Villanova University
Retirement Income Plan

SUMMARY PLAN DESCRIPTION

April 2015

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VILLANOVA UNIVERSITY

RETIREMENT INCOME PLAN

SUMMARY PLAN DESCRIPTION

I. INTRODUCTION

Like so many other important events in life, retirement has a way of getting here sooner than expected. That's why it's never too early to start planning for those years when you no longer have a regular paycheck.

Where will the money come from to support a secure retirement? Social Security, designed to provide for the basic necessities of life, will be one source of income. Both you and Villanova University, and any of its subsidiaries and/or affiliates that elect to participate in the Plan (collectively, the "University"), contribute to Social Security during your working years. Another major source of income will be your own savings – money that you set aside specifically for retirement in vehicles such as bank accounts, Individual Retirement Accounts ("IRAs"), and savings bonds.

We're pleased to tell you that a third source of income will be the Villanova University Retirement Income Plan (the "Plan"). This valuable benefit, funded entirely by the University, is intended to supplement Social Security and your personal savings in order to meet your post-retirement needs. Subject to specific terms and conditions, the Plan offers you:

- A monthly benefit for life starting on your "Normal Retirement Date," as defined below in Section III.B.

- Optional Early Retirement once you have completed ten years of Vesting Service and are within ten years of your Normal Retirement Date.

- The right to a future retirement benefit from the Plan after five years of Vesting Service – whether or not you continue to work for the University.

- Survivor benefits for your spouse, even if you die before you retire.

- A choice of several ways to receive your monthly retirement benefit, to help you better plan for your retirement years.

This booklet is not the Plan itself but is designed to give you a description of the retirement benefits available to employees covered by the Plan, without going into all of the refinements and details set forth in the Plan documents. The legal rights and obligations of any person having an interest in the Plan are determined solely by the provisions of the Plan document. In the event of any discrepancy between this Plan description and the official documents, the Plan documents (including any amendments to the Plan) always govern. If you wish to see a copy of the official Plan documents, you may do so by contacting the Plan Administrator. Although the University currently intends to continue the Plan indefinitely, the University reserves the right to amend or terminate the Plan, in whole or in part, at any time and for any reason. If you would like your own copy of the Plan document, you may obtain one by writing to the Plan Administrator whose location is listed below in Section II. There may be a small charge for this service.

II. PLAN INFORMATION

- Plan Name: Villanova University Retirement Income Plan
- Effective Date: The Plan was established on June 1, 1968 and was most recently revised as of June 1, 2013.
- Plan Year: The Plan Year is the 12-month period beginning on June 1 each year and ending on May 31.
- Plan Administrator Name and Address:

  Plan Administrator – Villanova University Retirement Income Plan
  Villanova University
  800 Lancaster Avenue
  Villanova, PA 19085-1699
  (610) 519-7900

III. THE PLAN AT A GLANCE

A. <u>The Value of Your Plan Benefit</u>

The amount of the monthly retirement benefit that you will receive from the Plan is based upon:

- Your length of employment with the University;
- Your Earnings and salary history while at the University; and
- Your age when retirement payments begin.

B. <u>When You Can Retire</u>

- Normal Retirement: The later of age 65 or the fifth anniversary of the date on which you became a participant in the Plan unless you became a participant in the Plan prior to June 1, 1988, in which case it is age 65 (your “Normal Retirement Date”);
- Early Retirement: When you have completed ten years of Vesting Service and are within ten years of your Normal Retirement Date; and
- Late Retirement: Generally, any time after your Normal Retirement Date.

C. <u>When You're Vested</u>

You will be 100% vested in your Plan benefit after completing five years of Vesting Service or, if earlier, upon your Normal Retirement Date. Prior to completing five years of Vesting Service, you will not be vested in any portion of your Plan benefit.

D. <u>Benefit Payment Options</u>

The Plan offers you a choice of several different forms of payment to meet your retirement needs and the needs of your beneficiaries:

- Single Life Annuity (normal form of benefit for unmarried participants and optional form of benefit for married participants);
- Qualified Joint and 50% Survivor Annuity (normal form of benefit for married participants);
- Contingent Pensioner Annuity (optional form of benefit);
- Ten-Year Certain and Life Annuity (optional form of benefit); and
- Social Security Offset Annuity (optional form of benefit).

E. <u>Survivor Benefit</u>

Several of the payment options listed above provide a survivor benefit to your spouse or another beneficiary in the event of your death *after* your Retirement Date. If, however, you are married for at least one year and die *before* your Retirement Date, the Plan provides a Pre-retirement Spouse Benefit.

IV. HOW THE PLAN WORKS

We hope the following pages give you a good overview of the Plan and answer any specific questions. To make it easier to understand this material, a Glossary of special Plan terms can be found at the back of this Plan description.

A. <u>When and How You Become a Participant</u>

You will become a participant in the Plan on the June 1 or December 1 next following the date on which you meet each of the following requirements:

- You are a non-academic employee;
- You are not eligible to receive employer contributions under the Villanova University Retirement Savings Plan (the "Savings Plan"); and
- You have completed one year of Eligibility Service.

When determining your eligibility to participate in the Plan, a year of "Eligibility Service" means the 12-month period following your date of employment, provided you are credited with at least 1,000 Hours of Service during that period; otherwise, it's the first Plan Year following your date of employment in which you are credited with at least 1,000 Hours of Service.

Generally, "Hour of Service" means each hour that you earn or are entitled to earn compensation from the University, including hours worked and non-working periods such as holidays, vacations, sick time, incapacity, disability, layoff, jury duty, leaves of absence and back pay awarded or agreed to by the University irrespective of mitigation damages. You will also be credited for any additional hours you work on a non-overtime basis during a temporary layoff, a leave of absence of up to two years, as authorized by the University pursuant to its established leave policy. For participants who are absent due to a period of "Qualified Military Service," an Hour of Service also includes each hour you would have been paid during your customary work week, during this absence. "Qualified Military Service" means any period of time that you are absent for military service under leave granted by the University or required by law, provided you return to employment with the University while your right to reemployment is protected by law.

Since participation is automatic, there is nothing that you must do to become a participant once you have met the requirements listed above. ***However, after May 31, 1999, no new participants will be admitted to the Plan.***

B. Participation Following Reemployment

If you were a participant in the Plan as of your termination of employment and are subsequently rehired by the University, you will resume active participation in the Plan as of the date you again become an employee provided you are a non-academic employee and are not covered by the Savings Plan. If you were not a participant in the Plan as of your termination of employment and are subsequently rehired by the University, you will not be admitted as a participant in the Plan.

C. The Factors that Determine Your Plan Benefit

The amount of the retirement benefit you will receive from the Plan depends on several key factors:

- Your Vesting Service and Credited Service under the Plan, both of which are based on your length of employment with the University;
- Your Earnings and salary history while at the University;
- The "Integration Level" – the Plan's benefit formula is integrated with Social Security, which means that it takes into account benefits that you will receive from Social Security.
- Your age when retirement payments begin; and
- Certain legal limitations and requirements.

Before discussing how your retirement benefit is determined, it is essential to clearly define these factors.

D. Vesting Service

The term "Vesting Service," as it is discussed in this Plan description, refers to the portion of your employment with the University that is used to determine your eligibility to receive a benefit from the Plan. Vesting Service is credited in accordance with the following requirements:

- If you earn at least 1,000 Hours of Service during a Plan Year, you will be credited with a year of Vesting Service for that Plan Year;

- If you earn less than 501 Hours of Service in any Plan Year, that year is considered an interruption in your Vesting Service and is called a "Break in Service." Breaks in Service can impact previously earned Vesting Service if you terminate employment with the University and are later rehired. Breaks in Service and reemployment are discussed in further detail below in the section entitled *What Happens to Vesting Service if You Terminate and are Rehired?*; and

- If you earn less than 1,000 Hours of Service but more than 500 Hours of Service during a Plan Year, that period does not count as a year of Vesting Service but it is not considered a Break in Service.

Absences That Qualify As Vesting Service

The following absences are counted as Vesting Service:

- Maternity or paternity absence due to pregnancy, the birth of a child, the adoption and placement of a child, or the caring for a child immediately following the birth or placement for adoption. In this case, Vesting Service does not continue to accrue (*i.e.*, accumulate) while you are on leave. Instead, a credit of up to 501 hours is provided in either the Plan Year the leave begins or the following Plan Year if the hours are needed to avoid a Break in Service.

- Temporary layoff, as long as you return to active employment when recalled by the University.

- Authorized leave of absence, for any reason, of up to two years, as long as you return to active employment with the University when your leave is over.

- Periods of Qualified Military Service.

- Leave of absence due to reasons covered under the Family and Medical Leave Act. In this case, Vesting Service will be credited to the extent required by the provisions of the Family and Medical Leave Act.

- Employment with an employer who is legally affiliated with the University. The Plan Administrator can answer any questions you may have about this provision.

- Absence due to disability if you are eligible for or receiving disability benefits from a non-governmental program paid for by the University.

Periods of employment that are **not** counted for purposes of Vesting Service include:

- Any period after June 1, 1987 during which you are covered under the Savings Plan.

- Any period during which you elect voluntary exclusion from the Plan.

What Happens to Vesting Service if You Terminate and are Rehired?

To answer this question, we first need to briefly explain the concept of vesting.

While the University contributes a certain amount of money toward your retirement benefit for each year of your Vesting Service, you are not entitled to any benefits from the Plan until you become vested. To be vested simply means that you have earned a non-forfeitable right to a part or all of your Plan benefit. Under the Plan, you are 100% vested once you have 5 years of Vesting Service – that is, you are entitled to the entire amount of your accrued pension benefit (*i.e.*, the money the University has contributed towards your retirement benefit) at that time.

In addition, you will become automatically 100% vested if you are an active employee when you reach your Normal Retirement Date, provided you are not already vested in your accrued benefit on that date.

Now let's get back to what happens to your Vesting Service if you leave the University but are later rehired. The answer to this question depends on whether you were vested before you left:

- If you leave the University <u>before</u> you are vested (*i.e.*, before you have five years of Vesting Service or reach your Normal Retirement Date) and are later rehired, the Vesting Service earned before you terminated employment will continue to count <u>unless</u> you incurred five consecutive one-year Breaks in Service prior to your reemployment.

- If you leave employment <u>after you are vested</u> (*i.e.*, after you have five years of Vesting Service or reach your Normal Retirement Date) and are later rehired, the years of Vesting Service earned before you left and those earned after you return will always be added together and counted toward your vesting requirements.

Example: Suppose you leave the University after completing two years of Vesting Service and return after a continuous five-year Break in Service. Since you were not vested when you left, and you then incurred five consecutive one-year Breaks in Service, your two years of Vesting Service no longer count for vesting purposes.

Example: However, suppose you leave the University <u>after</u> completing five years of Vesting Service and are rehired after a continuous six-year Break in Service. Since you were already vested when you terminated, the five years of Vesting Service earned before you left would be added to the years of Vesting Service that you earn as a rehired employee of the University.

E. Credited Service

Credited Service is the portion of your employment with the University that is used in calculating the amount of your retirement benefit. Generally, Credited Service includes all Vesting Service described above except that Credited Service does not include:

- Service while you are not in a non-academic Employee job classification;
- Periods of employment prior to January 1, 1972 for employees of the Augustinian Provincilate, unless the employee became covered under the Plan on that date.
- Periods of employment prior to June 1, 1968, unless you became covered under the Plan on that date;
- Periods of employment during which you elect voluntary exclusion from the Plan;
- Periods of employment while you are covered by another retirement plan to which the University makes contributions on your behalf;
- Service earned by a DC Electing Employee for periods after May 31, 1996 or December 31, 1999, as applicable. A "DC Electing Employee" is a participant who made a one-time election to freeze the value of his or her accrued benefit in the Plan as of May 31, 1996 for exempt employees or as of December 31, 1999 for non-exempt employees and to become a participant in the Villanova University Retirement Savings Plan as of June 1, 1996 or January 1, 2000, respectively; and
- Any Plan Year in which you are credited with less than 1,000 Hours of Service.

If you first became a Participant on June 1, 1976, you will not receive Credited Service for any service prior to that date. If you first became an employee prior to June 1, 1988, but after attaining age 60, and became a participant on June 1, 1988, Credited Service includes only service after that date.

In addition, absences that qualify as Vesting Service (see Section IV.D. above), except absences for which you are receiving disability benefits from the Plan, also count as Credited Service.

If you terminate employment with the University and are later rehired, your Credited Service will be treated in a similar manner as your Vesting Service – that is, whether your previously earned Credited Service will continue to count for benefit calculation purposes depends on whether you were 100% vested when you terminated employment (see *What Happens to Vesting Service if You Terminate and are Rehired?* in Section IV.D. above).

An exception to the point mentioned above involves a lump sum cash payment of your retirement benefit at the time of your termination of employment (see Section VI.A. below). If you receive a lump sum payment when you terminate employment and are later rehired by the University, you will retain your previously earned Vesting Service, but will lose your Credited Service earned prior to your termination of employment unless you repay the full amount of your distribution plus interest. Thus, even though you are fully vested, you will be considered a new employee in terms of accruing Credited Service unless such amount is repaid.

F. Earnings, Earnings Limitations and Average Annual Earnings

In addition to Vesting and Credited Service, another major factor influencing your retirement benefit is your Earnings and Average Annual Earnings.

Earnings are your wages from the University as reported to you for federal income tax purposes on your Form W-2 and include amounts excluded from gross income under sections 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), 403(b), and 457(b) of the Internal Revenue Code of 1986, as amended (the "Code"). Earnings are measured over calendar year periods and include all amounts that you would have received if not for a period of Qualified Military Service and any differential wage payments that you receive while absent for military service.

The yearly amount of Earnings that may be used in determining your retirement benefit cannot exceed the limit imposed by the federal government. This limit is periodically adjusted for inflation and is $265,000 for the 2015 calendar year. This amount is indexed on an annual basis. For more detailed information, please contact the Plan Administrator.

Before we discuss Average Annual Earnings, it will be helpful if we briefly explain the term "Retirement Date." Your Retirement Date is the first day your retirement payments are due to begin, which is normally the first day of the month coinciding with or following the day you actually cease employment for purposes of retirement. Thus, if you retire (whether on an Early, Normal, or Late Retirement) and the first day you do not report to work is the first day of the month, that date will be your Retirement Date; if the first day you do not report to work is another day of the month, your Retirement Date will occur on the first day of the following month. However, if you continue to work after your Normal Retirement Date – but die before you actually retire, your Retirement Date would be the first day of the month coinciding with or next following your date of death.

With this definition in mind, let's look at Average Annual Earnings. Generally, Average Annual Earnings are your highest average Earnings received during any 60 consecutive month period during the 120 months immediately preceding your Retirement Date or your termination of employment date, if earlier.

The next factor that we need to discuss is the Integration Level. The term "Integration Level" means $7,800; this dollar point of your Average Annual Earnings is a key factor in determining your retirement benefit and will be discussed below in Section V.

G. The Age at Which Your Payments Begin

Another factor involved in calculating your retirement benefit is your age. As an alternative to retiring on your Normal Retirement Date, you may choose an Early or Late Retirement Date, which is discussed in more detail below. Obviously, the age at which you choose to retire and begin receiving your retirement benefit affects the amount of Vesting Service and Credited Service you earn and the period of time over which that benefit will be paid.

H. Legal Limitations and Requirements

There are two important legal factors that may have a bearing on the amount of retirement benefit you are eligible to receive from the Plan. These are legally-mandated limits on income and Top-Heavy requirements.

- *Limitations on Retirement Income Mandated by Federal Law*. Your annual retirement benefit may not exceed certain benefit limitations that are set and annually adjusted by the federal government. The Plan Administrator will notify you of these limits if they apply to you.

- *Top-Heavy Requirements*. In some Plan Years, Top-Heavy requirements may affect your Plan benefit. A Plan is termed "Top-Heavy" if the current value of its retirement benefit attributable to Key Employees is 60% or more of the total current value of all retirement benefit provided under the Plan. "Key Employees" are generally defined as certain officers of the University. If the Plan becomes Top-Heavy in any Plan Year, the retirement benefit earned by non-Key Employees for that year may be increased.

- For more detailed information about Top-Heavy requirements, contact the Plan Administrator. More information can also be found below in Section IX.D.

V. HOW YOUR RETIREMENT BENEFIT IS DETERMINED

Now let's look at how your retirement benefit is determined in terms of the retirement options that are available under the Plan.

A. Normal Retirement

If you retire on your Normal Retirement Date, as defined above in Section III.B., your retirement benefit payments will begin on the first day of the month that coincides with or follows that date.

Your annual Normal Retirement benefit is determined as follows:

1. 1% of your Average Annual Earnings up to $7,800 (the Integration Level)

2. Plus 1.25% of your Average Annual Earnings in excess of $7,800

3. Multiplied by your years of Credited Service.

Example: Suppose you retire at your Normal Retirement Date with 20 years of Credited Service. Let's assume your Average Annual Earnings equal $35,000. Your annual Plan benefit would be $8,360.00, as determined below:

1. 1% x $7,800 = $78

2. 1.25% x $27,200 = $340

3. $418.00 x 20 years = $8,360

However, if (i) your Retirement Date is after May 31, 1996 for exempt employees or December 31, 1999 for non-exempt employees and (ii) you are not a DC Electing Employee, your annual Normal Retirement benefit is 1.25% multiplied by your entire Average Annual Earnings multiplied by your years of Credited Service.

Example: Suppose you retire at your Normal Retirement Date on November 30, 2002 with 20 years of Credited Service. Let's assume your Average Annual Earnings equal $35,000. Your annual Plan benefit would be $8,750, as determined below:

1.25% x $35,000 x 20 years = $8,750

Please note that the benefit calculation for DC Electing Employees will be determined as if the DC Electing Employee's Retirement Date occurred on or before May 31, 1996 for exempt employees or December 31, 1999 for non-exempt employees. This means that Credited Service and Average Annual Earnings will be based only on those years and amounts earned prior to June 1, 1996 or January 1, 2000, as applicable.

B. Early Retirement

You may retire before your Normal Retirement Date if you have completed ten years of Vesting Service and are within ten years of your Normal Retirement Date. Thus, if your Normal Retirement Date is age 65, your Early Retirement Date can be any date after you reach age 55 and before your 65th birthday, as long as you have at least ten years of Vesting Service by that date.

Your retirement payments may begin on the day you actually cease employment if it is the first of the month, or they may begin on the first day of any subsequent month.

The Early Retirement Benefit calculation is basically the same as the one for Normal Retirement. However, it is based only on Credited Service earned as of your Early Retirement Date and includes adjustments made by an Early Retirement Factor. The Early Retirement Factor, which is based on the age at which you start to receive benefit payments, reduces your annual benefit to account for the additional years before your Normal Retirement Date during which you'll receive payments.

The schedule of Early Retirement Factors is as follows:

Number Of Whole Years Between Early Retirement Date and Normal Retirement Date	Factor (Percentage of Normal Retirement Benefit)
0	100.0%
1	92.8
2	85.6
3	78.4
4	71.2
5	64.0

6	60.4
7	56.8
8	53.2
9	49.6
10	46.0

Note: When a partial year is involved, the factor will be appropriately adjusted.

Thus, the formula for calculating your Early Retirement benefit is:

1. 1% of your Average Annual Earnings up to $7,800

2. Plus 1.25% of your Average Annual Earnings in excess of $7,800

3. Multiplied by your years of Credited Service

4. Multiplied by the applicable Early Retirement Factor.

Example: Suppose you retire exactly five years early, having met all of the Early Retirement requirements, with 15 years of Credited Service. Let's assume your Average Annual Earnings equal $35,000. Your annual Plan benefit would be $4,012.00, as determined below:

1. 1% x $7,800 = $78

2. 1.25% x $27,200 = $340

3. $418 x 15 years = $6,270

4. $6,270 x .640 = $4,012.80

C. <u>Late Retirement</u>

If you continue to work after your Normal Retirement Date, the day on which you finally do retire is called your Late Retirement Date. Should you choose a Late Retirement Date, your retirement benefit will begin on the first day of the month coinciding with or next following the month in which you actually cease employment for reasons other than death. However, your retirement payments must begin no later than the April 1 following the calendar year in which you terminate employment or attain age 70½, whichever is later (your "Required Beginning Date"). Please contact the Plan Administrator for more information if this provision applies to you.

Also, during the period between your Normal Retirement Date and the date you cease employment, if you are working 40 hours or more each month, the Plan Administrator will notify you that retirement benefit payments will be suspended and will provide you with additional information. Please note that your benefits under the Plan continue to accrue as long as you are employed.

Your Late Retirement benefit will be equal to the greater of:

1. an amount determined according to the above formula under Section V.A. based on your years of Credited Service and Earnings as of the date you actually retire, or

2. an amount determined according to the above formula under Section V.A. based on your years of Credited Service and Earnings as of your Normal Retirement Date and then increased actuarially to the date you actually retire.

D. Disability Retirement

If you become disabled while actively employed, you will receive a Disability Retirement benefit provided that, as of the date you become disabled, you:

- Have reached age 40;
- Have completed at least ten years of Vesting Service;
- Are covered by a Long-Term Disability ("LTD") plan sponsored by the University, you are approved to receive LTD benefits, and you postpone electing to receive disability retirement benefits under this Plan while receiving LTD payments; and
- Are receiving or are eligible to receive a Social Security disability benefit.

You will be considered "disabled" if, as a result of accident, injury or disease, you are permanently and continuously unable to work in a job for which you receive compensation. Under the terms of the Plan, disability will not include conditions resulting from any military service for which a government pension is provided.

Your Disability Retirement benefit will be the same as your Normal Retirement benefit, as determined above in Section V.A. based on the number of your years of Credited Service to the date your disability retirement benefit payments begin and your Final Average Earnings as of the date you become disabled. For DC Electing Employees, however, Credited Service and Final Average Earnings will be determined only for periods of employment prior to June 1, 1996 for exempt employees or January 1, 2000 for non-exempt employees.

In determining your Credited Service during the period of your disability, you will be awarded Credited Service until the earliest of:

- Your Normal Retirement Date;
- The date you elect to receive retirement benefits under the plan; or
- The date your LTD payments end.

E. Vested Benefit

The Plan provides a retirement benefit if you terminate employment with the University before you are eligible to retire, provided you are vested as of the date you terminate employment. To be vested, as discussed earlier, is to have earned a non-forfeitable right to your accrued retirement benefit.

The amount of the retirement benefit to which you are entitled is called your Vested Benefit. The amount of your Vested Benefit will be the amount of the benefit determined above in Section V.A. based on your Credited Service as of the date of your termination of employment. This amount is then adjusted by the applicable Early Retirement Factor and multiplied by the Vesting Factor from the following schedule:

Years of Vesting Service	Vesting Factor
If you have less than five years	0%
If you have at least five years	100%

As discussed earlier, if you are an active employee on or after your Normal Retirement Date, you are automatically 100% vested regardless of your years of Vesting Service.

Note: If this Plan is considered Top-Heavy for any Plan Year, the above vesting schedule will be disregarded, and your Vesting Factor will be determined in accordance with the Top-Heavy requirements described below in Section IX.D.

VI. FORMS OF BENEFIT PAYMENT

A. When The Value Of Your Vested Benefit is $5,000 or Less

If the value of your Vested Benefit is $5,000 or less at the time you terminate employment, you will receive your Vested Benefit in the form of a single lump sum. As described above under Section IV.E., if you receive a lump sum payment when you terminate employment and are later rehired by the University, you will retain your previously earned Vesting Service but will lose your Credited Service earned prior to your termination of employment, unless you repay the full amount of your distribution plus interest.

If the value of your Vested Benefit is more than $1,000 but not more than $5,000, you have not reached your Normal Retirement Date, and you do not affirmatively elect to receive a distribution in cash or as a direct rollover (as described in Section VI.G), your benefit will automatically be rolled over to an individual retirement account (IRA) with a financial institution selected by the Plan Administrator as soon as practical after you terminate employment. Your IRA will be invested in a fund designed to preserve principal and provide a reasonable rate of return and liquidity. You will be responsible for paying all fees and expenses related to your automatic rollover IRA. You may contact the Plan Administrator for more information on the automatic rollover IRA.

B. When The Value Of Your Vested Benefit is More than $5,000

If the value of your benefit is greater than $5,000, the distribution of your retirement benefit will take the form of an annuity, which is the Normal Form of Payment under the Plan. (See Section VI.C. below.)

An "annuity" is defined as the payment of a benefit in equal installments, usually monthly, over a period of time. The amount of these installments is usually based on life expectancy. You may choose among several different annuity arrangements. Depending on your choice, you can even provide a lifetime monthly benefit to your spouse or another beneficiary if you die after retirement.

In the next section, we'll discuss the Normal Form of Payment as well as your other payment options. All of these are intended to produce equivalent results. If you are married, you will need your spouse's consent to elect a method of payment other than the Normal Form of Payment.

C. Normal Form of Payment

The annuity form under which your benefit is normally paid (the "Normal Form of Payment") – that is, the form in which your benefit will automatically be paid to you unless you waive it and make another election – depends on whether you have a spouse when payments start. For purposes of this Plan, your spouse is the person to whom you are legally married as of the date retirement benefit payments begin.

D. Normal Form of Payment for Married Employees

If you are married when you retire, the Normal Form of Payment is a Qualified Joint and Survivor Annuity. Through this type of annuity, your own lifetime annuity (*i.e.*, your annual lifetime retirement benefit as described below in Section VI.F.) is reduced to provide a lifetime benefit for your spouse if you die after your Retirement Date.

Under the Qualified Joint and 50% Survivor Annuity, your spouse's benefit will be 50% of your reduced retirement benefit. If your spouse dies before you, you will continue to receive the reduced amount for as long as you live. The amount by which your own benefit is reduced to provide this benefit to your spouse is based on actuarial tables that consider, among other things, your age and the age of your spouse.

If you have obtained your spouse's consent, you may waive the Qualified Joint and 50% Survivor Annuity and choose among the other available payment arrangements. However, you may also elect, without spousal consent, to have 100%, 75%, or 66⅔% of the benefit you were receiving continued to your spouse. Choosing one of these options would result in an even greater reduction in your own monthly benefit than the Qualified Joint and 50% Survivor Annuity.

E. Normal Form of Payment for Unmarried Employees

If you are not married when you retire, your retirement benefit will be paid in the form of a Single Life Annuity – that is, in level monthly payments to you as long as you live. No benefits will be paid after your death.

F. Optional Forms of Payment

The Plan also offers several additional payment options that may suit your needs better than the Normal Forms of Payment described above. Again, if you are married, you must receive your spouse's consent to waive the Qualified Joint and 50% Survivor Annuity and choose one of the optional forms of payment.

Contingent Pensioner Annuity

The Contingent Pensioner Annuity will provide you with reduced monthly payments for life but, at your death after retirement, payments will continue to a contingent pensioner (any person you choose other than your spouse) for as long as that person lives. These payments may be 100%, 75%, 66⅔%, or 50% of your reduced benefit.

However, this form of payment is only permitted if your own resulting monthly benefit is still more than 50% of what it would have been under the Normal Form of Payment. This provision is designed to ensure the Plan truly provides a benefit to the University's employees themselves.

Ten-Year Certain and Life Annuity

The Ten-Year Certain and Life Annuity provides you with reduced, monthly payments for as long as you live, with a guarantee of at least ten years of payments. If you die within ten years after you retire, your beneficiary will receive the same monthly payments for the remainder of that ten-year period. If you die more than ten years after your retirement date, no benefit will be paid after your death.

If your beneficiary is not your spouse, the amount of reduced pension that you receive under this form of payment must be more than 50% of the amount that you would have received under your Normal Form of Payment.

Social Security Offset Annuity

You may want to consider this alternative if you plan to retire before you are eligible to receive your Social Security benefits. Through this option you may elect to receive increased monthly retirement payments before your Social Security benefits begin and reduced monthly payment amounts afterwards. When projected over the period of your retirement, such payments result in a retirement benefit actuarially equivalent to the one you would otherwise have received under the Normal Form of Payment.

Single Life Annuity

If you are married at the time of your retirement, the Plan permits you to waive the Qualified Joint and 50% Survivor Annuity and receive your benefit in the form of a Single Life Annuity - that is, in level monthly payments to you as long as you live, based on your annual retirement benefit as determined above in Section V.A. Under this form of payment, you will receive a larger benefit than you would have received under the Qualified Joint and 50% Survivor Annuity, but no benefits will be paid after your death.

G. Tax Treatment

If you receive a distribution from the Plan before you reach age 59½, your retirement benefits may be subject to both ordinary income tax and a 10% additional tax. However, the 10% additional tax will not apply to taxable distributions that are:

- Made because you become totally and permanently disabled;
- Made after you terminate employment after reaching age 55;
- Made in the form of retirement benefit that provides you (or you and your beneficiary) with a lifetime income;
- Made to your beneficiary when you die;
- Used to pay unreimbursed medical expenses for you or your dependent in excess of 7.5% of your adjusted gross income as reported on your Form 1040 federal tax return; or
- Made under the terms of a Qualified Domestic Relations Order (also referred to as a "QDRO").

In addition, you can choose to have the taxable portion of a lump sum payment paid to you in two ways. You can have all or a portion of your payment either (1) paid in a DIRECT ROLLOVER or (2) PAID TO YOU. The choice you make will affect the taxes you owe.

If you choose a DIRECT ROLLOVER:

- Your payment will be made directly from this Plan to the trustee or custodian of an "eligible retirement plan." For this purpose, an "eligible retirement plan" includes an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract), an annuity plan described in section 403(a) of the Code, a qualified retirement plan that accepts rollover distributions, an eligible deferred compensation plan maintained by a state or local government entity described in section 457(b) of the Code, an annuity contract described in section 403(b) of the Code, or a Roth IRA described in section 408A of the Code.

- Your payment will not be taxed in the current year and no income tax will be withheld from the payment. Instead, your payment will be taxed later, when you take it out of the eligible retirement plan.

- You may choose to have part of your payment paid to you and part paid in a direct rollover to an eligible retirement plan. However, the portion paid as a direct rollover must equal at least $500. In addition, if the taxable amount of your payment is $500 or less, you may not divide the payment and have part of it paid to you and part of it paid in a direct rollover.

- You cannot choose a direct rollover for payments of less than $200.

If you choose to have your payment PAID TO YOU:

- You will receive only 80% of the payment, because the Plan Administrator is required to withhold 20% of the payment and send it to the Internal Revenue Service as income tax withholding. The amount withheld is credited against your taxes when you file your income tax return. The 20% withholding requirement is not an additional tax. Any additional tax due to a premature payment of benefits from the Plan will be in addition to your ordinary income tax.

These rules also apply to payments to surviving spouses, alternate payees under a Qualified Domestic Relations Order and other beneficiaries. However, non-spouse beneficiaries may roll over payments only to certain types of inherited IRAs.

These rules do <u>not</u> apply to payments from an annuity that is payable over your life or from an annuity that makes payments over a period of ten or more years. In addition, these rules do not apply to the minimum required payments that you must begin to receive by the April 1 of the calendar year following the year in which you terminate employment or reach age 70½, whichever is later.

The Plan Administrator will provide you with a more detailed description of your payment options, tax rules and direct rollover rights when you request a withdrawal or distribution from the Plan. However, you should consult a professional tax advisor for more complete information regarding your own situation.

VII. ELECTING YOUR FORM OF BENEFIT PAYMENT

A. <u>Timing</u>

Whether you choose an Early, Normal or Late Retirement – or if your retirement payments must begin because you've reached your Required Beginning Date – the Plan Administrator will give you information about the Qualified Joint and 50% Survivor Annuity and your other payment options between 30 and 180 days before your benefit payments are due to begin, and you may make your election at that time. If you are married and elect to waive the Qualified Joint and 50% Survivor Annuity, your waiver must be in writing in the form provided by the Plan Administrator and you must obtain your spouse's written consent, which must be witnessed by a

Plan representative or notary public and provided to the Plan Administrator before your Retirement Date. Once your payments begin, this decision is final and cannot be revoked.

B. Spousal Consent

If you are married and want to elect a form of payment other than the Qualified Joint and 50% Survivor Annuity, your spouse must consent to your choice in writing, and this written consent must be witnessed by a notary public or a representative designated by the Plan Administrator. In addition, your spouse must consent to your election on a specific or a general basis, as follows:

- Specific Consent: Your spouse agrees to your choice of a specific beneficiary and/or a specific form of payment. With a Specific Consent, any future change of beneficiary designation and/or method of payment must again have your spouse's written consent.

- General Consent: Your spouse gives you permission to choose any non-spouse beneficiary and/or any method of payment, at your discretion. Once this is done, any future changes in beneficiary and/or method of payment do not require your spouse's written consent.

You can combine the specific and general consents so that your spouse agrees to your specific choice of beneficiary and/or any form of payment, or your spouse agrees to your specific form of payment but allows you to choose any beneficiary.

VIII. SURVIVOR BENEFITS

While the primary purpose of the Plan is to help you maintain a satisfactory standard of living after retirement, it also provides survivor benefits under certain circumstances. These benefits are paid in full by the University. This section will discuss some of the key factors involved in determining when and to whom benefits will be paid after your death.

As you read through this material, it will be helpful for you to remember that your Retirement Date and Normal Retirement Date are critical dates in terms of survivor benefits.

A. Pre-retirement Spouse Benefit

If you are married and die before your Retirement Date, your spouse may be eligible to receive the Pre-retirement Spouse Benefit. Similar to the Qualified Joint and 50% Survivor Annuity that provides a benefit to your spouse if you die *after* your Retirement Date, the Pre-retirement Spouse Benefit provides financial support to your spouse if you die *before* your Retirement Date.

Generally, the Pre-retirement Spouse Benefit is effective until your Retirement Date, whether you choose an Early, Normal or Late Retirement. Once your Retirement Date occurs, the Qualified Joint and 50% Survivor Annuity coverage becomes effective. Thus, unless the Pre-retirement Spouse Benefit or the Qualified Joint and 50% Survivor Annuity is waived or eligibility requirements are not met, your spouse may receive a death benefit regardless of when you die while employed by or retired from the University.

Eligibility Criteria For the Pre-retirement Spouse Benefit

Your spouse will be eligible to receive the Pre-retirement Spouse Benefit if all of the following conditions are met, as of the date of your death:

- You are married for a period of at least one year;
- You are entitled to a Vested Benefit;
- You have not elected to waive the Pre-retirement Spouse Benefit coverage; and
- You have not yet started receiving retirement benefit payments.

How the Pre-retirement Spouse Benefit Is Determined

Essentially, your spouse will receive the same payments he or she would have received under the Qualified Joint and 50% Survivor Annuity had you retired on the day *before* your death. As with the Qualified Joint and 50% Survivor Annuity, the benefit amount will be the amount determined above in Section V.A. This amount will be adjusted for the Qualified Joint and 50% Survivor Annuity form of payment and any applicable Early Retirement Factor. In addition, if your spouse decides to defer benefit payments (see below), the monthly benefit amount will be adjusted accordingly.

Timing of Pre-retirement Spouse Benefit Payments

Your spouse may choose to start receiving Pre-retirement Spouse Benefit payments as early as your Early Retirement Date or, if that day has passed, the first day of the month following your death. He or she may also elect to defer the start of these payments up to the date you would have reached age 70½.

If your spouse does not elect immediate commencement of benefits or to defer benefits until the age you would have reached age 70½, payments will begin on the first day of the month following the date that would have been your Normal Retirement Date.

When the Pre-retirement Spouse Benefit Will Not Be Paid

Payments under the Pre-retirement Spouse Benefit will not be made if:

- Your death and your spouse's death occur before Pre-retirement Spouse Benefit payments begin; or
- Your spouse chooses to defer payments of benefits and then dies before the deferred payments are scheduled to begin.

Pre-retirement Spouse Benefit Election Procedures

If you are an active employee, the Plan Administrator will give you specific details on the Pre-retirement Spouse Benefit sometime between the Plan Years in which you reach age 32 and before you reach age 35. If you enter the Plan after you reach age 35, you will receive this information during the first year of your participation. If you terminate employment before you reach age 35, you will receive this information within one year of your termination.

You may elect to waive the Pre-retirement Spouse Benefit any time after the first day of the Plan Year in which you reach age 35. You must obtain your spouse's written consent to this waiver, and it must be witnessed by a Plan representative or notary public.

As discussed earlier, if you waive the Pre-retirement Spouse Benefit, no survivor benefits will be payable upon your death if you die before your Normal Retirement Date while actively employed.

If you are still actively employed when you reach your Normal Retirement Date, you will once more have the opportunity to waive the Pre-retirement Spouse Benefit and may, at this point, elect the death benefit coverage provided in Section VI.D. You must have your spouse's consent to waive the Pre-retirement Spouse Benefit as well as provide a specific or general consent to your election of an optional form of benefit.

If no consent is given, your spouse will be covered by the Pre-retirement Spouse Benefit and will receive that death benefit if you die before your Retirement Date.

B. <u>Spousal Benefits after Your Retirement Date</u>

Once you actually retire, any waiver or election made prior to the 180-day period preceding your Retirement Date expires. Thus, 180 days before your Retirement Date you will be given the opportunity to waive (with spousal consent) the Qualified Joint and 50% Survivor Annuity, if you so choose, and re-elect an optional form of benefit payment in order to keep any choices you made prior to this period in effect.

If you do not choose another option with the consent of your spouse, you and your spouse will be covered by the Qualified Joint and 50% Survivor Annuity.

C. <u>If You are Unmarried</u>

If you are unmarried and die before your Normal Retirement Date, a death benefit is not payable unless you are already retired and you have elected an optional form of payment. If you die after your Retirement Date, or after your Normal Retirement Date while actively employed, a death benefit will be payable only in accordance with the form of payment you elected.

D. <u>Death During Qualified Military Service</u>

If you die while performing Qualified Military Service, your survivors will be entitled to any additional benefits that would be provided under the Plan as if you had returned to employment immediately prior to your death.

IX. CIRCUMSTANCES THAT MAY AFFECT YOUR PLAN BENEFITS

The following sections provide a summary of the more common circumstances that may affect your retirement benefit. We have also added a detailed explanation of Qualified Domestic Relations Orders and provided more specific information on the Top-Heavy requirements.

A. Conditions that May Result In a Benefit Reduction, Loss, or Suspension

Under certain circumstances, your benefits may be lost, reduced or suspended. The principal way in which you may lose benefits is by reason of a Break in Service. Under the rules of the Plan, a Break in Service occurs in any Plan Year in which you fail to complete at least 501 Hours of Service. If a Break in Service occurs, you will usually forfeit your entire non-vested benefit. Additional circumstances under which your benefits may be lost, reduced or suspended may include the following:

- Your employment terminates for any reason before you have a vested interest in your benefit;
- You or your beneficiary do not provide the Plan Administrator with your most recent address and you or your beneficiary cannot be located at the time benefits are scheduled to commence;
- You fail to make proper application for benefits or fail to provide necessary information;
- You die prematurely and are not eligible for the death benefits described above;
- The trust fund created to provide benefits is underfunded and the benefits are not otherwise covered by insurance offered by and purchased from the Pension Benefit Guaranty Corporation ("PBGC"), a Federal agency described below under Section XI. Also, under certain provisions of the Employee Retirement and Income Security Act of 1974, as amended ("ERISA"), the PBGC can "recapture" certain benefit payments that have been made under a plan if the plan is terminated or becomes insolvent.
- Benefits are suspended due to periods of reemployment after benefits have commenced (see Section IX.E, below);
- Your employment with the University ends before you have a vested interest in the Plan and the Plan is subsequently terminated;
- Under the Joint and Survivor Annuity (50%, 66⅔%, 75%, and 100%) forms of payment, your benefits will be reduced to permit payments to your beneficiary after your death;
- Under the Ten-Year Certain and Life Annuity, your benefits will be reduced to reflect the cost of the guaranteed payments;
- If you retire or otherwise terminate employment before you reach your Normal Retirement Date, your benefit will only take into account your Credited Service and Final Average Earnings at the time of your termination from employment;

- Benefits paid to you before you reach Normal Retirement Date will be reduced to account for the early payment of benefits; or

- The Plan fails to meet certain funding levels required by the Internal Revenue Service. If this occurs, payments under the Plan will be limited and in certain cases all benefit accruals must cease. You will be notified in the event your benefit is affected by the Plan's funding level.

B. Qualified Domestic Relations Orders

All benefit payments are subject to Qualified Domestic Relations Orders ("QDRO"). A QDRO is a court decree that relates to child support, alimony, or marital property rights under state domestic relations law. Such an order may apply to you if, for example, a court orders the Plan Administrator to pay a portion of your Plan benefits to a former spouse. QDROs have the effect of canceling, in whole or in part, beneficiary designations that otherwise would be effective and can significantly change the payment of your benefits. You may obtain a copy, free of charge, of the Plan's procedures relating to QDROs from the Plan Administrator.

C. 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 (i) a QDRO to a spouse, former spouse, child or other dependent to satisfy a legal obligation you have to that person, (ii) a federal tax levy, or (iii) a judgment relating to your conviction of a crime involving the Plan or a judgment, order, decree or settlement agreement between you and the Secretary of Labor or the PBGC.

D. Top-Heavy Requirements

The Plan is considered to be "Top-Heavy" if the current value of the retirement benefits attributable to "Key Employees" is 60% or more of the total current value of all retirement benefits to be provided under the Plan. As a result of this situation, the retirement benefits of non-Key Employees who are Plan participants during any Top-Heavy Plan Year may be increased.

The following provisions will apply to this Plan for each Plan Year that it is determined to be Top-Heavy:

- A minimum retirement benefit will be provided to those non-Key Employees who have accrued Credited Service during the Plan Year in which the Plan is Top-Heavy.

- A more liberal Vesting Schedule will replace the normal Vesting Schedule beginning with the Plan Year in which the Plan is first Top-Heavy.

This schedule, which follows, will remain in effect for all employees in the Plan as of the year in which the Top-Heavy determination is made *from that day forward*:

Years of Service:	Vesting Factor:
If you have less than 2 years:	0%
If you have 2 years:	20%
If you have 3 years:	40%
If you have 4 years:	60%
If you have 5 years:	100%

E. Suspension of Benefits

Benefit payments under the Plan may be suspended if you:

- Continue to work for the University after your Normal Retirement Date, or
- Retire, begin to receive benefits, and are thereafter reemployed by the University while receiving benefits.

Benefits will resume or commence on the earliest of (1) the first day of the month following your termination from employment, (2) your Required Payment Date, or (3) the first day of the month following the month in which you cease Suspension Employment with the University. "Suspension Service" means each month after your Normal Retirement Date in which you complete forty or more Hours of Service or work on eight or more days.

If the Plan mistakenly paid you benefits for any month in which benefits should have been suspended, the Plan may defer your commencement of benefits for two months or until these amounts are recovered. If after two months the Plan has not yet recovered the amounts mistakenly paid out, it may deduct the amounts (excluding interest) from your benefit payments until the recovery is complete. The deduction from any payment may never be greater than 25% of your monthly benefit payment.

If you are considering deferring your Retirement Date or become reemployed while receiving benefits, be sure to contact the Plan Administrator for information on how your benefits will be affected.

X. RECEIVING YOUR PLAN BENEFIT

A. Application for Benefits

Payment of benefits to which you, your spouse, or other beneficiaries are entitled from the Plan will generally not begin until a written application for those benefits is received by the Plan Administrator.

B. Claims Procedure

The Plan Administrator will advise you of any benefits to which you are entitled under the Plan. If you believe that the Plan Administrator has failed to advise you or to pay any benefit to which you are entitled, you may file a written claim with the Plan Administrator. The Plan

Administrator will respond to your claim within a reasonable amount of time. If you are denied a claim for benefits, in whole or in part, the Plan Administrator will provide you with written or electronic notice of the denial within 90 days of the date your claim is received by the Plan Administrator unless special circumstances require an extension of time for processing. In that case, a decision will be rendered as soon as possible, but not later than 180 days after receipt of your claim, and you will be notified of the reason for the delay within the original 90-day period. If your claim for benefits is denied, the Plan Administrator will provide you with written or electronic notice setting forth in simple terms:

- 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 needed so that a benefit may be paid and an explanation of why such material or information is necessary; and
- an explanation of the claims review procedure under the Plan and the time limits applicable to the claims review procedure.

You will also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim. Within 60 days of the date you receive a notice denying a claim, you or your duly authorized representative may request (in writing) a full review of the claim by the Plan Administrator. In connection with such review, you or your duly authorized representative may review pertinent documents and may submit issues and comments in writing. The Plan Administrator will make a decision promptly, and not later than 60 days after receipt of the request for review, unless special circumstances (such as the need to hold a hearing, if appropriate) require an extension of time for processing. In that case, a decision will be rendered as soon as possible, but not later than 120 days after receipt of the request for review. The decision on review will include a written or electronic statement that will include:

- the specific reason or reasons for the denial;
- specific reference to the Plan provisions on which the denial is based;
- a description of your right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relative to your claim for benefits;
- a description of any voluntary appeal procedure offered by the Plan; and

The Plan Administrator’s decision on review will be final and binding on all parties subject to any legally required right to sue or appeal in court (see Section XII.C. below).

XI. CONTINUATION OF THE PLAN

Your pension benefits under the Plan are insured by the 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. Most people receive all of the pension benefits they would have received under the Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of 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; (3) benefits that are not vested because you have not worked long enough for your Employer; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) 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 your Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 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's website on the Internet at http://www.pbgc.gov.

XII. YOUR ERISA RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants will be entitled to:

A. Receive Information about Your Plan and Benefits

Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, 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.

- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, 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.

- Receive a summary of the Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at 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 such 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.

B. 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 your 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 fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

C. 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 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 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, if you disagree with the Plan's decision or lack thereof concerning the status of a QDRO, you may file suit in a federal court. If it should happen that the 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.

D. 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 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 ("EBSA") by checking your telephone directory. You may also contact the Washington D.C. office of the EBSA by writing to:

United States Department of Labor
Employee Benefits Security Administration
200 Constitution Avenue N.W.
Washington, DC 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the toll free hotline of the EBSA at 1-866-444-3272 or visiting EBSA's Website at http://www.dol.gov/ebsa or http://www.askebsa.dol.gov.

This summary plan description highlights the main provisions of the Plan but is subject to the terms of the legal Plan document. Where this description and the official Plan document vary in the description of the Plan, the Plan document is the final authority.

The description of your retirement benefits is not an employment contract or any type of employment guarantee.

GLOSSARY

Because the subject of retirement plans is so specialized, the use of technical terms is unavoidable. To clarify our use of certain words and phrases, we've included this listing of brief definitions.

Accrued Benefit

The amount of retirement benefit that a participant has earned (or accrued) through a specified date.

Average Annual Earnings

As defined by the provisions of a Plan, these are the specific Earnings that are factored into the calculation of a retirement benefit. Typically they are an average of Earnings during the last several years of employment before retirement.

Annuity

A retirement benefit paid in equal installments, generally monthly, over a period of time. The amount of money paid each month is usually based upon life expectancy or the combined life expectancies of the annuitant and his or her beneficiary. The automatic form of annuity for married participants is a Qualified Joint and 50% Survivor Annuity. In addition, married participants may elect a Joint and Survivor Annuity that pays 66⅔%, 75%, or 100% of the participant's monthly payments to the surviving spouse. The automatic form of annuity for unmarried participants is a Single Life Annuity.

Beneficiary

The person named by the participant to receive any death benefits due under a Plan.

Benefit

The amount to be paid to a participant of a Plan, or a beneficiary, at retirement, at death or at termination of employment. When paid in actuarially-determined equal installments, it can be termed an annuity.

Break in Service

An interruption in service, as defined in a Plan, that may affect an employee's eligibility to participate in a Plan and the amount of benefit accrued and/or vested.

Contingent Pensioner Annuity

A form of annuity that provides a participant with reduced monthly payments for life in order to have these payments continued at death to a beneficiary for the balance of his or her life. These continued payments may be 50%, 66⅔%, 75%, or 100% of the participant's monthly payments.

Credited Service

Years of employment with the University that are used in determining a participant's retirement benefit under a Plan.

DC Electing Employee

A participant who makes a one-time election to freeze the value of his or her accrued benefit as of May 31, 1996 for exempt employees or December 31, 1999 for non-exempt employees and to become a participant in the Villanova University Retirement Savings Plan and the Villanova University Supplemental Retirement Savings Plan as of June 1, 1996 or January 1, 2000, respectively.

Early Retirement Date

As allowed by the provisions of a Plan, a date earlier than the Normal Retirement Date, on which the participant elects to have retirement payments begin. These retirement payments will typically be lower than those available at Normal Retirement Date to compensate for the fact that the participant will start to receive payments earlier.

Earnings

A participant's compensation for current services from the University (or periods of Qualified Military Service). Earnings are typically used to determine retirement benefits.

ERISA

The Employee Retirement Income Security Act of 1974. A law enacted by Congress to safeguard the rights of participants in retirement plans.

Fiduciary

A person who has discretionary control over or responsibility for a Plan's administration and/or its assets.

Hour of Service

Each hour that an employee earns or is entitled to earn compensation from the University or an affiliate, including hours worked, paid vacation and sick time.

Key Employees

Key Employees are generally certain officers and owners of a company.

Late Retirement Date

As allowed by the provisions of a Plan, a date later than the Normal Retirement Date, on which the participant elects to have retirement payments begin. These retirement payments will typically be higher than those available at Normal Retirement Date to compensate for the fact that the participant will start to receive payments later.

Single Life Annuity

A form of annuity that provides the participant with a retirement benefit for as long as he or she lives. No benefits are payable following death.

Normal Form of Payment

The standard form of annuity under which a Plan's retirement benefit is paid. The normal form of payment is automatically in effect unless a participant chooses another form of payment. For married participants, the normal form is a Qualified Joint and 50% Survivor Annuity. For unmarried participants, the normal form is a Single Life Annuity.

Normal Retirement Date

A date, as defined by the provisions of a Plan, on which the participant is eligible to receive an unreduced retirement benefit.

PBGC

Pension Benefit Guaranty Corporation, a federal government agency that insures some of the benefits provided under a Plan.

Plan

The retirement plan, as set forth in writing, under which the rights of the participating employees are defined.

Plan Administrator

The person or organization designated by the University to be responsible for managing the day-to-day affairs of the Plan.

Plan Year

The 12-consecutive month period that has been chosen by a Plan for keeping its records. It is typically a calendar or fiscal year.

Pre-retirement Spouse Benefit

A benefit provided to a participant's spouse in the event of the participant's death before his or her Retirement Date.

Qualified Domestic Relations Order

A court order, deemed qualified by the Plan Administrator, that creates or recognizes an alternate payee's right to receive part or all of a participant's Plan benefits. The alternate payee may be the participant's spouse, former spouse or dependent.

Qualified Joint And 50% Survivor Annuity

A form of annuity that provides a participant with a reduced retirement benefit until death. Following the participant's death, his spouse receives payments, generally 50% of the amount the participant was receiving, for the balance of his or her life. This is the normal form of annuity for a married participant unless another election is made with consent of the spouse.

Qualified Military Service

Qualified Military Service is any period of time that an employee is absent for military service under leave granted by the University or required by law, provided the employee returns to employment while his or her right to reemployment is protected by law.

Retirement Date

The date on which retirement benefit payments actually begin to be paid. It may be the Normal Retirement Date, an Early Retirement Date, a Late Retirement Date or upon death.

Ten-Year Certain and Life Annuity

A form of annuity that provides a participant with a minimum of ten years worth of payments. If the participant dies before receiving payments for this minimum guaranteed period, payments will be continued to the designated beneficiary for the remainder of the guaranteed period.

Top-Heavy

When a Plan's current value of retirement benefits attributable to Key Employees is 60% or more of the total current value of all retirement benefits to be provided under a Plan, a Plan is considered Top-Heavy. For any Plan Year in which a Plan is Top-Heavy, the benefits earned by non-Key Employees may be increased.

Vested Benefit

The non-forfeitable amount of the retirement benefit to which a participant is entitled if he or she terminates employment before his/her Normal Retirement Date.