

**SEATTLE PACIFIC UNIVERSITY**  
**Defined Contribution Retirement Plan**

**SUMMARY PLAN DESCRIPTION**

**July 1, 2007**

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**SEATTLE PACIFIC UNIVERSITY  
DEFINED CONTRIBUTION RETIREMENT PLAN**

**SUMMARY PLAN DESCRIPTION**

**1. INTRODUCTION**

**1.1 Purpose of the Plan**

Seattle Pacific University (the “University”) maintains the Seattle Pacific University Defined Contribution Retirement Plan (the “Plan”) to provide benefits in the event of your retirement, death, or Disability, or if you terminate employment prior to your Normal Retirement Age.

The Plan is a defined contribution money purchase pension plan that is intended to be qualified under Internal Revenue Code Section 401(a). University contributions to the Plan are fixed as a percentage of employee compensation. Because the Plan is a defined contribution plan, you will not receive a set dollar amount of retirement benefits. Rather, your actual retirement benefits will depend on the value of your vested Account balance at the time you take a distribution from the Plan. Your vested Account balance will reflect any annual allocations to your Account, the length of time you are employed by the University and the investment performance of the fund(s) in which your Account is invested.

**1.2 Purpose of This Summary**

This Summary Plan Description (this “Summary”) is intended to serve as an easy-to-read explanation of the Plan’s most important provisions as in effect on July 1, 2007. It applies to persons employed by the

University on or after that date. If your employment with the University terminated prior to July 1, 2007, portions of this Summary may not apply to you. Generally, your rights to benefits are governed by the terms of the Plan as in effect at the time your employment with the University terminates.

In general, the capitalized terms used in this Summary have special meanings and are defined in Section 16, entitled “Glossary of Terms.”

Although every effort has been made to make this Summary as complete and accurate as possible, it is not a substitute for the Plan document itself. The administration of the Plan and the actual rights and benefits to which you are, or may become, entitled are governed by the detailed provisions of the Plan document, not this Summary. Accordingly, in the case of any conflict between this Summary and the terms of the Plan document, the Plan document will control.

**1.3 Questions**

If you have any questions after reading this Summary, please contact the Office of Human Resources at (206) 281-2809.

**2. GENERAL PLAN INFORMATION**

Plan Name	Seattle Pacific University Defined Contribution Retirement Plan
Plan Number	002
Type of Plan	Defined Contribution Money Purchase Plan
Original Effective Date	July 1, 1989
Plan Year	July 1 to June 30
Plan Sponsor	Seattle Pacific University 3307 Third Avenue West Seattle, WA 98119 Telephone: (206) 281-2809 EIN: 91-0565553
Plan Administrator	Plan Advisory Committee c/o Office of Human Resources Seattle Pacific University 3307 Third Avenue West Seattle, WA 98119 Telephone: (206) 281-2809
Type of Plan Administration	The Plan is administered by the University through an internal Advisory Committee.
Funding Medium	All assets are held in trust by the Trustee or in the TIAA and CREF Group Retirement Trusts and related annuity contracts.
Trustees	Craig Kispert, Thomas W. Box, and Gordon Nygard Seattle Pacific University 3307 Third Avenue West Seattle, WA 98119
Agent for Service of Legal Process	Legal process may be served on the Plan Administrator or the Trustees.
Fund Sponsors	Teachers Insurance and Annuity Association of America (“TIAA”) 730 Third Avenue New York, NY 10017  College Retirement Equities Fund (“CREF”) 730 Third Avenue New York, NY 10017  Fidelity Investments Retirement Services, Tax Exempt Market (“Fidelity”) 49 North 400 West Salt Lake City, UT 84101-1368

### **3. ELIGIBILITY AND PARTICIPATION**

#### **3.1 Am I eligible to participate in the Plan?**

All employees of the University are eligible to participate in the Plan at the time described in Section 3.2, except for the following groups of individuals:

- Adjunct faculty. For Plan purposes, adjunct faculty are defined as faculty members who are employed pursuant to a term contract to teach on a per-course basis,
- Students enrolled at the University,
- Leased Employees who perform services under an agreement between the University and a leasing organization, and
- Individuals classified by the University as independent contractors (regardless of whether that classification is controlling for federal employment tax purposes or under any other applicable federal, state, or local law, and regardless of whether an individual is classified differently by a court or any federal, state, or local agency).

#### **3.2 When will I be eligible to participate in the Plan?**

If you are an eligible employee, you will begin participating in the Plan on the Entry Date coinciding with or immediately following the date on which you complete one Year of Service, provided you are at least age 21 as of

that date. Entry Dates are July 1, October 1, January 1, and April 1.

#### **3.3 How is a Year of Service determined for eligibility purposes?**

To have a Year of Service for eligibility purposes, you must complete at least 1,000 Hours of Service in the 12-consecutive-month period beginning on your hire date if you are paid on an hourly basis and your service is credited based on your actual hours of service. If you do not complete 1,000 Hours of Service during that period, subsequent 12-consecutive-month periods begin on the first day of each Plan Year beginning with the Plan Year that commences during your first 12-consecutive-month period. For employees who are paid on a basis other than an hourly basis and whose service is not credited based on actual hours of service, 750 Hours of Service are considered to be equivalent to the 1,000 Hours of Service referred to above.

**EXAMPLE:** If you are an employee who is paid on an hourly basis and whose service is credited on the basis of actual hours worked and you were hired on April 15, 2007, you would complete a Year of Service as of April 14, 2008, if by then you had completed at least 1,000 Hours of Service. You would become a participant on the next Entry Date (July 1, 2008).

If you did not complete 1,000 Hours of Service as of April 14, 2008, the measuring period for determining your eligibility for the Plan would be the Plan Year beginning July 1, 2007, and

subsequent Plan Years. Let's assume that you complete 800 Hours of Service between July 1, 2007 and June 30, 2008, and then 1,000 Hours of Service between July 1, 2008 and June 30, 2009. You would become a participant on July 1, 2009 (the next Plan Entry Date following your completion of one Year of Service with at least 1,000 Hours of Service credited).

If you were an employee of the University on July 1, 1989 and were employed by another higher education organization immediately prior to your date of employment or reemployment by the University, you received credit for eligibility purposes for your service with that other higher education organization.

### **3.4 If I terminate employment and am later rehired by the University, when can I participate?**

If you are an eligible employee, you will be eligible to participate at the following applicable time:

(a) If you were a participant when you terminated your employment and you are rehired as an eligible employee, you will become a participant in the Plan on your Date of Reemployment, unless your prior Years of Service are disregarded as described below.

(b) If you had not met the Plan's eligibility requirements when you terminated your employment, or if your prior Years of Service are disregarded as described below, you will become a participant on the Entry Date on which you complete the eligibility

requirements, if you are an eligible employee as of that date.

Your prior Years of Service will be disregarded for eligibility purposes if you were 0% vested in your Retirement Account at the time of your earlier termination of employment and the number of consecutive One-Year Breaks in Service that you incur before you are reemployed by the University equals or exceeds the greater of five or your total Years of Service with the University.

### **3.5 What if I take a leave for military service?**

The Plan provides for contributions and service credit to persons returning to employment after military service, to the extent required by federal law. If you are rehired following a period of uniformed service which entitles you to rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA), you will be credited with such service for purposes of determining years of service for eligibility, vesting and benefit accrual purposes.

You will also be entitled to an allocation of any missed Retirement Contributions (but not to an allocation of earnings on those contributions) for the period while you were in qualified military service, subject to applicable laws relating to military leave.

To qualify for these special provisions, you must notify the University before taking leave (unless precluded by military necessity or other reasonable cause), and say how long you expect to be gone. You must also apply for reemployment following the leave within the time periods required by law. These rules apply to military service in

the United States Armed Forces and National Guard. They also apply to uniformed service in the commissioned corps of the Public Health Service.

#### **4. UNIVERSITY CONTRIBUTIONS AND ALLOCATIONS**

##### **4.1 How much will the University contribute to the Plan?**

For each Plan Year in which you are a participant and in which you have a Year of Participation, the University will make a Retirement Contribution to the Plan for your benefit equal to

- 9% of your Compensation for the Plan Year, plus
- 5.7% of your Compensation in excess of the Social Security taxable wage base in effect at the beginning of the Plan Year.

You will have a Year of Participation when the University has determined that you have completed, or will complete in a particular Plan Year, at least 1,000 Hours of Service (750 Hours of Service if you are not paid on an hourly basis and your service is not credited on the basis of actual hours worked). If you do not complete this minimum number of Hours of Service during the Plan Year, you will not be entitled to the Retirement Contribution for that Plan Year.

However, if you have met the Plan's eligibility requirements, you are not required to complete any minimum number of Hours of Service to receive the Retirement Contribution in the Plan Year in which your employment terminates because you die, you have

become Disabled, or you have reached Normal Retirement Age.

Example:

Jane's Compensation for the Plan Year ending June 30, 2008 is \$100,000. The University will make the following contribution to Jane's Retirement Account:

9% of Jane's Total Compensation (.09 x \$100,000)	\$9,000.00
5.7% of Jane's Excess Compensation (\$100,000 - \$97,500*) (\$2,500 x .057)	<u>142.50</u>
<b>Total Contribution</b>	<b><u>\$9,142.50</u></b>

\* Social Security Taxable Wage Base in effect on July 1, 2007, the beginning of the Plan Year.

The University will calculate and make its contribution to the trust fund (via the funding vehicles you have selected among those that are available in the Plan) each month, based on your Compensation paid during that month. These contributions will begin in the Plan Year when the University has determined that you have met or will meet the requirements for a Year of Participation described above. Any part of these contributions for a Plan Year that are not contributed prior to making this determination will be included in contributions made for that Plan Year after the determination.

##### **4.2 What happens if I become an ineligible employee?**

If you become ineligible to participate in the Plan after you have previously been a participant (for example, your employment status

changes to an ineligible category of employees such as adjunct faculty, a student, or a Leased Employee), you will not receive an allocation of the Retirement Contribution based on Compensation paid during the period of your exclusion, but your Account balance will continue to share in trust fund earnings and losses.

## **5. ROLLOVER CONTRIBUTIONS**

### **5.1 May I roll over benefits from a prior employer's Eligible Employer Plan?**

With the approval of the Plan Administrator, a Fund Sponsor may accept a rollover of your distribution from a prior employer's Eligible Employer Plan or from a "conduit rollover IRA." Conduit rollover IRAs include only amounts from another Eligible Employer Plan. You make rollover contributions through either a direct rollover or a 60-day rollover:

- **Direct rollover** – Your prior employer's Eligible Employer Plan or IRA provider must make your distribution check payable directly to the Trustee.
- **60-day rollover** – You must make this rollover contribution within 60 days after you receive payment from the Eligible Employer Plan or conduit rollover IRA. When the distribution is initially made directly to you, 20% of the total amount is withheld for federal income tax. You may add the equivalent of this 20% to your rollover amount. You can recover the 20% federal tax withholding

when you file your income tax return.

In both cases, you must submit proof that the rollover is from an Eligible Employer Plan or conduit rollover IRA.

Note: After-tax contributions may not be rolled from an IRA to the Plan.

You should consult your tax advisor to determine whether a Rollover Contribution is in your best interest.

### **5.2 What happens to my Rollover Contribution?**

Your Rollover Contribution will be placed in a separate account called your Rollover Account. Amounts in this Account will be distributed at the same time as your other Plan benefits are distributed. You may also request a distribution of all or a portion of your Rollover Account not more than one time per Plan Year, provided your spouse, if any, consents to the withdrawal.

## **6. PARTICIPANT ACCOUNTS AND ADMINISTRATION**

### **6.1 How are contributions to the Plan accounted for?**

The following separate accounts are established, as necessary, for each participant to record the various types of Plan contributions:

Type of Contribution	Name of Account
Retirement Contributions	Retirement Account
Rollover Contributions	Rollover Account

The contributions are forwarded by the Trustee to the Fund Sponsor(s) pursuant to your direction, are allocated to the appropriate Account named above and are accounted for separately.

**6.2 When are my Accounts valued?**

Your Accounts are adjusted each business day that the New York Stock Exchange is open to reflect any distributions made, any contributions received, and your Accounts' share of the earnings of the investment funds in which your Accounts are invested.

**6.3 Will I receive statements reflecting the value of my Accounts?**

You will receive a statement from each Fund Sponsor reflecting the value of your Accounts held by that Fund Sponsor after the end of each calendar quarter. You will also receive quarterly reports from each Fund Sponsor summarizing the transactions related to your Accounts.

**6.4 Who manages the Plan's assets?**

All contributions to the Plan are held by the Trustee in trust for the benefit of the participants. The Plan's assets are invested in accordance with

your investment direction (as described in Sections 6.5 and 6.6). Earnings on the investments are reinvested.

**6.5 Who chooses how my Accounts are invested?**

You direct how your Accounts are to be invested among the available Fund Sponsors and among the available funding vehicles and investment funds offered by such Fund Sponsor. The Plan Administrator chooses the funding vehicles and investment funds that are available in the Plan and monitors the investment performance of those funding vehicles and investment funds. Your choice among the permitted Fund Sponsors and permitted investment funds offered by that Fund Sponsor is a direction to the Trustee to invest your Accounts in the manner that you designate. Because you have control over how these Accounts are invested, you, and not the Fund Sponsor or anyone else, are responsible for any investment gains or losses incurred on these Accounts. Therefore, it is important that you understand your investment options and make informed investment decisions.

If you do not choose how you want to invest your Plan Accounts, the Plan Administrator will select the default investment fund or funds in which your Plan Accounts will be invested.

The currently permitted funding vehicles and investment funds offered by the Fund Sponsors are listed on Exhibit A attached to this Summary. Each funding vehicle and investment fund has a specific investment objective (and different risk and return characteristics) so that you can choose the mix of funds that best fits your personal investment needs and goals. You may choose to invest in only one of

these funds, or you may divide your Account balances and future contributions among two or more of these funds.

The investment funds available under the Plan, and the rules and procedures for directing the investment of your Accounts among them, are described in separate materials that were distributed to you along with this Summary. These supplementary materials will be updated periodically. The Plan Administrator may change the selection of available investment funds from time to time.

As a Plan in which you direct the investment of your Accounts, the Plan is intended to meet the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Title 29 of the Code of Federal Regulations, section 2550.404c-1. Under Section 404(c), the Plan’s fiduciaries may be relieved of liability for any losses which are the direct and necessary result of investment instructions received from you.

Currently, you are not charged any transaction fees or expenses as a result of your allocating your contributions from one investment fund under the Plan to another or from transferring from one investment fund to another. Note that TIAA account balances over \$2,000 may only be transferred to CREF or Fidelity funds over a ten-year period through a transfer payout annuity.

Upon request to the Plan Administrator, you may receive additional information including the following, which will be based on the latest information available:

- A description of the annual operating expenses of each of the investment funds or investment choices offered under the Plan (e.g., investment management fees, trustees fees, administrative fees and transaction costs) which are charged to your account as a percentage of average net assets.
- Copies of any prospectuses, financial statements and reports or other materials relating to the investment alternatives available under the Plan to the extent provided to the Plan Administrator.
- A list of the assets comprised in the portfolio of each investment alternative, the value of each asset or the percentage of the investment alternative which it represents. For an asset which is a fixed rate investment contract, the name of the bank or insurance company issuing the contract, the term of the contract and the rate of return under the contract.
- Current information about the value of the shares or units in designated investment alternatives offered under the Plan together with current investment performance information determined net of expenses.
- Information on the value of shares or units in designated investment alternatives held in your account.

What you will ultimately receive under the Plan depends in great part on the investment performance of the assets of the Plan Trust. While the University

believes that the assets will appreciate in value, there are no guarantees that they will.

### **6.6 How do I direct the investment of my Accounts?**

You may allocate the Retirement Contributions or Rollover Contributions made on your behalf among the available Fund Sponsors (and among the available investment funds offered under the Plan) in any whole number percentages that total 100%. You indicate your initial allocation of contributions on the enrollment form. To change your allocation of amounts invested with TIAA-CREF, call the TIAA-CREF Telephone Counseling Center at 1-800-842-2776. To change your allocation of amounts invested with Fidelity, call the Fidelity Retirement Specialist at 1-800-248-4193.

Subject to such rules as the Plan Administrator or Fund Sponsors may prescribe, you may transfer amounts that are in your Accounts (a) between CREF accounts, (b) between Fidelity accounts, (c) from CREF accounts to Fidelity accounts, and (d) from Fidelity accounts to CREF accounts. In addition, amounts invested in CREF or Fidelity accounts may be transferred to TIAA. Transfers from TIAA to either CREF or Fidelity can be made in a lump sum for account balances under \$2,000 or for account balances over \$2,000, over a ten-year period through a Transfer Payout Annuity. To transfer amounts between TIAA-CREF and Fidelity, you will need to contact each Fund Sponsor to arrange for the transfer at the numbers listed above, or the Office of Human Resources.

## **7. VESTING AND FORFEITURES**

### **7.1 What is my “vested percentage” of my Accounts?**

Your vested percentage is the portion of your Accounts that you own. It is nonforfeitable.

You are always 100% vested in your Rollover Account.

You become 100% vested in your Retirement Account if you are employed by the University upon the first to occur of:

- your completion of six Years of Service for vesting purposes,
- your attainment of Normal Retirement Age,
- your death, or
- your Disability.

Prior to the time that you become 100% vested in your Retirement Account, your vested percentage in that Account is based on your Years of Service and is determined under the following schedule:

<b>Years of Service</b>	<b>Vested Percentage</b>
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

If you do not complete at least one Hour of Service on or after July 1, 2007, a different vesting schedule applies

to you. Please contact the Plan Administrator for further information.

If you were an employee of the University of July 1, 1989 and were employed by another higher education organization immediately prior to your date of employment or reemployment by the University, you receive credit for vesting purposes for your service with that other higher education organization.

### **7.2 What am I entitled to receive upon my termination of employment?**

Upon your termination of employment for any reason, other than death, you will be entitled to receive your vested Account balances paid at the time and in the manner described in Section 8. See Section 9 for an explanation of what happens if you die prior to the complete distribution of your vested Account balances.

### **7.3 What happens to the portion of my Accounts that is not vested when my employment terminates?**

If you terminate employment before you are 100% vested in your Retirement Account, the nonvested portion of that Account will be forfeited on the earlier of:

- the date you receive the entire vested portion of your Account (or on the date on which your employment terminates, if you are 0% vested) or
- the last day of the Plan Year in which you incur your fifth consecutive One-Year Break in Service.

Forfeitures of Retirement Contributions are applied by the University towards its required Retirement Contributions to the Plan Year in which the forfeitures occur.

### **7.4 What happens to my forfeited benefits if I am reemployed by the University?**

Any benefits that you forfeited will be reinstated if you are rehired before you incur five consecutive one-year Breaks in Service and you repay to the Plan the entire amount you received (if any) on your earlier termination of employment that was attributable to Employer contributions. This repayment must be made before the earlier of

- the end of the five-year period commencing on your reemployment date and
- the date on which you incur your fifth consecutive one-year Break in Service.

## **8. FORM AND TIME OF PAYMENT OF BENEFITS**

### **8.1 When will my retirement benefits be paid?**

*Accounts Valued at \$1,000 or Less.* If the value of your vested Account balances is \$1,000 or less, payment will be made to you in a lump sum (or as a direct rollover) as soon as administratively practicable following your termination of employment with the University.

*Accounts Valued at More Than \$1,000.* If the value of your vested Account balances exceeds \$1,000, payment will commence as of the following applicable date:

- as soon as reasonably practicable after the later of (a) your termination of employment with the University and (b) the date on which the Plan Administrator receives your properly completed distribution election form;
- if an earlier election for payment of benefits has not been made as provided above, within 60 days after the end of the Plan Year in which you (a) attain Normal Retirement Age or (b) terminate from employment with the University, whichever occurs last, unless you elect in writing to defer payment beyond that date; and
- in any event, not later than the first April 1 following the later of (a) the calendar year in which you attain age 70½ or (b) the calendar year in which your employment with the University terminates.

*Age 70½ distributions.* If you are 70½ or older and still employed by the University, you may elect to begin payment of your benefits at any time in any form permitted by the Plan.

## **8.2 In what form will my benefit be paid?**

The form of payment varies according to how much your benefit is and whether you are married on the day as of which your benefit is to be paid.

*Accounts Valued at \$1,000 or Less.* If the value of your vested Account balances is \$1,000 or less, it will be paid to you in a lump sum. This applies whether or not you are married on the day as of which your benefit is to be

paid. To the extent the distribution qualifies as an Eligible Rollover Distribution, you may elect to have all or a portion of the lump-sum payment made payable to you or sent as a direct rollover to an IRA or another Eligible Employer Plan.

*Accounts Valued at More Than \$1,000.* If the value of your vested Account balances exceeds \$1,000, it will be paid to you in the form of a joint and survivor annuity if you are married, or in the form of a single life annuity if you are not married, unless you waive the joint and survivor (or single life) annuity, and elect another form of benefit available under the Plan. The joint and survivor (or single life) annuity and your right to waive payment in that form are explained in more detail in Sections 8.3 through 8.8. The other forms of payment available under the Plan are described in Section 8.9.

### **8.3 What is a joint and survivor annuity?**

A joint and survivor annuity provides level monthly payments to you for life and, upon your death, level monthly payments of at least 50% of your monthly payment amount to your surviving spouse for the remainder of his or her life.

### **8.4 What is a single life annuity?**

A single life annuity provides level monthly payments to you for life, with all payments ceasing upon your death.

### **8.5 How is the amount of my annuity determined?**

The annuity is purchased from an insurance company with the amount of

your vested Account balances. How much you will receive each month depends on

- the value of your vested Account balances at the time benefit payments are to commence,
- the form of annuity you choose (whether joint and survivor, single life, etc.),
- your age and the age of your joint annuitant (if any) at the time benefits commence, and
- the insurance company's rates then in effect.

Prior to your retirement or the payment of your benefit, the Fund Sponsor will give you information about the amount of the annuity payments.

#### **8.6 Can I waive the joint and survivor (or single life) annuity form of benefit and why might I want to?**

You can waive the joint and survivor (or single life) annuity. You might want to do so if you want your benefit paid in

- a single lump sum or direct rollover or
- any other form allowed by the Plan as described below.

#### **8.7 How do I waive the joint and survivor (or single life) annuity form of benefit?**

- First, you must obtain a waiver and consent form from the Plan Administrator;

- Next, you must complete the waiver form and, if you are married, obtain your spouse's written consent to your waiver; and
- Finally, you must submit the completed waiver form (and consent, if required) to the Plan Administrator during the 90-day period ending on the date payment of your benefit is to begin.

Your spouse's consent to your waiver must be in writing and must be witnessed by a notary public or Plan representative. Your waiver of the joint and survivor annuity form of benefit is not effective without your spouse's consent.

#### **8.8 If I waive the joint and survivor (or single life) annuity form of benefit, can I later revoke the waiver?**

You may revoke your waiver at any time prior to the date as of which payment of your benefit is paid or commences to be paid.

#### **8.9 What other forms of payment are available if I waive the joint and survivor (or single life) annuity form of benefit?**

If you (and your spouse, if you are married) waive the joint and survivor (or single life) annuity, you may elect an alternate form of payment from the options that are available with respect to the accounts held by the respective Fund Sponsors:

## A. FIDELITY ACCOUNTS

The following distribution options are available with respect to vested Account balances held with Fidelity:

- ***Systematic Withdrawal Plan:*** Under this option, you can elect to receive installments under several payment methods. Specific Dollar Method, paying specific amounts which you designate, either monthly, quarterly or annually; Specific Period Method, paying base amounts either monthly, quarterly, or annually for a specified number of years. If your distribution is a Minimum Required Distribution (MRD) then you would be able to take a distribution either monthly, quarterly or annually, paying amounts that are determined under IRS tables based on the joint life expectancy for yourself and your designated beneficiary.
- ***Income Annuity:*** Under this option, you can elect to purchase an annuity through Fidelity's Annuity Shopping Service. This service provides information from third party providers on specific annuities available to meet individual needs. Appropriate paperwork will be provided from the third party insurance company and, once completed, Fidelity will transfer the proceeds of your account to the insurance company that you select.
- ***Direct Rollover:*** Under this option, you can elect a direct

rollover of assets to either an IRA with Fidelity or to another custodian or trustee or to another eligible retirement plan.

- ***Partial Withdrawal:*** Under this option, you can elect to withdraw a portion of the assets held with Fidelity in the amounts and from the sources you designate.
- ***Full Withdrawal:*** Under this option, you can elect to withdraw all assets held with Fidelity.

## B. TIAA/CREF ACCOUNTS

The following distribution options are available with respect to Account balances held with TIAA/CREF:

- ***Full or Partial Cash Withdrawal:*** Cash withdrawals from the TIAA Traditional Annuity are subject to a 2.5% surrender charge and must be made no later than 120 days after termination of employment. After the 120-day period ends, you can still receive cash withdrawals from the TIAA Traditional Annuity over a 10-year period in approximately equal annual installments without a surrender charge, through the TIAA Transfer Payout Annuity. There are no surrender charges or time limits on withdrawals from the TIAA Real Estate Account or the CREF Accounts.
- ***Systematic Withdrawal Service:*** Under this option, you can elect to receive the TIAA Real Estate Account and CREF Account accumulations through a series of systematic payments over a

- period that does not exceed your life expectancy or the joint life expectancy of you and your designated beneficiary. You may specify the amount and frequency of payments. The initial amount must be at least \$100 per Account. Once payments begin they continue for the period specified. You can change the amount and frequency of payments as well as stop and restart payments.
- **Annuities:** You may elect a single life annuity, an annuity with a 5-, 10-, 15- or 20-year guarantee period, but not exceeding your life expectancy, or a joint and survivor annuity, with the survivor annuity equal to 50%, 66-2/3% or 100% of the monthly amount payable to you during your life, or with 5-, 10-, 15- or 20-year guarantee periods, but not exceeding your life expectancy or the joint life expectancy of you and your designated beneficiary.
  - **Fixed Period Payment Option:** You may elect a fixed period payment from 2 to 30 years from your TIAA Real Estate Account and CREF Accounts (but not exceeding your life expectancy or the joint life expectancies of you and your designated beneficiary).
  - **Minimum Distribution Option:** If you are age 70½ or older, you may elect to receive the minimum distribution amount required under Internal Revenue Service regulations.
  - **Interest Payment Retirement Option (“IPRO”):** If you are between the ages of 55 and 69½, you may elect to receive payments of the interest that would otherwise be credited to your TIAA accumulation. The IPRO is available for all or a portion (at least \$10,000) of your TIAA Traditional Annuity accumulation.
  - **Retirement Transition Benefit:** Under this option, if you select a lifetime annuity, you can also elect to receive up to 10% of your annuity amount in a single sum cash payment when payment commences.
  - **Small-Sum Payments:** Under this option, if you have terminated employment, you may elect to receive your entire Group Retirement Annuity (“GRA”) accumulation in a single sum, provided the total TIAA Traditional Annuity GRA accumulation is \$2,000 or less and you do not have a TIAA Transfer Payout Annuity.

#### **8.10 When will my Accounts be valued for distribution purposes?**

Your Accounts will be valued as of the processing date immediately preceding the date on which distribution is made to you.

#### **8.11 Will amounts distributed to me be subject to tax?**

All amounts distributed from the Plan are subject to ordinary federal income tax (and state tax, if applicable) in the calendar year in which you receive

the distribution, unless the distribution is eligible for rollover and you timely roll over the distribution to an IRA or another Eligible Employer Plan. Any portion of your distribution that qualifies as an Eligible Rollover Distribution and that is not directly rolled into an IRA or another Eligible Employer Plan must have 20% of the taxable portion of the distribution withheld for federal income tax. However, if the amount of your Eligible Rollover Distribution payable in one tax year is less than \$200, federal income tax withholding is not required.

An additional tax equal to 10% of the amount distributed must also be paid if the distribution is made before you

- attain age 59½,
- die, or
- become disabled,

and the amount distributed to you is not

- rolled over into an IRA or another Eligible Employer Plan,
- used to pay deductible medical expenses,
- made to you after your separation from service after you attain age 55, or
- made pursuant to a qualified domestic relations order. (See Section 11.2 for more explanation.)

## **9. PAYMENT FOLLOWING DEATH**

### **9.1 What payments will be made following my death?**

If you die while you are employed by the University, your Accounts will be 100% vested, and your beneficiary will be entitled to the full amount in your Accounts. If you die following your termination of employment, but before your vested Account balances commence to be distributed, your beneficiary will be entitled to your vested Account balances. If you die after your benefit has been distributed or has commenced to be distributed, your beneficiary will be entitled only to those benefits, if any, as may be provided under the form of distribution you elected. For example, if you elected installments, any remaining installments will continue to your beneficiary.

### **9.2 If distribution of my benefit has not commenced at the time of my death, how will my benefit be paid?**

If (a) you are married throughout the one year period ending on the date of your death and (b) your benefit has not been paid or commenced to be paid, 50% of your vested Account balance will be used to purchase a “preretirement survivor annuity” that will provide level monthly payments to your surviving spouse for the remainder of his or her life, unless your spouse elects payment in another form offered by the Plan, or the preretirement survivor annuity is waived (see Section 9.3).

### *Preretirement Survivor Annuity*

With regard to the preretirement survivor annuity, the following applies:

- Your spouse may direct that any annuity payments begin within a reasonable period of time after your death.
- The size of the payments will depend on the value of your vested Account balance at the time of your death.
- If the present value of your vested Account balance is \$1,000 or less at the time of your death, payment will be made in a single lump sum as soon as practicable following your death.

### *Other Options*

Instead of a preretirement survivor annuity, your spouse can elect to have this 50% of your vested Account balances distributed in one of the forms of payment described in Section 8.

#### Remaining 50% of Vested Account Balances

The other 50% of your vested Account balances (or the entire vested Account balances if you and your spouse have waived the preretirement survivor annuity coverage, your spouse cannot be located, you and your spouse were not married throughout the one-year period ending on the date of your death or you are not married at the time of your death) will be paid to your designated beneficiary. Your beneficiary may generally elect the form of payment from the available options described in

Section 8. However, if your beneficiary is your estate or a corporation, the benefit must be paid within five years of your death. See Section 9.6 below for additional information on the timing of distributions to a spouse or a non-spouse beneficiary.

Federal law limits when and how beneficiaries may receive their death benefits. A beneficiary will be notified of the applicable requirements at the time he or she applies for benefits.

### **9.3 Why might my spouse and I want to waive the preretirement survivor annuity coverage?**

You and your spouse might want to waive the preretirement survivor annuity coverage if you and your spouse have agreed to have your vested Account balances paid to someone other than your spouse.

### **9.4 How do I waive the preretirement survivor annuity coverage?**

To waive the preretirement survivor annuity coverage, you must obtain a waiver form from the Plan Administrator.

You may waive this coverage at any time during the period

- beginning on the first day of the Plan Year in which you attain age 35 (or the date you terminate employment, if earlier) and
- ending on your death.

Your spouse must consent to your waiver in writing, and his or her consent must be witnessed by a notary

public or Plan representative. (You may make a waiver election prior to the Plan Year in which you attain age 35, but you must make another waiver election starting with the Plan Year in which you attain age 35 for the waiver election to remain valid.)

**9.5 If I waive the preretirement survivor annuity coverage, can I later revoke the waiver?**

You may revoke a waiver of the preretirement survivor annuity coverage at any time prior to your death. However, your spouse cannot revoke a consent to your waiver unless you revoke your waiver.

**9.6 If distribution of my benefit has not commenced at the time of my death, when will my vested Account balances be paid?**

If the value of your vested Account balances is \$1,000 or less, payment will be made in a single lump sum as soon as practicable following your death.

If the value of your vested Account balances is more than \$1,000, your vested Account balances will be paid or will commence to be paid as soon as practicable after the Plan Administrator receives the completed election forms from your beneficiary, provided payment must be made within the time limits described below.

*Special Rules for Spouse*

If your beneficiary is your spouse, your spouse may elect a direct rollover to an IRA or Eligible Employer Plan of all or a portion of the distribution

that qualifies as an Eligible Rollover Distribution.

Also, if your surviving spouse is your sole beneficiary, your surviving spouse may postpone commencement of distribution until December 31 of the calendar year in which you would have attained age 70½, if that date is later than the date by which payments would otherwise have been made.

*Nonspouse Beneficiary*

If your designated beneficiary is not your spouse and wants to receive payment in the form of an annuity contract or in installment payments, then payments must begin by December 31 of the calendar year following the calendar year in which your death occurs. If your designated nonspouse beneficiary wants to receive payment in the form of a single lump sum payment, then he or she must receive the lump sum payment by December 31 of the calendar year which contains the fifth anniversary of your death.

**9.7 How do I designate a beneficiary to receive my benefit?**

You may designate a beneficiary or beneficiaries on a form you can obtain from the Plan Administrator.

If you are married and you wish to designate a beneficiary other than your spouse, the designation will not apply to the amount to be paid to your spouse as a preretirement survivor annuity *unless*

- your spouse irrevocably consents to waive any right to that annuity, and

- the consent is in writing on the form available from the Plan Administrator, is witnessed by a notary or a Plan representative, and acknowledges the specified nonspouse beneficiary, unless the consent expressly permits designations without further consent by your spouse.

Because your spouse has certain rights with respect to the death benefit, it is important for you to notify the Plan Administrator immediately if there is a change in your marital status.

**9.8 What happens if I fail to designate a beneficiary or the beneficiary I name predeceases me?**

If you do not designate a beneficiary or the beneficiary you name dies before you do, your benefit will be paid

- to your spouse, if you are married at the time of your death, or
- in the following order of priority, if you are unmarried at the time of your death:
  - (a) to your surviving children (including adopted children), in equal shares, by right of representation, or if none,
  - (b) to your surviving parents, in equal shares, or if none,
  - (c) to your estate.

**10. TOP-HEAVY REQUIREMENTS**

**10.1 When is a plan a “top-heavy plan”?**

A plan is a top-heavy plan when more than 60% of the account balances have been allocated to “key employees.” Key employees are certain officers of the University. It is extremely unlikely that the Plan could ever be a top-heavy plan.

**10.2 What rules apply if the Plan becomes a top-heavy plan?**

If the Plan becomes a top-heavy plan, the University may have to allocate certain minimum contributions to non-key employee participants who were employed at the end of the Plan Year but who were not otherwise eligible to receive the Retirement Contribution described in Section 4.

**11. DOMESTIC RELATIONS ORDER**

**11.1 May I assign or transfer my interest in the Plan to someone else?**

As a general rule, your interest in your Accounts may not be

- sold, used as collateral for a loan (other than a Plan loan), given away or transferred in any other way or
- attached by your creditors, garnished by your creditors or otherwise interfered with.

However, the Plan Administrator must honor a qualified domestic relations order.

## **11.2 What is a qualified domestic relations order?**

A “qualified domestic relations order” is a decree or order, issued by a court, that obligates you to pay child support or alimony or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent.

If the Plan Administrator receives a qualified domestic relations order, all or a portion of your benefits may be used to satisfy the obligation.

The Plan Administrator will determine whether any domestic relations order the Plan receives is a “qualified” one that the Plan must honor. A copy of the procedures used by the Plan Administrator to make this determination are available, without cost, from the Plan Administrator.

## **12. AMENDMENT AND TERMINATION OF PLAN**

### **12.1 Who may amend or terminate the Plan?**

The Board of the University may amend or terminate the Plan at any time and for any reason, (including reducing or eliminating future benefit accruals). In no event, however, will any amendment

- authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of the participants or their beneficiaries or to defray the reasonable costs of administering the Plan and its related trust,

- cause any reduction in the amount credited to your Accounts, or
- cause any part of the Plan assets to revert to the University.

The Vice President for Business and Planning has the authority to adopt Plan amendments of an administrative nature or that are required to keep the Plan in compliance with applicable law.

### **12.2 What happens if the Plan is terminated?**

Upon a complete termination of the Plan, all amounts credited to your Accounts will become 100% vested. The University may direct that

- benefits be distributed to you in any manner the Plan permits as soon as practicable after the Plan has terminated or
- the trust created by the Plan be continued and benefits be distributed to you and your beneficiaries as if the Plan had not terminated.

Similarly, upon a partial termination of the Plan, all amounts credited to the Accounts of the affected participants will be 100% vested.

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation (“PBGC”), because the Plan is a “defined contribution” plan. The PBGC only insures “defined benefit” plans.

### 13. LOSS OR DENIAL OF BENEFITS

#### 13.1 Under what circumstances may I lose my benefits?

Under the following circumstances, some or all of your benefits under the Plan might not be payable to you:

- If you terminate employment prior to your death, Disability or attainment of Normal Retirement Age and prior to completing six Years of Service, the nonvested portion of your Retirement Account may be forfeited.
- If a qualified domestic relations order applies to your interest under the Plan, all or a portion of your Account balances may be payable to the alternate payee named in the order.
- Contributions may be reduced or frozen to comply with maximum limitations prescribed by federal law.
- Depending on the investment performance of the funds in which you elect to invest your Accounts, the amount you ultimately receive could be more or less than your current vested Account balances.

In addition, if your Plan benefits become payable after termination of employment and the Plan Administrator is unable to locate you at your last address of record, you may forfeit your benefits under the Plan. **Therefore, it is very important that you keep the University apprised of your mailing address even after you have**

**terminated employment.** (If you cannot be located, the amount forfeited, unadjusted for net income, gain or loss, will be restored if you later make a claim for your benefit before the Plan is terminated.)

The fact that the University has established the Plan does not give you any right to future employment with the University.

### 14. CLAIM PROCEDURES

#### 14.1 What procedure is available if I feel that I have not received the benefit to which I am entitled?

If you believe that you are entitled to a benefit under the Plan or to a greater benefit under the Plan than the amount you received, then you, your beneficiary if you are deceased, or the authorized representative of either of you (the "Claimant") may file a claim with the Plan Administrator ("Administrator"). The claim must be in writing and must contain the following information:

1. The reason for making the claim;
2. The facts supporting the claim;
3. The amount claimed; and
4. The Claimant's name and address.

#### 14.2 Who will consider my claim?

The Administrator will consider the claim and notify the Claimant of his or her decision in writing or electronically within 90 days (or 45 days in the case of a claim related to your Disability) after receiving the claim, unless the Administrator determines that

special circumstances require an extension of time to process the claim. If the Administrator determines that an extension of time is necessary, then the 90-day period (or 45-day period, in the case of a claim related to your Disability) may be extended for up to an additional 90 days (or 30 days in the case of a claim related to your Disability). The Administrator will notify the Claimant in writing of any such extension, the reasons for it and the date by which the Administrator expects to render its decision on the claim, within the initial 90 days (or 45 days in the case of a claim related to your Disability) of receiving the claim.

Note that the special timeframes for claims in this Plan relating to Disability described in this Section 14 do not apply if you are not a participant in the University's long term disability plan.

#### **14.3 What if the Administrator denies my claim?**

If the Administrator denies the claim, it will give the Claimant written notice that sets forth

- the specific reasons for the denial;
- references to the specific provisions of the Plan document on which the denial is based;
- a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and
- a description of the Plan's claim appeal procedure (and the time

limits applicable to such procedure), including a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) upon an adverse decision on appeal.

#### **14.4 How do I appeal a denied claim?**

You can use these appeal procedures if, in response to your claim, you received:

- No reply at all after 90 days (or 45 days in the case of a claim related to your Disability);
- Notice of an additional 90 days (or 30 days in the case of a claim related to your Disability), then no reply; or
- Written denial within the appropriate time.

If the claim is denied, in whole or in part, or if the Claimant believes benefits under the Plan have not been properly provided, the Claimant may appeal the denial. To appeal a claim denial, the Claimant must file a written request for appeal with the Administrator within 60 days after receiving the claim denial.

The written request for appeal should contain:

- A statement of the grounds on which the appeal is based;
- Reference to the specific provisions of the Plan document that support the claim;
- The reason or argument why the Claimant believes the claim

should be granted and evidence supporting each reason or argument; and

- Any other relevant documents or comments that the Claimant wishes to include.

During the appeal, the Claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits. For purposes of this claims procedure, a document, record or other information will be considered “relevant” to a claim if such document, record or other information:

1. Was relied upon by the Administrator in reaching its decision on the claim;
2. Was submitted, considered or generated in the course of deciding the claim, without regard to whether the document, record or other information was relied upon by the Administrator in reaching its decision on the claim; or
3. Demonstrates compliance with the administrative processes and safeguards required under Department of Labor regulations in making the benefit determination.

#### **14.5 Who will decide an appeal?**

The Plan Administrator will conduct a review and make a final decision within 60 days (or 45 days in the case of a claim related to your Disability) after receiving the Claimant’s written request for review. If the Committee needs more than 60 days (or 45 days in the case of a claim related to your Disability) to make a decision, it

will notify the Claimant in writing within the initial 60 days (or 45 days in the case of a claim related to your Disability) and explain why more time is required. The Administrator may then take 60 more days (or 45 days in the case of a claim related to your Disability) to make a decision. In making its determination, the Administrator will take into account all the comments, documents, records and other information that the Claimant submitted relating to the claim, without regard to whether such comments, documents, records or other information was submitted or considered by the Administrator in reaching its decision on the claim.

The decision will be in writing and will include:

- Specific reasons for the denial;
- Specific reference to pertinent Plan provisions on which the denial is based;
- A statement of the Claimant’s right to access and receive copies, upon request and free of charge, of all documents and other information relevant to the claim for benefits; and
- A statement of the Claimant’s right to bring a civil action under ERISA Section 502(a).

The Plan Administrator serves as the final review body under the Plan, with sole discretionary authority to determine conclusively for all parties, in accordance with Plan documents, all questions about:

- Plan administration;

- Interpretation of Plan terms and provisions;
- Participation of eligible employees and other eligibility questions;
- Amount and type of benefits payable to any Participant, spouse or other beneficiary; and
- All issues of fact or law.

#### **14.6 Can I file suit regarding my claim?**

You must pursue the claim and appeal rights described above before seeking any other legal recourse (including filing a law suit) regarding claims for benefits.

Any judicial review of the Plan Administrator's decision on your claim will be limited to whether, in the particular instance, the Administrator abused its discretion in deciding your claim. In no event will that judicial review be on a de novo or new basis, because the Plan Administrator has the discretionary authority to determine eligibility for (and the amount of) benefits and to construe and interpret the terms of the Plan.

### **15. STATEMENT OF ERISA RIGHTS**

#### **15.1 What are my rights under the Employee Retirement Income Security Act ("ERISA")?**

As a Participant in the Plan you are entitled to certain rights and protections under ERISA. ERISA

provides that all Participants shall be entitled to:

#### **Receive Information About your Plan and Benefits**

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts 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 the 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 benefit would be at Normal Retirement Age if you stop working under the Plan right 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 get the right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

### **Prudent Action by Fiduciaries**

In addition to creating rights for Plan Participants, ERISA imposes duties on the people who are responsible for 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 the University 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.

### **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. The Plan’s claim and appeal procedures are summarized in Section 14, entitled “Claim Procedures.”

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive such materials 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, after following the appeals procedure summarized in Section 14, 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 qualified status of a domestic relations order, you may file suit in 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 your rights under ERISA, or if 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 the 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.

## 16. GLOSSARY OF TERMS

- **“Account”** means the account or accounts maintained for you as described in Section 6, entitled “Participant Accounts and Administration.”
- **“Compensation”** means your W-2 earnings paid to you by the University during the Plan Year, plus amounts contributed by the University pursuant to a salary reduction agreement to a cafeteria plan, qualified transportation fringe benefit plan or Internal Revenue Code Section 403(b) plan, but excluding amounts attributable to scholarships and educational assistance that are otherwise includable in gross income, reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, employer contributions other than the salary reduction contributions described above, and welfare benefits. “Compensation” also includes, for nonhighly compensated employees only, the value of meals and lodging that are otherwise excluded from gross income under Internal Revenue Code Section 119, and for all employees, the rental value of parsonages that is otherwise excluded from gross income under Internal Revenue Code Section 107. Compensation in excess of \$200,000 (as adjusted for cost-of-living increases, i.e., \$225,000 in 2007) is not treated as Compensation by the Plan for Plan contribution purposes. Your Compensation is recognized for benefit purposes from your Entry Date.
- **“Date of Employment”** means the first day you perform an Hour of Service for the University, unless you are a faculty member, in which case it means the effective date of your appointment as a faculty member.
- **“Date of Reemployment”** means the first day you perform an Hour of Service for the University following a Break in Service, unless you are a faculty member, in which case it means the effective date of your appointment as a faculty member following a Break in Service.
- **“Disability”** means (a) a period of disability during which a Participant qualifies for disability benefits under the University’s long-term disability plan, or (b) if a Participant does not participate in such a plan, or if the University discontinues to sponsor such a plan for the Participant, a period of disability during which the Participant is determined to be totally and permanently disabled by the Social Security Administration.
- **“Eligible Employer Plan”** means a tax-qualified plan under Code Section 401(a), a Code Section 403(a) annuity plan, a Code Section 403(b) tax-sheltered annuity and an eligible Code Section 457(b) plan

maintained by a governmental employer that agrees to separately account for amounts transferred into such plan from this Plan.

- **“Eligible Rollover Distribution”** means a distribution made from the Plan other than (a) payments that are made over your life expectancy or the joint life expectancies of you and your beneficiary, (b) payments that are made over 10 years or more, and (c) payments that are required to be made to you after you attain age 70½.
- **“Entry Date”** means July 1, October 1, January 1 and April 1.
- **“Forfeiture”** means that portion of your Account balance that is not vested upon your termination of employment pursuant to the vesting schedule set forth in Section 7, entitled “Vesting and Forfeitures,” and that is forfeited at the time described in Section 7.
- **“Fund Sponsor”** means an entity providing investment funds for the investment of Plan assets. The Fund Sponsors and investment funds currently available are identified on Exhibit A.
- **“Hour of Service”** for employees whose service is credited on the basis of actual hours worked means (a) each hour for which you are directly or indirectly compensated by the University for the performance of duties during the Plan Year; (b) each hour for which you are

directly or indirectly compensated by the University for reasons other than performance of duties (such as vacation, holidays, sickness, Disability, layoff, military duty, jury duty or leave of absence during the Plan Year), but not more than 501 hours for a single continuous period; (c) each hour for back pay awarded or agreed to by the University; and (d) hours required to be credited for qualified military service.

Hours of Service for employees paid on the basis of a period of time other than per hour and whose service is not credited on the basis of actual hours worked are determined as follows:

- (i) For regular faculty, the percentage of the employment contract full-time equivalency (FTE) times 39 hours per week for the regular sessions;
- (ii) for nonfaculty staff and faculty accepting nonteaching assignments, the percentage of the employment contract full-time equivalency (FTE) times 40 hours per week; and
- (iii) for overload and all other nonregular session teaching assignments of regular faculty, hours will be credited on the basis of 30 hours of service per credit hour taught.

For purposes of determining a Year of Service and One-Year Breaks in Service for employees whose hours are credited under (i), (ii) or (iii) above, 750 hours are treated as being equivalent to 1,000 hours, and 375 hours are treated as being equivalent to 500 hours.

- **“Leased Employee”** means any person (other than an employee of the University) who, pursuant to an agreement between the University and a leasing organization, has performed services for the University on a substantially full-time basis for a period of at least one year and such services are performed under the primary direction or control of the University. Leased Employees are not eligible to participate in this Plan.
- **“Normal Retirement Age”** means age 65.
- **“One-Year Break in Service”** means a 12-month eligibility period or Plan Year in which you have not completed more than 500 Hours of Service (375 Hours of Service for Employees whose service is not credited on the basis of actual hours worked). You may avoid a one-year break in service if you are absent from work because of pregnancy, birth of a child, placement of a child for adoption or caring for a child immediately after birth or placement.
- **“Plan”** means the Seattle Pacific University Defined Contribution Retirement Plan.
- **“Plan Administrator”** means the Plan Advisory Committee appointed by the Board of Seattle Pacific University.
- **“Plan Year”** means the 12-month period beginning July 1 and ending June 30.
- **“Retirement Account”** means the account that is established to hold Retirement Contributions and earnings on those contributions.
- **“Retirement Contribution”** means the fixed contribution as described in Section 4, entitled “University Contributions and Allocations.”
- **“Rollover Account”** means the account that is established to hold Rollover Contributions and earnings on those contributions.
- **“Rollover Contribution”** means the distribution from the Eligible Employer Plan of a prior employer or a conduit IRA that you elect to have deposited directly into the Plan. Rollover Contribution also includes a cash distribution that you receive from your prior employer’s Eligible Employer Plan which you elect to deposit in the Plan within 60 days of receipt of such distribution.
- **“Social Security Wage Base”** means the Social Security Wage Base in effect as of the beginning of a Plan Year (for example, \$97,500 for the Plan Year beginning July 1, 2007).
- **“Trustee”** means the person(s) designated by the University to act as Trustee(s) as named in Section 2, entitled “General Plan Information.” The University may change the Trustee at any time.
- **“University”** means Seattle Pacific University.

- **“Year of Service”** for purposes of determining **vesting** means each Plan Year in which you complete at least 1,000 Hours of Service for the University (750 hours if your service is not credited on the basis of actual hours worked). All of your Years of Service with the University will count for vesting, except that any Years of Service prior to a Break in Service will not count if you are 0% vested in your Account at the time you have a Break in Service and your consecutive one-year Breaks in Service equal or exceed the greater of five and the aggregate number of your Years of Service.
- **“Year of Service”** for purposes of determining **eligibility to participate** means that you have completed at least 1,000 Hours of Service in the 12-consecutive-month period beginning on your hire date. If you do not complete 1,000 Hours of Service in that 12-consecutive-month period, the measuring period will be the Plan Year beginning during the initial 12-consecutive-month period and subsequent Plan Years. If your service is not credited on the basis of actual hours worked, 750 hours are treated as being equivalent to the 1,000 Hours referred to above.

## EXHIBIT A

### FUND SPONSORS AND INVESTMENT FUNDS AS OF July 1, 2007

1) **Teachers Insurance and Annuity Association (TIAA) - Group Retirement Annuity**

2) **College Retirement Equities (CREF):**

CREF Equity Index	CREF Social Choice Account
CREF Stock Account	CREF Bond Market Account
CREF Global Equities	CREF Growth Account
CREF Money Market Account	TIAA Real Estate Account
CREF Inflation Linked Bond Account	

3) **Fidelity Investments Tax Exempt Services Group**

Fidelity International Funds	Europe, Overseas, Pacific Basin
Fidelity Equity/Growth Funds	Blue Chip Growth, Contrafund, Disciplined Equity, Growth Company, Magellan, OTC
Fidelity Growth & Income Funds	Balanced, Equity-Income; Growth & Income, Puritan, U.S. Equity Index, Fidelity Fund
Fidelity Balanced Funds	Asset Manager, Asset Manager: Growth, Asset Manager: Income
Fidelity Income Funds	Ginnie Mae, International Bond, Intermediate Bond, Investment Grade Bond, Short-Term Bond, U.S. Bond Index
Fidelity Money Market Funds	Fidelity Retirement Money Market, Fidelity Government Money Market