you meet the retirement goals that you set for yourself.

Benefits from the Plan could be an important part of your retirement income and you should understand how the Plan works. This summary plan description describes the Plan and should be retained as part of your permanent records. Every effort has been made to ensure that this description of the Plan accurately describes the Plan's relevant provisions, but if there is a difference between this summary and the Plan document, the terms of the Plan document always govern. You should feel free to ask the Plan Administrator if you have any questions about the Plan.

Although The Trustees of the University of Pennsylvania ("University") intend to operate the Plan indefinitely, the University reserves the right to amend or terminate the Plan at any time. Please see the section on "Amending or Terminating the Plan."

The Plan was most recently amended and restated as of July 1, 2002 and this summary describes the Plan as in effect on that date. Employees who terminated employment before this July 1, 2002 date generally will be subject to an earlier version of the Plan and should not rely on this summary.

GENERAL INFORMATION

- Plan Name: Retirement Allowance Plan of the University of Pennsylvania

- Plan Sponsor: The Trustees of the University of Pennsylvania
  3401 Walnut Street, 527A
  Philadelphia, Pennsylvania 19104

- IRS Identification Number of Plan Sponsor: 23-1352685

- Plan Number: 003

- Type of Plan: Defined Benefit Pension Plan

- Type of Administration: The University appoints an individual or individuals to administer the Plan.

- Plan Administrator: Vice President of Human Resources
  University of Pennsylvania
  3401 Walnut Street, 527A
  Philadelphia, Pennsylvania 19104
  (215) 898-6884

- Agent for the 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. Service may also be made on the Trustee.

- Plan Trustee: State Street Global Advisors
  P.O. Box 1389
  Boston, Massachusetts 02104-1389

- Plan Year: The Plan Year is July 1 through June 30.

HOW THE PLAN WORKS

Your benefit under the Plan generally is based on two factors: (1) your years of Benefit Service under the Plan; and (2) your Average Compensation. Your right to receive this benefit depends upon the length of your service with the University and whether you are fully vested when you terminate employment. All of these concepts are described in more detail below.

To provide benefits under the Plan, the University established a separate trust fund (administered by the Trustee) to hold the Plan's assets. The University periodically makes contributions to the Plan to fund the Plan's benefits. Employees are not required or permitted to make contributions to the Plan. All Plan benefits are paid from the Plan's trust fund and not by the University.

HOW THE PLAN IS ADMINISTERED

The Plan is administered by the Plan Administrator who is appointed by the University's Board of Trustees. The Board of Trustees 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 Plan eligibility, making decisions about claims for benefits, and establishing rules and procedures for Plan operation. The Plan Administrator may delegate responsibility for any aspect of Plan administration to other individuals or entities.

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

WHO PARTICIPATES IN THE PLAN

All employees of the University who are "Covered Employees" of the University are eligible to participate under the Plan after satisfying the Plan's eligibility requirements as 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.

Covered Employees

The following groups of employees are Covered Employees of the University and are eligible to participate in the Plan upon the satisfaction of the Plan's eligibility requirements:

- *Eligible Non-Union Employees* - Regular weekly and monthly-paid employees who are not covered under a collective bargaining agreement and who are designated by the University in its employment guidelines and policies as being covered by the Plan.

- *Eligible Union Employees* - Employees covered under a collective bargaining agreement where such agreement explicitly provides for participation in the Plan.

- *Other Eligible Employees* - Any other employee who is designated by the University in its employment guidelines and policies as being eligible to participate in the Plan.

The following groups of employees are NOT Covered Employees and are NOT eligible to participate under the Plan:

- *Student Workers* - Individuals that are classified by the University as students, residents, fellows, or interns or any workers whose employment is incidental to their educational program with the University or that is otherwise not intended to be permanent or for an indefinite period of time.

- *Post-Doctoral Students* - Students and other individuals employed or performing services as part of a post-doctoral program with the University.

- *Collectively Bargained Employees* - Employees covered by the terms of a collective bargaining agreement (unless the collective bargaining agreement explicitly provides for participation in the Plan).

- *Leased Employees* - Employees who are leased employees.

- *Employees Covered Under the Health System Plan* - Employees who are employed by a division or affiliate of the University and who are covered by the Retirement Plan of the Hospital of the University of Pennsylvania, Presbyterian Medical Center and the Pennsylvania Hospital (the "Health System Plan").

- *Employees Covered Under the TDR Plan* - Employees who are covered by the University's Tax-Deferred Retirement Plan ("TDR Plan").

- *Employees Covered Under the Police Officers Plan* - Employees who are police officers and are covered under the University of Pennsylvania Fraternal Order of Police Pennsylvania Lodge 113 Defined Benefit Retirement Plan ("Police Officers Plan").

- *Faculty Employees* - Employees who are designated as faculty employees by the University in its employment guidelines and policies.

- *Certain Part-Time and Temporary Employees* - Part-time or temporary employees who never accrue 1,000 or more Hours of Service during either the first 12 months of service with the University or during any subsequent Plan Year beginning after the first date of employment.

- *Independent Contractors* - Individuals classified by the University as independent contractors or non-employees.

Eligibility Requirements

Eligibility requirements are different for full-time and part-time Covered Employees. These eligibility requirements are as follows:

- *Eligibility for Full-Time Covered Employees* - If you are a full-time Covered Employee, you are eligible to participate under the Plan as of the first day of the month after you reach age 21 and complete one year of Vesting Service (Vesting Service is discussed in the section on "Service Under the Plan").

- *Eligibility for Part-Time Covered Employees* - If you are a part-time Covered Employee, you are eligible to participate under the Plan as of the first day of the month following the date upon which you reach age 21 and complete 1,000 Hours of Service (Hours of Service are discussed in the section on "Service Under the Plan") during either your first 12 months of employment or during any Plan Year commencing after your first day of employment.

Eligibility and Reemployment

If you terminate employment after becoming a Plan participant as described above and are later reemployed as a Covered Employee before you have incurred a Break in Service or a Period of Severance (these terms are discussed in the section on "Service Under the Plan"), you will immediately participate in the Plan upon your reemployment. If you terminate employment after becoming a Plan participant (or after satisfying the Plan's eligibility requirements) as described above and are later reemployed as a Covered Employee after incurring a Break in Service or a Period of Severance and (1) you are fully vested in your benefit when you leave or (2) you are reemployed by the University within 5 years, you will become a Plan participant immediately upon your reemployment. Otherwise, if you are reemployed by the University, you generally will become a Plan participant only after you satisfy the Plan's eligibility requirements for a new employee.

Notwithstanding the foregoing, due to changes in the University's benefit programs, certain rehired employees may not be eligible to resume Plan participation and will instead be covered under the University's TDR Plan.

SERVICE UNDER THE PLAN

Service is an important concept under the Plan because it is used to determine your eligibility to participate under the Plan, your "vested" interest in Plan benefits, your eligibility for early retirement benefits, and the amount of your Plan benefits. Service is counted differently for full-time employees and part-time employees. If you are a full-time Covered Employee, your service generally is based upon your period of employment with the University or a related employer. If you are a part-time Covered Employee, your service generally is based upon the Hours of Service you accrue during your period of employment with the University or a related employer.

Counting service under the Plan can be complicated, particularly if you terminate employment and are later reemployed, if you transfer to a different job status or to a related employer, or if you are absent from active employment for some reason (for example, a period of disability). Thus, if you have questions about your service under the Plan, you should contact the Plan Administrator.

Important Terms to Understand

As you review this portion of the summary relating to service, you should understand what the following terms mean:

- *Hours of Service* - You will be credited with an Hour of Service for each hour for which you are paid or entitled to be paid by the University or a related employer for the performance of your job duties. If you are paid for non-working periods such as vacation, holiday, and sick time, you will receive credit for some or all of the Hours of Service for those periods. You will also be credited with Hours of Service during certain periods of absence (for example, a military leave of absence or an authorized leave of absence determined under the University's disability or leave policies).

- *Breaks in Service* - If you are a part-time employee, you generally will have a Break in Service for any Plan Year in which you fail to complete more than 500 Hours of Service. Certain absences (for example, an absence due to pregnancy or the birth/adoption of your child or an absence due to leave under the Family Medical Leave Act), however, will not immediately cause a Break in Service.

- *Period of Severance* - If you are a full-time employee, you generally will have a Period of Severance if you do not complete any Hours of Service during a 12-consecutive-month period following your termination of employment. For purposes of a Period of Severance, your termination of employment occurs on the day you quit, retire, are discharged or die, or, if earlier, the first anniversary of the first day of a period during which you are absent from the University and any related employers. Certain absences (for example, an absence due to pregnancy or the birth/adoption of your child or a military leave), however, will not immediately cause you to have a Period of Severance.

<u>Vesting Service</u>

The amount of Vesting Service you have will determine your "vested" or ownership interest in your Plan benefits (see the "Vesting" section).

- *Vesting Service for Full-Time Employees* - If you are a full-time employee, you will be credited with a year of Vesting Service for each 12-months of employment with the University or a related employer. If you terminate employment and you are reemployed before a Period of Severance, the period of time between your termination of employment and your reemployment will be credited to you as Vesting Service. You will also be credited with Vesting Service during periods of disability and certain leaves of absences that are authorized under the University's disability and leave policies.

- *Vesting Service for Part-Time Employees* - If you are a part-time employee, you will be credited with a year of Vesting Service for each Plan Year in which you complete 1,000 or more Hours of Service with the University or a related employer.

<u>Benefit Service</u>

The amount of Benefit Service you have under the Plan will be used to determine the amount of your benefits under the Plan.

- *Benefit Service for Full-Time Employees* - If you are a full-time employee, you generally will be credited with Benefit Service (counted in full years and months of service) for the period of time that you are a Covered Employee. You will also be credited with Benefit Service for certain periods of absence (including periods of disability, absence for certain periods of military service, and for certain brief absences of less than 6 months that are authorized under the University's disability and leave policies).

- *Benefit Service for Part-Time Employees* - If you are a part-time employee, you generally will be credited with a year of Benefit Service for each Plan Year that you are a Covered Employee and you complete 1,000 or more Hours of Service. For purposes of determining your Benefit Service, you will be treated as accruing Hours of Service during certain periods of absence (including periods of disability, leaves of absence for certain periods of military service, and for certain other leaves of absence of less than 1 year that are authorized under the University's disability and leave policies).

Service and Reemployment

If you terminate employment and are later reemployed, under some circumstances, the Vesting and Benefit Service you accrued before your termination of employment will be restored to you.

- *Restoration of Vesting Service* - Vesting Service will be restored to you upon your reemployment if (1) you were fully vested in your benefit when you terminated or (2) you are reemployed by the University or a related employer after a Break in Service or a Period of Severance that is not longer than 5 years. Before such Vesting Service will be restored, however, you must first complete a year of Vesting Service after your reemployment. Any such restored Vesting Service will be added to any Vesting Service that you earn after your reemployment.

- *Restoration of Benefit Service* - Benefit Service will be restored to you upon your reemployment if (1) you were fully vested in your benefit when you terminated employment or (2) you are reemployed by the University or a related employer after a Break in Service or a Period of Severance that is not longer than 5 years. However, your Benefit Service will not be restored to you under any circumstances if you received a cash-out of your benefit upon your earlier termination of employment. Any Benefit Service that is restored to you upon your reemployment will be added to any Benefit Service that you earn after your reemployment.

Service and Transfers

This section describes how your service and benefits will be impacted if you transfer employment to a position that is not covered by the Plan and/or you transfer employment to a related entity that also sponsors a defined benefit plan.

- *Service with a Related Employer as a Non-Covered Employee* - Your service with the University or any related employer while you are not a Covered Employee will be counted as Vesting Service (but not Benefit Service) under the Plan.

- *Transfer to Employment as a Non-Covered Employee* - If you are a Covered Employee and you transfer to non-covered employment, you will continue to be a participant and accrue Vesting Service (but not Benefit Service) under the Plan. Any future changes in the Plan's benefit formula will apply to you unless you elect to participate in the TDR Plan, in which case, your benefit would be based upon the benefit formula in effect when you first transferred to non-covered employment.

- *Transfer "to" or "from" a Related Entity Sponsoring a Defined Benefit Plan* - If you transfer employment "to" or "from" a related employer that also sponsors a defined benefit plan (for example, the Health System sponsors the Health System Plan, a defined benefit plan that is very similar to this Plan), all of your service will be counted as both Vesting and Benefit Service under the "transferor plan" (the last plan that covers you before you terminate employment). The benefit that is provided to you under the transferor plan will be reduced by the value of the benefit provided to you under the "transferee plan" (the first plan in which you participated). By counting all of your service under the transferor plan, your benefits will keep pace with the additional service and compensation that you earn later in your career. The net effect of these transfer provisions is to ensure that your benefits under both plans are not reduced by your transfer of employment.

If you have questions about how these service and transfer provisions apply to you, you should contact the Plan Administrator for more information.

RETIREMENT BENEFITS

Assuming that you meet any necessary eligibility requirements, you may retire under the Plan at an early, normal or postponed retirement date.

- *Normal Retirement* - You may retire with a normal retirement benefit upon reaching your Normal Retirement Age while employed by the University or a related employer. Your Normal Retirement Age is age 65 if you were hired by the University prior to July 1, 1990, or, if you were hired after July 1, 1990, the later of your 65th birthday or the 5th anniversary of the date you started participating in the Plan.

- *Early Retirement* - You may retire from the University or a related employer with an early retirement benefit at any time after age 55 if you have 5 or more years of Vesting Service.

- *Postponed Retirement* - If you are still employed by the University or a related employer after reaching your Normal Retirement Age, the Plan will begin paying your benefits to you when you terminate employment. You can, however, elect to start your retirement benefit at age 70½ even if you are still employed. If you want to make this election, you should check with the Plan Administrator for more details.

CALCULATING YOUR RETIREMENT BENEFIT

The amount of any retirement benefit you may receive under the Plan will depend upon a number of factors (your compensation, your years of Benefit Service, and when you retire or terminate employment with the University). This section describes these factors in more detail and includes several examples to show you how retirement benefits are calculated under the Plan.

Normal Retirement Benefit

As described in the examples below, your monthly normal retirement benefit is calculated under the following benefit formula:

Your Years of Benefit Service
multiplied by
Your Average Compensation
multiplied by
Percentage Multiplier of 1.25%
divided by
12 months

Under this formula, two of the most important factors for determining your retirement benefits are your years of Benefit Service and your Average Compensation. Your years of Benefit Service are determined in accordance with the service provisions above. Your Average Compensation is the average of your 5 highest Plan Years of compensation during the previous 10 Plan Years. Your compensation for a Plan Year is your basic annual rate of pay in effect on July 1 of the Plan Year, up to a compensation limit imposed under federal tax laws (this limit is $200,000 for the 2002 Plan year and may be adjusted periodically by the federal government). For purposes of the Plan, your compensation does not include any overtime, bonus, shift premiums, fringe benefits or most other non-regular forms of compensation, but your compensation will be determined before amounts are deducted from your compensation for contributions to the University's pre-tax 403(b) program, or to pay for benefits under the University's Health and Welfare Program. If you are absent due to a period of disability or other authorized absence, your compensation during the period of such absence will be the rate of pay in effect before the period of such absence. (Note: If you elected to transfer to the TDR Plan, your compensation on and after the date of such transfer will not be included in determining your Average Compensation.)

Examples of Retirement Benefit Calculations

Example 1: Assume that Richard started to work for the University at age 35 and retires at age 65 with 30 years of Benefit Service. During his highest-paid 5 years with the University during his last 10 years of service, his compensation was as follows:

$21,000 + 23,000 + 25,000 + 28,000 + 30,000 = $127,000

When Richard's 5 highest-paid years, as indicated above, are added and divided by 5, his Average Compensation is $25,400 ($127,000/5 = $25,400). Given that Richard's Average Compensation is $25,400 and he has 30 years of Benefit Service, his monthly normal retirement benefit would be calculated as follows:

Richard's Average Compensation	$25,400
multiplied by	
Percentage Multiplier of 1.25%	1.25%
multiplied by	
Richard's Years of Benefit Service	30
divided by	
12 months	12
equals	
Monthly Plan Benefit	$793.75

Example 2: Assume that Nancy started to work for the University at age 50 and retires at age 65 with 15 years of Benefit Service. Nancy's Average Compensation is $16,000. Given these factors, Nancy's monthly normal retirement benefit would be calculated as follows:

Nancy's Average Compensation	$16,000
multiplied by	
Percentage Multiplier of 1.25%	1.25%
multiplied by	
Nancy's Years of Benefit Service	15
divided by	
12 months	12
equals	
Monthly Plan Benefit	$250.00

Early Retirement Benefit

If you retire early (any time after age 55 if you have 5 or more years of Vesting Service), you can choose to begin receiving your monthly benefits before you reach your Normal Retirement Age. If you choose to start your benefits before Normal Retirement Age, however, your benefits will be reduced because the Plan may have to pay benefits to you over a longer period of time. Your retirement benefits will be reduced by:

- *First 60 Months* - 5/9 of 1% for each of the first 60 months that your benefits start before your Normal Retirement Age.

- *Next 60 Months* - 5/18 of 1% for each of the next 60 months that your benefits start before your Normal Retirement Age.

By way of example, early retirees who retire at the following ages will receive the following percentages of their normal retirement benefit:

Age 55 - 50%
Age 60 - 66.67%
Age 62 - 80%
Age 63 - 86.67%
Age 64 - 93.33%

Example 3: This example shows how the Plan's benefit formula would work for someone who retires early. Assume that Anne retires at age 55 with 25 years of Benefit Service, that her Average Compensation is $21,300, and that she elects to receive her retirement benefit immediately. Given these factors, Anne's monthly early retirement benefit would be calculated as follows:

Anne's Average Compensation	$21,300
multiplied by	
Percentage Multiplier of 1.25%	1.25%
multiplied by	
Anne's Years of Benefit Service	25
equals	
Monthly Plan Benefit	$544.69
multiplied by	
50% Early Retirement Reduction	.50
divided by	
12 months	12
equals	
Monthly Plan Benefit	$277.34

The example shows that Anne would receive a monthly benefit of $277.34 for life, beginning at age 55. Note that if Anne had elected to retire at age 55 but postponed the start of her benefits until Normal Retirement Age, she would have received a full monthly normal retirement benefit of $554.69.

Postponed Retirement Benefit

You may continue to work beyond your Normal Retirement Age. If you delay retirement beyond your Normal Retirement Age, your monthly benefit will be paid when you retire (unless you elect to start your benefits at age 70½). When your benefits begin, they will be equal to your benefit determined as described under the "Normal Retirement Benefit" section, using your years of Benefit Service and your Average Compensation as of your actual retirement date.

Minimum Pension Benefit

The Plan provides that you will receive a monthly benefit of at least $100 if you have been credited with 10 or more years of Benefit Service and you retire at your Normal Retirement Age or older. This means that if your normal retirement benefit calculated by the formula above is less than $100 and you satisfy these minimum requirements, you will receive the $100 minimum monthly benefit. The amount of this minimum benefit may be reduced if it is paid in a form other than a Single Life Annuity (see the section on "Forms of Benefit Payment").

DISABILITY BENEFITS

If you meet all the Plan's requirements, you may be eligible to receive disability benefits under the Plan. The Plan does not pay monthly benefits during your disability; rather, you continue to earn Benefit Service toward your retirement benefit while you are disabled. You will be considered to be disabled for Plan purposes if you are eligible for, and receiving benefits under, the University's long-term disability program. If you become disabled while you are a Covered Employee, you will continue to earn Vesting and Benefit Service under the Plan until the earliest of:

- *Benefit Payment Date* - The date as of which you first begin receiving benefit payments from the Plan.

- *Normal Retirement Age* - The date you reach your Normal Retirement Age, or, if later, the date you stop receiving benefits from the University's long-term disability program.

- *Refuse Medical Examination* - The date you refuse to submit to an examination by a medical examiner that is chosen by the Plan Administrator.

- *Disability Ends* - The date you are no longer disabled as determined under the University's long-term disability program.

- *Death* - The date you die.

If you recover from your disability (as determined under the University's long-term disability policy) and resume employment with the University before your Normal Retirement Age, the period of your disability up to your resumption of employment will be considered as years of Vesting and Benefit Service under the Plan. For purposes of calculating your retirement benefit, your compensation during your period of disability will be the compensation you were receiving before your disability.

If you do not resume employment with the University after recovering from your disability, you will be considered to be terminated as of the date of your recovery from your disability. You may then be entitled to receive a benefit payable at your Normal Retirement Age or at an earlier date if you satisfy the requirements for early or deferred vested benefits.

VESTING

You will be vested in your Plan benefits when you have earned 5 years of Vesting Service. In addition, if you are still an employee of the University or a related employer when you reach Normal Retirement Age (age 65 if you were hired by the University prior to July 1, 1990, or, if you were hired after July 1, 1990, the later of your 65th birthday or the 5th anniversary of the date you started participating in the Plan), you will become vested on that date.

MAXIMUM PLAN BENEFITS

Total benefits payable under the Plan may not exceed certain maximum benefit limits as prescribed by federal tax laws. It is very unlikely that these limitations will affect you. In the unlikely event that these limits do affect you, however, the Plan Administrator will notify you.

FORMS OF BENEFIT PAYMENT

Unless your benefits are very small (see the section on "Cash-Outs of Small Benefits") and are paid to you in a single sum when you retire or terminate employment, your pension benefits will be paid in monthly payments under one of the forms described below.

Automatic Forms of Payment

Unless you elect an optional form of payment, your benefit automatically will be paid to you (depending upon your marital status) in one of the following forms:

- *Unmarried Participants* - If you are not married when your benefit begins, your benefit will be paid to you in a Single Life Annuity, which provides equal monthly payments to you for your lifetime only. At your death, all benefits will cease and any beneficiaries you may have will receive nothing.

- *Married Participants* - If you are married when your benefit begins, your benefit will be paid to you as a Qualified Joint and Survivor Annuity. A Qualified Joint and Survivor Annuity provides reduced, equal monthly payments to you during your lifetime and, if your spouse lives longer than you, to your spouse for your spouse's lifetime. The monthly benefit payable to your spouse upon your death is equal to 50% of the monthly benefit paid to you during your lifetime. The monthly payment during your lifetime is reduced to provide for payments to your spouse after your death. Although your monthly benefit payments are reduced, the payments to you and the survivor benefit for your spouse have the same actuarial value as the Single Life Annuity described above. For purposes of this Qualified Joint and Survivor Annuity, "spouse" will also mean a person you have specified, on a form provided by the Plan Administrator, as your same-sex domestic partner in accordance with rules established by the Plan Administrator.

Optional Forms of Payment

If you are unmarried, or if you are married and your spouse consents, you may elect to receive one of the optional forms of payment described below. All of the optional forms of payment have the same actuarial value as the Single Life Annuity described above. The optional forms of payment available under the Plan are as follows:

- *Joint and Survivor Annuity* - If you elect the joint and survivor annuity option, you will receive reduced, equal monthly payments during your lifetime. Upon your death, the beneficiary designated by you (assuming your designated beneficiary is still living at the time of your death) will receive equal, monthly payments for his/her lifetime. You are free to designate any individual as your beneficiary and you may elect whether the payments to your beneficiary will be equal to 50% or 100% of the payments you received before your death. Keep in mind, however, that the payments you receive will be reduced to provide for payments to your beneficiary after your death. The amount of this reduction will depend upon the joint and survivor annuity percentage you choose (the 100% survivor annuity will result in a larger reduction) and the age of your beneficiary.

- *Single Life Annuity* - If you are married, you may elect a Single Life Annuity as described above. The Single Life Annuity will provide equal, monthly payments to you for your life and no payments to your spouse or any other beneficiary after your death.

- *Ten-Year Certain and Continuous Option* - If you elect this optional form of payment, you will receive equal, monthly payments for your lifetime and your payments will be guaranteed for a period of 120 months. If you die before you receive 120 payments, the remaining payments will be made to your designated beneficiary. If you are still living after receiving all 120 payments, you will continue to receive monthly payments until you die, but no payments will be made to your beneficiary after your death. The monthly benefit payments you receive under this payment option will be reduced to provide these guaranteed payments.

Cash-Outs of Small Benefits

If the value of the vested benefit payable to you upon your termination of employment is $1,000 or less, your benefit will be cashed-out and paid to you in a single lump sum as soon as practicable after your termination of employment. If the value of the vested benefit payable to you upon your termination of employment is more than $1,000, but less than $5,000, you may elect to have your benefit cashed-out and paid to you in a single lump sum after your termination of employment.

In the event of your death, if the benefit payable to your spouse is $5,000 or less, the benefit will be cashed-out and paid to your spouse in a single lump sum as soon as practicable after your death.

Although you or your spouse will be able to elect a direct rollover of the single lump sum (see the section on "Direct Rollovers" below), you are not entitled to elect another form of payment or to defer distribution until a later date.

Direct Rollovers

Subject to procedures established by the Plan Administrator, you (or your spouse) may request that any cash-out of a small benefit be rolled over from the Plan to another employer's qualified plan that accepts rollover contributions (including a 401(k) plan, a 403(b) plan or a governmental 457 plan) or to an individual retirement account or annuity ("IRA"). Special tax withholding rules apply to any portion of such a distribution that is not rolled over directly to an eligible retirement plan (see the section on "Tax Information").

Electing Your Benefits and a Payment Form

Around the time that you become eligible to begin receiving benefits under the Plan, you will receive information about the various payment options, including the amount of your benefit payable under each option. You will also be given an election form that you must complete and return to the Plan Administrator within the 30 to 90-day period before your benefits are to begin. Your benefits will not begin until you submit this completed election form to the Plan Administrator, so it is very important for you to complete the election form in a timely manner.

As you make your election and consider your payment options, you should keep some important points in mind:

- *Spousal Consent for Optional Payment Forms* - If you are married and you elect an optional payment form, your spouse must consent to your election (although consent of a domestic partner is not required).

- *Changing Your Election* - You can revoke your election at any time before your benefits begin, but you cannot change your election after your benefits have begun.

- *Death of Spouse or Beneficiary* - If your Spouse or beneficiary dies after your benefits begin, the amount of your benefit payments will not change and you will not be able to designate someone else to receive any survivor benefit that may be payable under the payment option you elected (but, if you elected the 10 year certain and continuous option, you may designate a different beneficiary to receive any remaining guaranteed payments). If you elect a payment option that provides survivor benefits and your beneficiary dies before your retirement benefit payments begin, however, your election automatically will be canceled and you will be able to select a new payment option and/or designate a new beneficiary.

- *Required Retirement Benefit* - Because the Plan is designed to provide you with retirement income, you may not elect a payment option that is expected to provide you with less than 50% of the value of your benefit during your lifetime. This restriction will not affect you unless your beneficiary is substantially younger than you.

REEMPLOYMENT AFTER BENEFITS START

If you are thinking of coming back to work for the University or a related employer after your benefits start, be sure to consult with the Plan Administrator to see how your benefits will be affected.

If you leave the University, and begin receiving benefits, and are later reemployed by the University or a related employer, your benefits may be suspended during your period of reemployment. For full-time employees, this suspension of benefits generally will occur if you work more than 40 Hours of Service during any month after your reemployment. For part-time employees, benefits will be suspended if you work more than 40 Hours of Service in a month after completing 1,000 Hours of Service during a Plan Year. You will be notified in writing by personal delivery or first class mail that your benefits are or will be suspended because of reemployment. In addition, if you work past your Normal Retirement Age, you will be notified that your benefits will not start until you retire (or, if you are still employed, you elect to start your benefits at age 70½).

Your benefits will resume at the earliest of: (1) the first day of the month following the date your reemployment ends, or (2) the first day of the month following the month in which you complete fewer than 40 Hours of Service in a month. The benefit payable to you when your reemployment ends will be adjusted to take into account any years of Benefit of Service you earn during your period of reemployment.

DEATH BENEFITS

If you die after your benefit payments begin, the payment form you elected before your death will determine whether any benefits will be paid to your spouse or your beneficiary after your death. If you die before your benefit payments begin, however, the Plan also provides a death benefit to your surviving spouse. This surviving spouse death benefit and the procedures for waiving such benefit are described below.

Surviving Spouse Death Benefit

If you have a vested interest in your benefit and you die before your benefits have started to be paid to you, your surviving spouse will be eligible for a monthly death benefit. Your spouse may elect to start receiving this monthly death benefit (unless the benefit is very small and is cashed-out as described above) at any time after your death, but no later than the date you would have reached your Normal Retirement Age (or the date of your death, if later). The amount of this death benefit generally will be equal to the monthly payment your spouse would have received if you had been eligible for, and elected to receive, a Qualified Joint and Survivor Annuity before your death.

For purposes of the surviving spouse death benefit described above, "spouse" will include your same-sex domestic partner that you have specified, on a form provided by the Plan Administrator, in accordance with rules established by the Plan Administrator.

TOP HEAVY PROVISIONS

Under current tax laws, plans that become "top heavy" must meet certain additional requirements. Generally, a "top heavy" plan is one in which more than 60% of the total accrued benefits under the plan are for the benefit of key employees. If the Plan becomes top heavy, additional rules will provide for accelerated vesting and enhanced benefit accruals. Given the number and type of employees participating in the Plan, it is very unlikely that the Plan will become top heavy. In the event that the Plan becomes top heavy, however, the Plan Administrator will provide you with a more detailed explanation of these rules.

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 benefit 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 under a domestic relations order (as described below) to a spouse, former spouse, child or other dependent to satisfy a legal obligation you have to that person.

DOMESTIC RELATIONS ORDERS

Federal law requires the Plan Administrator 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 Plan benefit 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 for details if you need further information.

TAX INFORMATION

Because this Plan is intended to qualify for tax exempt status under the Internal Revenue Code, participants have certain tax advantages. You are not required to pay federal income tax on your benefit until amounts are actually distributed to you. When these amounts are distributed to you, taxes generally will be withheld unless you elect otherwise.

If you receive a single lump sum distribution from the Plan that is eligible for a direct rollover as described above and you do not have it transferred directly to another employer's plan or an IRA, federal law requires the automatic withholding of 20% of that distribution for federal income taxes. You may not elect "no withholding" on such a distribution.

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

BENEFITS INSURED BY PENSION BENEFIT GUARANTY CORPORATION (PBGC)

Your pension benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. In this case, most people would receive all of the pension benefits they would receive under the Plan, but some people may lose certain benefits. Generally, the PBGC guarantees most vested normal and early retirement benefits, disability benefits if you become disabled under the terms of the Plan before the Plan terminates and certain benefits for your survivors. The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates,
- Some or all of the benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates,
- Benefits that are not vested because you have not worked long enough for the University,

- Benefits for which you have not met all of the requirements at the time the Plan terminates, and

- Non-pension benefits (such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay).

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and how much the PBGC collects from the employers. However, if there are any Plan benefits above the limitations described above that are not provided because of insufficient Plan assets or lack of PBGC guarantees, such benefits may not be payable by the Plan, the University or the PBGC.

Contact the Plan Administrator for more information about the PBGC and the benefits it guarantees, or contact the PBGC at:

PBGC, Technical Assistance Division
1200 K Street, N.W.
Suite 930
Washington, DC 20005-4026

You can also call the PBGC at (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1(800) 877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC web site on the Internet at http://www.pbgc.gov.

AMENDING OR TERMINATING THE PLAN

The University expects to continue the Plan indefinitely, but reserves the right, through action of its Board of Trustees (or a person that is delegated the authority to act by the Board of Trustees), to amend or terminate the Plan at any time. The University's decision to amend or terminate the Plan may be due to changes in federal or state laws governing retirement benefits, the requirements of the Internal Revenue Code or ERISA, or any other reason.

If the Plan is terminated, you will have a vested or nonforfeitable right to the benefit you have accrued up to the termination date, to the extent it is funded under the Plan. The amount of your benefit, if any, will depend on Plan assets, the terms of the Plan and the benefit guarantees of the PBGC. Under these PBGC guarantees, Plan assets will be shared among Plan participants and beneficiaries in the following order:

- Benefits for (a) those who have received Plan benefits for at least three years before the termination date and (b) those who could have started receiving benefits at least three years before the termination date. Benefits in these instances will be based on any Plan provision in effect during the five years prior to termination, which would produce the lowest amount. In addition, the maximum for those who have received benefits for at least three years would be based on the lowest benefit payment received during that three-year period;

- All other benefits that are guaranteed by the PBGC;
- Vested benefits that are not guaranteed by the PBGC;
- Any other benefits earned in the Plan. This includes those benefits which became vested only because of Plan termination.

LOSS OF BENEFITS

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

- *Termination of Employment before Full Vesting* - Your employment terminates for any reason before 5 years of Vesting Service or Normal Retirement Age.
- *Termination of the Plan* - The Plan is terminated before sufficient assets have been accumulated to pay all benefits (in this case your benefits may be protected, in full or in part, by the PBGC's guarantees).
- *Amendment of the Plan* - The Plan is amended to reduce accrued benefits.
- *Suspension of Benefits Upon Reemployment* - You are reemployed by the University or an affiliate and your benefits are suspended during your period of reemployment.
- *Payment of Your Benefits Under a QDRO or Tax Lien* - All or a portion of your benefits are 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 Plan Administrator 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 to the Plan Administrator.
- *Early Payment of Benefits* - Benefits paid to you before you reach your Normal Retirement Age will be reduced to account for early payment.
- *Reduction for Survivor Benefits* - Under the joint and survivor annuity forms of payment, your benefits will be reduced to permit payments to your beneficiary after your death.
- *Death Before Start of Payment, No Spouse* - If you die before you begin receiving benefits under the Plan and you have no spouse (or no designated domestic partner), no benefits will be paid under the Plan.

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.

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 Pension and Welfare Benefits 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. It is also required to provide a statement telling whether you have a right to receive a pension at your normal retirement age (age 65) and, if so, what your benefits would be at your normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to earn a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. This statement must be provided free of charge.

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 Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory. Or, you can write to:

Division of Technical Assistance and Inquiries
Pension and Welfare Benefits 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 Pension and Welfare Benefits Administration. This Summary Plan Description (SPD) contains a summary in English of your Plan rights and benefits under the Plan. If you have difficulty understanding any part of the SPD, contact the Plan Administrator.