

SUMMARY PLAN DESCRIPTION

FOR

THE UNIVERSITY OF PENNSYLVANIA
POSITION DISCONTINUATION AND
STAFF TRANSITION PLAN

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 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.

As of April 2, 2008

TABLE OF CONTENTS

	Page
PURPOSE	1
ELIGIBILITY	1
PAY CONTINUATION BENEFIT	2
PAYMENT PROCEDURES	3
RELEASE AGREEMENT	3
CAREER TRANSITION SERVICES	4
CONTINUATION OF CERTAIN BENEFITS	4
REHIRE OF FORMER STAFF MEMBERS	7
MISCELLANEOUS	7
ADMINISTRATION	7
GENERAL INFORMATION ABOUT THE PLAN	8
CLAIMS PROCEDURE.....	9
CLAIMS REGARDING POSITION ELIMINATION	9
YOUR ERISA RIGHTS	10

SUMMARY PLAN DESCRIPTION
FOR
THE UNIVERSITY OF PENNSYLVANIA
POSITION DISCONTINUATION AND
STAFF TRANSITION PLAN

PURPOSE

The purpose of The University of Pennsylvania Position Discontinuation and Staff Transition Plan (the "Plan") is to provide transitional support and facilitate economic adjustment resulting from the termination of employment through position elimination.

ELIGIBILITY

In order to be eligible for benefits under the Plan, you must be either a regular full-time or regular part-time staff member of the University of Pennsylvania (the "University") or a staff member of the University whose appointment was finalized before January 1, 1996, which was made subject to continuation of funding from external sources.

You are not eligible for benefits under the Plan if you:

- resign;
- die while employed by the University;
- qualify for long-term disability benefits under a long-term disability plan maintained by the University;
- are employed by the Hospital of the University of Pennsylvania or the University of Pennsylvania Health System;
- are discharged for cause;
- are terminated due to inability to perform your job satisfactorily;
- are terminated at the end of a leave of absence in excess of six months;
- are in your introductory period;
- are designated a Temporary Extra Person under the University's Human Resources Policy No. 114;

- are on a term appointment or on an appointment, finalized January 1, 1996, or later, which is made specifically (in writing) subject to continuation of funding from external sources, unless you have ten years of continuous service on the date of notice from the University that your position will be eliminated;
- are offered employment with a new employer as part of a sale, lease or other transfer of a University asset, facility, or operation;
- are terminated as a result of the University entering into a contract with another entity to provide services of the type previously provided by the staff member where the staff member is employed by the contracting entity; or
- are a University executive officer, teaching assistant, student worker, resident, faculty member, or have a post-doctoral position.

If the terms of your employment are subject to the terms of a collective bargaining agreement (the "CBA"), you are eligible for benefits under the Plan only if the CBA provides that you are eligible for benefits under the Plan.

PAY CONTINUATION BENEFIT

After you have executed the Release (as described in the "Release Agreement" section below), the University will provide pay continuation for the time period specified in the chart below:

During Introductory Period:	None
End of Introductory Period Up to Two Years:	Pay continuation for four weeks
Over Two Years:	<p>Non-exempt (A-3) and exempt (A-1) staff in grades 21 through 28 and IT grades A through D are eligible for pay continuation for four weeks plus pay continuation for one week for each full year of full-time service or equivalent in excess of two years, except that pay continuation will not continue for a period of time longer than 52 weeks.</p> <p>Exempt (A-1) staff in grades 29 through 32, IT grades E through H, and ungraded are eligible for pay continuation for four weeks plus pay continuation for two weeks for each full year of full-time service or equivalent in excess of two years, except that pay continuation will not continue for a period of time longer than 52 weeks.</p> <p>Service time is counted from the last date of hire in a regular staff position until the separation date. Separation date is defined as the date your position is eliminated, as determined by the University in its sole discretion.</p>

For purposes of this chart, pay is defined as the weekly or monthly pay in effect for your position immediately before your separation date. Shift differentials, overtime premiums and other potential increments are excluded from the calculation.

PAYMENT PROCEDURES

Your pay continuation, subject to all involuntary deductions, including applicable federal, state, and local withholdings, will be mailed to you on your regular pay dates at the last address you provided to the University. Unless the appropriate department is otherwise notified immediately after notice of your separation date, voluntary deductions (e.g., savings bonds, credit union savings, parking fees, etc.), except retirement contributions, will continue throughout the pay continuation period. If you previously authorized direct deposit of your pay, this will continue through the pay continuation period.

You will continue to receive pay continuation until you:

- receive the maximum number of weeks due according to your job grade and length of service (as set forth in the chart above);
- are reemployed in a regular full-time or part-time position by the University or any of its subsidiaries or components, or commence employment with any component or affiliate of the University of Pennsylvania Health System or the Hospital of the University of Pennsylvania, before you receive the maximum number of weeks allowance;
- are offered employment with a new employer as part of a sale, lease or other transfer of a University asset, facility, or operation; or
- are employed by an entity with which the University has contracted to provide services of the type previously provided by you.

If you die prior to your final payment under the Plan, the remaining amount will be paid in a lump sum to your estate. You will be paid in a lump sum for all unused and accrued paid time off that you are entitled to receive as of your separation date. This lump sum payment will be made as soon as practicable following your separation date. During the pay continuation period, you will not accrue paid time off, holiday pay or other similar benefits associated with employment.

RELEASE AGREEMENT

In order to receive the pay continuation benefit under the Plan, you must execute and deliver to the "Plan Administrator" a release (the "Release") in the form provided by and acceptable to the Plan Administrator within the time frame specified by the Plan Administrator. The Release shall include, among other items as determined by the Plan Administrator, a release of all employment-related claims and other claims against the University and all related parties that may, by law, be released. The pay continuation benefit will begin on the date of the revocation period for the Release or your separation date, whichever is later. If you violate the terms of the Release, the pay continuation benefit will cease.

CAREER TRANSITION SERVICES

If you have been notified that your position will be eliminated, you will be offered career transition services in accordance with the guidelines established by the Division of Human Resources. Career transition services are not available if you have rejected a transfer job opportunity.

CONTINUATION OF CERTAIN BENEFITS

A brief description of how (or if) other University benefits are provided to you during a pay continuation period is set forth below. However, please keep in mind that these other University benefits are controlled solely by the terms of the official plan documents for these benefits.

Retirement Benefits

If, at the time you are notified that your position will be eliminated, you are participating in the University's Tax-Deferred Retirement Plan (the "TDR") or Supplemental Retirement Accounts Plan (the "SRA"), your account accumulations, including any University contributions, will be available for distribution, subject to any applicable statutory, carrier, and institution restrictions and the requirements of the TDR and SRA plans.

If you are paid monthly or weekly and you participate in the TDR and/or the SRA, you will receive University contributions to your retirement account up to your last regular paycheck. You cannot continue your contributions to the TDR or the SRA during the pay continuation period. The University will not make any contribution on your behalf to the TDR during the pay continuation period.

Eligibility for benefits from the Retirement Allowance Plan ("RAP") is based upon vested service (five years of credited service), as determined under the RAP. If you are not vested as of your separation date, you will not be eligible for benefits from the RAP. If you are paid weekly and participate in the RAP, you will receive credit for vesting up through the end of the month of your separation date.

If you are participating in the RAP and you meet the eligibility requirements for retirement and choose to retire from active employment, you may apply for the retirement benefit. You should consult with the University's Benefits Office, 3401 Walnut Street, Suite 527A, Philadelphia, PA 19104, (215) 898-7281, before making this decision.

Retiree Health Care Benefits

Eligibility for benefits from the University of Pennsylvania Retiree Health Plan ("Retiree Health Plan") is based upon your age and service, as determined under the Retiree Health Plan. A brief description of the eligibility requirements under the Retiree Health Plan are as follows:

General Eligibility Rule: You will be eligible for coverage under the Retiree Health Plan if you (1) satisfy the "Rule of 75" (that is, the sum of your age and years of service totals at least 75) and (A) have attained age 55 and completed 15 years of service or (B) have attained age 62 and completed 10 years of service and (2) were eligible for coverage under the University's Medical

Plan on the date immediately preceding your separation date. For purposes of the Retiree Health Plan, service must be full-time and continuous.

Special Eligibility Rule for Certain Retirees: You will be eligible for coverage under the Retiree Health plan upon your separation date without regard to the Rule of 75 described in the preceding paragraph if, prior to January 1, 2009, you (1) (A) have attained age 55 and completed 15 years of service or (B) have attained age 62 and completed 10 years of service and (2) were eligible for coverage under the University's Medical Plan on the date immediately preceding your separation date. As stated above, for purposes of the Retiree Health Plan, service must be full-time and continuous.

You are not eligible to enroll in the Retiree Health Plan until your coverage in the University's active Medical Plan ends.

To confirm your eligibility for benefits under the Retiree Health Plan and to find out more information about how to begin receiving benefits under the Retiree Health Plan, you should contact the University's Division of Human Resources Benefits Office prior to your separation date.

Medical, Dental and Vision Benefits

The medical, dental and/or vision coverage in which you and your eligible dependents are enrolled at the time of your separation date will continue through the pay continuation period, with continuation by the University of its normal share of the costs. If the final pay continuation payment is issued prior to the 16th of the month, coverage will continue through the end of that same month. If the final pay continuation payment is issued on the 16th day or after, coverage will continue until the end of the following month. For example, if the final pay continuation payment is issued on June 6th, benefits will stop on June 30th. If the final payment is issued on June 17th, benefits will stop on July 31st.

Upon the conclusion of pay continuation and within the prescribed periods afterwards, you and your eligible dependents will be given an opportunity to continue medical, dental and/or vision benefits under continuation coverage provisions of a federal law known as the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA").

Life Insurance

Life insurance and dependent life insurance coverage cease at the time of your separation date. This coverage can be converted to an individual policy if done so within 31 days of your separation date. Accidental death and dismemberment coverage will cease at the time of separation date. If you wish to convert your life insurance, you must call the Penn Benefits Center at 1-888-PENNBEN (1-888-736-6236).

Disability Benefits

If you think you may be eligible for long-term disability benefits, you have up to six months from your separation date to apply for these benefits for an illness or injury which occurred prior to your separation date. After this six-month period, the benefits are no longer available.

Supplemental Long-Term Disability Insurance

Supplemental Long Term Disability Insurance may be continued, at your option, through Standard Insurance Company ("The Standard"). Payroll deductions will continue through the end of the pay continuation period. At the end of the pay continuation period, The Standard will commence direct billing unless you elect not to continue the coverage. If you elect to cancel the coverage, you must contact The Standard directly at 1-877-321-4427.

Health Care and Dependent Care Pre-Tax Expense Accounts

After you have been given notice that your position will be eliminated, you cannot open or reenroll in a pre-tax expense account. Contributions to the Dependent Care Pre-Tax Expense Account (the "Dependent Care Account") stop during the pay continuation period. Contributions to the Health Care Pre-Tax Expense Account (the "Health Care Account") will continue during the pay continuation period. The position discontinuance is not a qualifying life event that would permit you to cease contributions to the Health Care Account.

You may file claims against the Dependent Care Account and the Health Care Account through the end of the three-month grace period after the end of the plan year (*i.e.*, by September 30 following the plan year end date of June 30). For the Dependent Care Account, you can be reimbursed up to the amount of available funds in the account for expenses incurred through the last day of the plan year in which you have a separation date. For the Health Care Account, you can be reimbursed up to the amount you elected to contribute for the year, less any previous reimbursements, for expenses incurred up to and including the date your pay continuation ends. If your Health Care Account participation continues until June 30 of any plan year, you may also submit expenses incurred during the first 2½ months of the following plan year. (For example, claims incurred from July 1, 2007 through September 15, 2008, must be submitted by September 30, 2008 to be applied against the 2007-2008 account balance.) This 2½ month extension will apply to you even if your pay continuation ends during the extension. In addition, the extension will apply even if you do not have a Health Care Account for the plan year in which the extension falls.

Long Term Care

Long-term care insurance may be continued, at your option, through John Hancock Life Insurance Company ("John Hancock"). Payroll deductions will continue through the end of the pay continuation period. At the end of the pay continuation period, John Hancock will commence direct billing unless you elect not to continue the coverage. If you elect to cancel the coverage, you must contact John Hancock directly at 1-800-711-2899.

Tuition Assistance

If you are using University-provided tuition assistance for yourself or for your qualified dependents, you will continue to receive this benefit for the balance of the semester in which notice of your separation occurred. You are expected to continue paying those costs not covered by the University-provided tuition assistance.

REHIRE OF FORMER STAFF MEMBERS

If you have not found employment at the University or any of its subsidiaries or components, including any component or affiliate of the University of Pennsylvania Health System or the Hospital of the University of Pennsylvania, by the your separation date, you will be considered in the future for new employment opportunities at the University in the same manner as any other external applicant.

If you are rehired in a regular staff position, you must complete an introductory period for the new position. Your rehire date will be the first day of your reemployment. Bridging of service periods may occur in accordance with Human Resources Policy No. 410. Any pay continuation to you will cease as of the first day worked in the new position.

MISCELLANEOUS

Except for family support obligations and other governmental directives that the University is required by law to follow, none of the payments, benefits or rights of any eligible staff member shall be subject to any claim of any creditor and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee process, or any other legal or equitable process available to any creditor of such staff member. No eligible staff member shall have the right to alienate, commute, pledge, encumber or assign any of the benefits or payments which he/she may expect to receive, contingently or otherwise, under the Plan.

The Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each eligible staff member, present and future (except that no successor to the University shall be considered a Plan sponsor unless the successor adopts the Plan).

The Plan shall be construed and enforced according to federal law. However, if state law should be relevant for purposes of interpreting the Plan, the laws and practices of the Commonwealth of Pennsylvania shall be applied.

ADMINISTRATION

The Plan is managed and controlled by the Trustees of the University of Pennsylvania as the named fiduciary pursuant to the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and may be modified or amended by the University at any time.

The Plan Administrator and named fiduciary for purposes of ERISA is the Vice President of Human Resources of the University. The Plan Administrator may, however, delegate to any person or entity any of its powers or duties under the Plan. If the Plan Administrator does delegate its powers and duties under the Plan, the delegatee shall become the named fiduciary responsible for the administration of the Plan (if the delegatee is a fiduciary by reason of the delegation) and references to the Plan Administrator shall apply instead to the delegatee.

The Plan is unfunded. The cost of the Plan is paid for entirely by the University from its general assets. No staff member shall have any right to, or interest in, any assets of the University which may be applied by the University for the pay continuation.

The Plan Administrator shall have the full power and authority to construe, interpret and administer the Plan, to correct deficiencies, to make factual determinations, and to supply omissions. All decisions, actions and interpretations of the Plan Administrator are final, binding and conclusive.

Please remember that this summary plan description (the "SPD") is only a summary of the Plan, and is not meant to alter the Plan or any legal instrument related to the Plan's creation, operation, or benefit payment obligations. If there is any conflict or inconsistency between the SPD and the Plan, the Plan will control.

GENERAL INFORMATION ABOUT THE PLAN

1. Plan Name: The University of Pennsylvania Position Discontinuation and Staff Transition Plan
2. Plan Number: 528
3. Employer/Plan Sponsor: The Trustees of the University of Pennsylvania
3401 Walnut Street, 527A
Philadelphia, PA 19104-6228
(215) 898-3539
4. Employer Identification Number: 23-1352685
5. Type of Plan: Welfare Benefit Plan – Severance Pay Plan
6. Plan Administrator: Vice President of Human Resources
Division of Human Resources
University of Pennsylvania
3401 Walnut Street, 527A
Philadelphia, PA 19104-6228
7. Agent for Service of Legal Process: The Plan Administrator
8. Sources of Contributions: The Plan is unfunded and all benefits are paid from the general assets of the University.
9. Type of Administration: The Plan is administered by the Plan Administrator with benefits provided in accordance with the provisions of the applicable Plan document.
10. Plan Year: July 1 through June 30

If you have any questions about the Plan, please call the Benefits Office at (215) 898-7281.

CLAIMS PROCEDURE

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 delegatee) 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: (1) the specific reason or reasons for the denial; (2) specific reference to the Plan provisions on which the denial is based; (3) 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 (4) 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: (1) submit written comments, documents, records and other information relating to the claim for benefits; (2) request, free of charge, reasonable access to, and copies of all documents, records and other information relevant to your claim for benefits; and (3) 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: (1) provide the specific reason(s) for the denial; (2) refer to the provisions of the Plan on which the denial is based; (3) 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 (4) 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.

CLAIMS REGARDING POSITION ELIMINATION

A decision by the releasing unit to reduce the size of the staff work force and management's decision to eliminate certain positions are not matters that may be reviewed under the Plan's claims procedures.

YOUR ERISA RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Participants may examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available in 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 all documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

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, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a 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 certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or latest annual report 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 Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

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 a 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 the Plan Administrator. If you have any questions about this statement or about your rights under ERISA or you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest 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, N.W.
Washington, D.C. 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.