

Office of Human Resources

April 20, 2007

To: SPU Faculty and Staff

Fr: Carrie McCrimmon, Associate Director of Human Resources

Re: Seattle Pacific University Pension Plan Summary Annual Report

This is a summary annual report for the Seattle Pacific University Defined Contribution Pension Plan, EIN 91-0565553, for the plan year July 1 through June 30, 2006. The annual report was filed with the Internal Revenue Service, as required under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA requires distribution of this document to all employees on an annual basis.

SPU Retirement Plan

Benefits under the plan are provided through allocated contracts with Teachers Insurance and Annuity Association (TIAA), College Retirement Equities Fund (CREF) and Fidelity Investments. Plan expenses were \$1,575,275 for benefits paid to participants and beneficiaries and to TIAA for the purchase of allocated contracts plus an additional \$2,944 in administrative fees. A total of 925 persons were participants in the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets in CREF and Fidelity Investments, after subtracting liabilities of the plan was \$25,285,134 as of June 30, 2006, compared to \$22,273,013 as of June 30, 2005. During the plan year the plan experienced an increase in its net assets of \$3,012,121. This increase includes unrealized appreciation or depreciation in the value of Plan assets; that is the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$4,590,340, including employer contributions, transfers from allocated contracts and rollover contributions of \$2,375,723 employee contributions of \$0 and investment income of \$2,214,617.

You have the right to receive a copy, upon payment of copying costs, of the full annual report or any part thereof, including insurance information, on request. The following items are included in the reports (where applicable based upon plan type): accountant's report; assets held for investment; fiduciary information; transactions in excess of five percent of plan asset and insurance information, including sale commissions paid to insurance carriers. To obtain copies of the full annual report, or any part thereof, write or call Human Resources at Seattle Pacific University, 3307 Third Avenue West, Seattle, WA 98119, phone (206) 281-2809.

You also have the right to receive from the Plan Administrator, on request, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the U.S. Department of Labor in Washington, D.C. or at the Human Resource Office at Seattle Pacific University, 3307 Third Avenue West, Seattle, Washington 98119. You may also obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department of Labor should be addressed to Department of Labor, Public Disclosure Room, N4677, Pension and Welfare Benefit Programs, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20216.