The University of Chicago

Retirement Income Plan for Employees ("ERIP")

Summary Plan Description

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Your ERIP Benefits

The Retirement Income Plan for Employees ("ERIP") was established by The University of Chicago (the "University") to provide eligible employees with a portion of the income they will need during retirement. The University of Chicago Hospitals (the "Hospitals") also has adopted ERIP for the benefit of its eligible employees. Beginning July 1, 2005, current and former Hospitals employees and their beneficiaries should refer to the Summary Plan Description separately maintained by the Hospitals for their ERIP participants. This Summary Plan Description describes the provisions of ERIP solely as they pertain to current and former University employees and their beneficiaries.

ERIP is a plan described in Section 403(b) of the Internal Revenue Code that provides two types of benefits:

- Lifetime retirement income. Under the **Defined Benefit** portion of ERIP, you are eligible to receive lifetime monthly benefit payments beginning at retirement. The University pays the full cost of this benefit. This portion of ERIP is referred to as the Defined Benefit portion because the benefit you are eligible to receive at retirement is defined by a preset formula.
- A retirement savings account. Under the **Defined Contribution** portion of ERIP, you establish an account into which you and the University contribute a percentage of your pay each pay period. These contributions and their investment earnings make up your retirement savings account from which you can draw additional retirement income. This portion of ERIP is referred to as the Defined Contribution portion because the contributions are defined and the benefit you receive at retirement depends on the value of your retirement savings account at that time.

All of your ERIP benefits are tax-deferred. This means you pay no income taxes on your ERIP benefits until you receive them.

If you have questions about your benefits, call the Benefits Office at (773) 702-9634 or send an e-mail to benefits@uchicago.edu.

Eligibility

ERIP-Eligible Employees

You are eligible to participate in ERIP if you are a regular nonacademic employee of the University and are classified as "ERIP-eligible" as determined by the personnel records maintained by the University. If you are an ERIP-eligible employee, ERIP participation is a condition of employment, and you will be automatically enrolled in ERIP once you satisfy the mandatory participation requirements.

You are not eligible to participate in the Plan if you are (i) an undergraduate or graduate student whose services are performed to satisfy course and degree requirements or whose services are compensated solely through financial aid programs, (ii) a post-doctorate fellow, (iii) an active participant in any other basic retirement plan maintained by the University, or (iv) an independent contractor or an individual whose services are performed pursuant to a leasing agreement (i.e., you are not classified as a common law employee by the University at the time services are performed, regardless of any subsequent reclassification by a regulatory body or court of law).

Your classification as an "ERIP-eligible" employee or "non-ERIP-eligible" employee shall be determined by the payroll or personnel records maintained by the University and shall be binding and conclusive for all purposes of the Plan.

Mandatory Participation

If you are an ERIP-eligible employee, you will be enrolled in ERIP once you have **both**:

- Attained age 21, and
- Completed one Year of Service.

If you transfer employment from the Hospitals to the University or are rehired by the University following a termination of employment with the Hospitals, the mandatory participation requirements may be different. See Participation Dates for Employees Transferring from the Hospitals to the University for further information.

For all employees, the mandatory participation requirements were different prior to July 1, 2005. If you have any questions regarding the prior participation requirements, contact the Benefits Office.

Year of Service Requirement

General Rule

A Year of Service is a 365-day period that generally begins on your hire date. All employment with the University is taken into account regardless of whether your employment is in an ERIP-eligible position. For example, if you are hired by the University to work as a non-ERIP-eligible employee (e.g., as a "temporary" employee), your non-ERIP-eligible employment will count toward the one Year of Service requirement if you become an ERIP-eligible employee. In addition, all employment with the Hospitals is also taken into account. Keep in mind that Years of Service are credited in whole periods only. For example, if you terminate employment after working 321 days, you will not be credited with a Year of Service at your termination date.

Bridging Rule

If you do not complete a Year of Service during your initial 365-day period that begins on your hire date (i.e., you terminate employment) but you are rehired within 12 months of your termination date, your period of separation is treated as a period of employment. For example, if you are hired by the University on March 1, 2005 and terminate employment on July 31, 2005, but are rehired on November 1, 2005, your first period of employment (March 1, 2005 through July 31, 2005) will be aggregated with your period of separation (August 1, 2005 through October 31, 2005) and if you work through February 28, 2006, you will be credited with a Year of Service on March 1, 2006.

Aggregation of Periods of Employment

If you do not complete a Year of Service during your initial 365-day period that begins on your hire date and you are rehired more than 12 months after your termination date but prior to incurring five (5) consecutive 1-Year Breaks in Service, your period of separation will not be treated as a period of employment. However, your periods of employment will be aggregated to determine whether you have completed a Year of Service. For example, if you are hired by the University on March 1, 2005 and terminate employment on July 31, 2005, but are rehired on September 1, 2006, your first period of employment (March 1, 2005 through July 31, 2005) will be aggregated with your second period of employment beginning on September 1, 2006 and if you work through March 31, 2007, you will be credited with a Year of Service on April 1, 2007.

Forfeiture of Years of Service

Once you are vested in University contributions, your Years of Service cannot be forfeited. Thus, if you were hired by the University prior to July 1, 2005, your Years of Service cannot be forfeited even though you may not be 100% vested in your benefit from ERIP's Defined Benefit portion. This is because you are 100% vested in the University's contributions to your retirement savings account under ERIP's Defined Contribution portion. However, if you are hired by the University on or after July 1, 2005 and you are not vested in University contributions when you terminate employment, you will forfeit previously earned Years of Service if you incur five (5) consecutive "1-Year Breaks in Service" as defined below. For example, if you are hired after July 1, 2005 and terminate employment after completing two (2) Years of Service, your two (2) Years of Service will not count towards the one Year of Service requirement if you incur five (5) consecutive 1-Year Breaks in Service. If you are rehired by the University before you incur five (5) consecutive 1-Year Breaks in Service, your pre-break Years of Service will be restored upon your rehire date and aggregated with your prior periods of employment and, if applicable, periods of severance.

Breaks in Service

You will incur a "1-Year Break in Service" for each 365-day period that begins on your termination date and on each anniversary thereof during which you do not complete an hour of employment. For purposes of determining whether you have incurred a 1-Year Break in Service, a special rule applies to a maternity or paternity leave. Under the special rule, if you terminate employment for maternity or paternity reasons, you cannot incur a 1-Year Break in Service for the 365-day period that begins on your termination date and for the following 365-day period that begins on the first anniversary of your termination date. A maternity or paternity leave is a period during which you are initially absent from work on account of (i) your pregnancy, (ii) birth of your child, (iii) placement of a child in connection with your adoption of such child, or (iv) care of a child described in (ii) or (iii) immediately after such birth or placement. You must timely provide the University with sufficient information prior to your maternity or paternity leave to establish that your termination from work is on account of maternity or paternity reasons.

Voluntary Participation

Voluntary participation in ERIP was eliminated July 1, 2005 for all employees not enrolled before that date. After June 30, 2005, all ERIP-eligible employees not already enrolled will participate in ERIP upon satisfying the mandatory participation requirements described above.

Participating in ERIP

Participation Date

Once you satisfy the requirements for mandatory participation, you will be enrolled in ERIP and your participation in the Defined Benefit and Defined Contribution portions of ERIP will begin simultaneously. Your payroll deductions for your contributions to ERIP's Defined Contribution portion and your participation in ERIP's Defined Benefit portion will begin on the first day of the month in which you satisfy the mandatory participation requirements if you are a monthly-paid employee or the first day of the first payroll period ending in the month in which you satisfy the mandatory participation requirements if you are a bi-weekly-paid employee.

If you were hired by the University prior to July 1, 2005 and are not already enrolled in ERIP, your payroll deductions for your contributions to ERIP's Defined Contribution portion and your participation in ERIP's Defined Benefit portion will begin on July 1, 2005 if you are a monthly-paid employee or the first day of the first payroll period ending in July, 2005 if you are a bi-weekly-paid employee; provided, that you satisfy the mandatory participation requirements by July 31, 2005. If you do not satisfy the mandatory participation requirements by July 31, 2005, your participation in ERIP will begin as set forth above.

Participation Dates for Employees Transferring from the Hospitals to the University

If you transfer employment from the Hospitals to the University or are rehired by the University following a termination of employment with the Hospitals and you have completed at least one Year of Service, you will continue or commence participation in ERIP as of your transfer date if you transfer employment from the Hospitals to the University or as of your rehire date if you are rehired by the University following a termination of employment with the Hospitals; provided, you are hired by the University as an ERIP-eligible employee. If you transfer employment from the Hospitals to the University or are rehired by the University following a termination of employment with the Hospitals prior to completing one Year of Service, you will participate in ERIP once you satisfy the requirements for mandatory participation. In other words, you will be treated like any other new hire of the University except that your periods of employment with the Hospitals will be taken into account for purposes of determining Years of Service and Breaks in Service.

Participation During a Leave of Absence

Leave of Absence

While you are out on an approved leave of absence without pay, including an unpaid leave under the Family Medical Leave Act, your contributions and the University's contributions to ERIP's Defined Contribution portion are suspended but you will continue to be credited with Years of Participation under ERIP's Defined Benefit portion. When you resume work in the same or another ERIP-eligible position, your contributions and the University's contributions to ERIP's Defined Contribution portion automatically resume.

While you are out on a paid leave of absence, including a short-term disability leave, your contributions and the University's contributions to ERIP's Defined Contribution portion will continue based on the actual pay you receive and you will continue to be credited with Years of Participation under ERIP's Defined Benefit portion.

Disability

If you become totally disabled or partially disabled, the University will contribute on your behalf an amount equal to your contribution and its contribution based on your pre-disability salary (reduced by the salary actually paid to you during your partial disability) to ERIP's Defined Contribution portion. These contributions will cease when you are no longer disabled, no longer eligible to receive payments under the University's long-term disability program, or when the contributions cease to be excludable from your income under applicable tax laws, whichever occurs first. During this time, you will continue to be credited with Years of Participation and with compensation equal to your pre-disability salary under ERIP's Defined Benefit portion. When you resume work in the same or another ERIP-eligible position, your 3% contribution to ERIP's Defined Contribution portion automatically will be deducted from your paycheck.

Uniformed Services Employment and Reemployment Rights Act

If you leave the University to perform uniformed service for a period generally not to exceed five years, special provisions may apply to you if you return to employment with the University. You must give advance notice to the University of your military leave and satisfy certain other requirements, including timely return to employment with the University when your military leave ends. You will be given an opportunity to make the contributions you would have made to ERIP's Defined Contribution portion if you had not been on military leave. If you make these contributions, the University will also contribute the amount it would have contributed on your behalf. You also will receive credit for Years of Participation and compensation equal to an estimated amount of pay you would have received if you had not been on military leave under ERIP's Defined Benefit portion.

Participation Beyond Normal Retirement Age

If you work beyond age 65 and continue employment as an ERIP-eligible employee, you will continue to participate in ERIP in the same manner as any other active participant.

When Participation Ends

Generally, you will continue to actively participate (i.e., you will continue to receive contributions under ERIP's Defined Contribution portion and accrue benefits under the Defined Benefit portion) so long as you are an ERIP-eligible employee. Your active participation in ERIP will terminate upon any of the following events:

- You retire or otherwise stop working for the University.
- Your position changes to a non-ERIP-eligible position.
- You begin active participation in another basic retirement plan maintained by the University. For example, if you are a staff employee who is enrolled in ERIP and later must transfer to the University's Contributory Retirement Plan ("CRP") because you become compensated at or above a certain annual salary level, your active participation in ERIP will cease.
- ERIP is amended to exclude from participation a classification of employees of which you are a member.
- ERIP is terminated by the University.

If your participation ends because you no longer meet ERIP's eligibility requirements, your contributions and the University's contributions to ERIP's Defined Contribution portion will stop. You also will no longer be credited with Years of Participation and, unless you transfer to CRP directly from ERIP, your pay will no longer be taken into account under ERIP's Defined Benefit portion. However, you will continue to accrue Vesting Years under ERIP as long as you remain employed by the University.

Enrolling in ERIP

Enrollment Forms

When your ERIP participation is about to begin, the Benefits Office will notify you and ask you to complete the University's ERIP enrollment application. You need not separately enroll in the Defined Benefit and Defined Contribution portions of ERIP. On the enrollment application, you designate the percentage of your contributions and the University's contributions to ERIP's Defined Contribution portion you want to allocate to each of the two available investment companies: Teachers Insurance and Annuity Association/College Retirement Equities Fund ("TIAA-CREF") and The Vanguard Group, Inc. ("Vanguard"). Then, you must complete the investment company's enrollment form to:

- Choose among the various funds offered by the investment company.
- Designate your beneficiaries.

If you do not complete the enrollment forms, your contributions and the University's contributions to ERIP's Defined Contribution portion will be invested in the money market fund under a group contract with TIAA-CREF.

You can obtain the enrollment forms by visiting the Benefits Office in the Bookstore building, by calling the Benefits Office at (773) 702-9634, or by sending an e-mail to benefits@uchicago.edu.

If You Already Have a TIAA-CREF or Vanguard Account
If you are hired by the University after June 30, 2005, you will be required to complete a new TIAA-CREF and/or Vanguard enrollment form regardless of whether you have an existing TIAA-CREF or Vanguard account through a previous employer's retirement plan.

Making Your Enrollment Elections

Your enrollment election is made in two steps. **First**, you decide what percentage of your contributions and the University's contributions to ERIP's Defined Contribution portion you want invested with TIAA-CREF and what percentage you want invested with Vanguard.

- **TIAA-CREF** is an insurance company that offers a variety of investment funds in the form of annuity contracts ranging from the TIAA Retirement Annuity, which guarantees a stated rate of interest, to a CREF Global Equities Account, which invests in securities traded on world markets. To find out about TIAA-CREF, visit TIAA-CREF's website at www.tiaa-cref.org or call (800) 842-2776 to talk to a representative.
- **Vanguard** is one of the largest mutual fund companies in the United States. It offers more than 60 mutual funds in the form of custodial accounts. Each fund invests your contributions in a certain type of investment such as stocks or bonds (or a combination of both) and each fund has a distinct investment strategy. To find out about Vanguard, visit Vanguard's website at www.vanguard.com or call (800) 523-1188 to talk to a representative.

You may divide your contributions and the University's contributions to ERIP's Defined Contribution portion between these companies in 25% increments, as shown below.

TIAA and CREF In Combination	Vanguard
100%	0%
75%	25%
50%	50%
25%	75%
0%	100%

Although TIAA-CREF and Vanguard are the two investment companies currently available under ERIP, the University has the right, upon reasonable notice to participants, to add or eliminate an investment company.

Second, for each investment company you select, you must specify the investment funds in which you want your contributions invested. The types of investment funds currently available under ERIP's Defined Contribution portion are summarized below:

- **TIAA Retirement Annuity**. The TIAA Retirement Annuity is a fixed annuity contract. Contributions are used to purchase a contractual or guaranteed amount of future retirement benefits. Once purchased, the guaranteed benefit of principal plus interest cannot be decreased, but it can be increased by dividends. If you choose to have your accumulations in the TIAA Retirement Annuity paid in the form of a lifetime annuity, the amount of your annuity income will consist of the guaranteed amount plus dividends that may be declared each year. Dividends, if any, may increase or decrease and changes are usually gradual. Note that withdrawal and transfer restrictions apply. Lump sum distributions are generally ***not*** available for accumulations invested in the TIAA Retirement Annuity unless your accumulations are invested in a TIAA Group Retirement Annuity ("GRA") and you elect a lump sum distribution within 120 days following your termination of employment. Transfers to other investment funds are also restricted — TIAA requires that transfers from the TIAA Retirement Annuity be made over a 10-year period and the minimum transfer is $10,000 or, if you have less than $10,000 in accumulations, the balance of your accumulations.

- **TIAA Real Estate Account and CREF Accounts**. The TIAA Real Estate Account and the CREF Accounts are variable annuity contracts. Contributions to the TIAA Real Estate Account and to any of the CREF Accounts are used to purchase accumulation units, or shares of participation in an underlying investment portfolio. Each account has its own investment objective and portfolio of securities and the value of the accumulation units changes each business day. You may also choose to receive annuity income from the TIAA Real Estate Account and any of the CREF Accounts but if you so choose, there is no guaranteed baseline income or declared dividends. Instead, your annuity income is based on the value of the accumulation units you own, a value that changes daily. Lump sum distributions are available from accumulations invested in the TIAA Real Estate Account and any of the CREF Accounts.

- **Vanguard Funds**. The Vanguard funds are mutual fund custodial accounts. Contributions to a Vanguard fund are used to purchase accumulation units, or shares of participation in the fund. Each Vanguard fund has its own investment objective and portfolio of securities and the value of the accumulation units changes each business day. Lump sum distributions are available from accumulations invested in the Vanguard funds. If you wish to have your accumulations in a Vanguard fund paid in the form of a lifetime annuity, those accumulations must first be transferred to a TIAA-CREF investment fund.

The University has the right to add other investment funds and to remove any existing investment funds upon reasonable notice to participants.

It is important that you carefully choose your investments because the benefits payable from your retirement savings account will depend on the performance of the investment funds you choose over the years. To help you make informed investment decisions:

- General descriptions of the investment objectives and risk and return characteristics of each investment fund, including information relating to the type and diversification of assets or investment strategy of each investment fund, are included with the ERIP enrollment application.

- More detailed information may be obtained directly from the investment company, including the following:
    - Copies of any prospectus or financial reports for each fund, if applicable.
    - A list of assets and a description of investment contracts for each fund.
    - Current share values and net performance history for each fund.
    - A description of the annual operating expenses for each fund.
    - A description of any distribution or transfer restrictions for each fund.

To find out about TIAA-CREF's investment funds, visit TIAA-CREF's website at www.tiaa-cref.org or call (800) 842-2776 to talk to a TIAA-CREF representative. To find out about Vanguard's investment funds, visit Vanguard's website at www.vanguard.com or call (800) 523-1188 to talk to a Vanguard representative. You may also obtain this information from the Benefits Office.

Naming a Beneficiary

You must name a beneficiary who will receive death benefits, if any, from ERIP. Keep in mind:

- You may name different beneficiaries to receive your benefits from the Defined Benefit and Defined Contribution portions of ERIP. You name your Defined Contribution beneficiary on your TIAA-CREF and Vanguard enrollment forms and name your Defined Benefit beneficiary by completing a Defined Benefit beneficiary designation form.
- If you are married, your spouse automatically is your Defined Contribution and Defined Benefit beneficiary unless your spouse gives his or her written and notarized consent for you to name someone else. Also, you may not name multiple beneficiaries unless your spouse gives his or her written and notarized consent for you to waive any spousal death benefits. You generally must be at least 35 years old or have terminated employment before you can designate a beneficiary other than your spouse or before you can waive spousal death benefits under ERIP.
- If you do not name a Defined Contribution beneficiary, your Defined Contribution beneficiary will be your spouse (if you are married) or your estate (if you are not married).
- If you do not name a Defined Benefit beneficiary, your Defined Benefit beneficiary will be your spouse if you are married. If you are not married, your Defined Benefit beneficiary will be your estate unless you named a Defined Contribution beneficiary, in which case your Defined Contribution beneficiary automatically will be your Defined Benefit beneficiary.

You should review your beneficiary designations from time to time to keep them current. If your beneficiary dies before you or if your circumstances change as a result of marriage or divorce, you may be left with no beneficiary or an inappropriate beneficiary.

Monitoring Your Investment Elections

It is important that you regularly review your investment decisions to ensure that they continue to meet your personal investment objectives. Each investment company will provide you with quarterly reports on the investment of your contributions. You also may review the status of your investments at any time through the TIAA-CREF and Vanguard websites, by arranging a "one-on-one" on-campus appointment with a TIAA-CREF or Vanguard representative, or by speaking with a representative by telephone.

To access your personal account information online, you will need to establish secure access through your investment company's website. To get started with TIAA-CREF, you will need your Social Security Number, date of birth, and a TIAA or CREF contract number. Your contract number is provided in the original welcome package sent to you by TIAA-CREF. It also appears on your quarterly statements and your Annual Retirement Planner. If you cannot locate your contract number, call (800) 842-2733. When you have the information you need, go to TIAA-CREF's website at www.tiaa-cref.org and click "Create Log-in" under "Secure Access" in the upper left-hand corner of the TIAA-CREF home page. Then follow these 5 easy steps:

1. Enter your Social Security Number and date of birth; check the box next to "I am a current TIAA-CREF customer."
2. Enter your TIAA or CREF contract number.
3. Create and enter a User ID and password.
4. Confirm your User ID and password by re-entering them in the fields provided.
5. Click on the word "submit."

Once you have completed these steps, you will be able to access your TIAA-CREF account information immediately.

To get connected to your accounts at Vanguard, follow the steps below:

1. Have your Social Security Number, Plan number (090005), birth date, and zip code handy.
2. Go to www.vanguard.com and select "Personal Investors."
3. Click the "Log on" button.
4. Select "Set up your user name and password" and follow the instructions provided.

Changing Your Investment Elections

You may change your investment elections anytime at no charge. To change your elections:

- **Within an Investment Company -** You may transfer existing accumulations or change your allocation of future contributions among investment funds within TIAA-CREF or Vanguard simply by contacting the investment company. Keep in mind, however: TIAA requires that transfers from the TIAA Retirement Annuity be made over a 10-year period. The minimum transfer from the TIAA Retirement Annuity is $10,000 or, if you have less than $10,000 in accumulations, the balance of your accumulations.

- **Between Investment Companies -** You may change your allocation of future contributions between TIAA-CREF and Vanguard by completing the *ERIP Change of Contribution Allocation* form. You also may transfer existing accumulations between TIAA-CREF and Vanguard by completing the appropriate asset transfer form. If you are electing a new investment company, you will need to complete that investment company's enrollment form. All forms are available in the Benefits Office. Remember, transfers from the TIAA Retirement Annuity are restricted.

ERIP's Defined Contribution portion is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA"). This means that ERIP fiduciaries, including the University, will be relieved of liability for any losses which are the direct and necessary result of investment instructions given by you or your beneficiary. Accordingly, it is important that you review all available materials to ensure that your investment decisions meet your personal investment objectives. You also may want to consult your investment or financial advisor to assist you in making your investment decisions.

Vesting in ERIP

Defined Benefit Portion

Vesting Requirements

Effective July 1, 2005, you will become 100% vested in your benefit from ERIP's Defined Benefit portion upon your:

- Attainment of age 65 while employed by the University,
- Death while employed by the University, or
- Completion of three (3) Vesting Years.

The above vesting requirements apply even if you were hired by the University prior to July 1, 2005 so long as you are employed by the University on July 1, 2005. For example, if you have completed at least three (3) Vesting Years on or prior to July 1, 2005 and you are employed by the University on July 1, 2005, you will be 100% vested in your benefit from ERIP's Defined Benefit portion on July 1, 2005. If you have not completed three (3) Vesting Years on or prior to July 1, 2005, you will become 100% vested in your benefit from ERIP's Defined Benefit portion once you satisfy the vesting requirements set forth above.

Vesting Requirements for Employees Transferring from the Hospitals to the University

If you transfer employment from the Hospitals to the University or are rehired by the University following a termination of employment with the Hospitals after completing at least one Vesting Year, you will be 100% vested in your benefit from ERIP's Defined Benefit portion upon your participation date. If you transfer employment from the Hospitals to the University or are rehired by the University following a termination of employment with the Hospitals prior to completing one Vesting Year, you will be 100% vested in your benefit from ERIP's Defined Benefit portion once you satisfy the vesting requirements described above. In other words, you will be treated like any other new hire of the University except that your periods of employment with the Hospitals will be taken into account for purposes of determining Vesting Years and Breaks in Service.

Vesting Requirements for Employee Contributions to ERIP's Defined Benefit Portion

If you contributed to ERIP's Defined Benefit portion by payroll deduction before January 1, 1994 (when ERIP was amended to eliminate participant contributions to the Defined Benefit portion), you are always 100% vested in those contributions.

Defined Contribution Portion

Vesting Requirements for Participants Hired Before July 1, 2005

You are always 100% vested in your retirement savings account established under ERIP's Defined Contribution portion, meaning you have a right to receive both your contributions (including any rollover contributions) and the University's contributions, adjusted for investment gains and losses, when you terminate employment with the University.

Vesting Requirements for Participants Hired After June 30, 2005

You are always 100% vested in your own contributions to your retirement savings account established under ERIP's Defined Contribution portion (including any rollover contributions), adjusted for investment gains and losses. You will become 100% vested in the University's contributions to your retirement savings account upon your:

- Attainment of age 65 while employed by the University,
- Death while employed by the University, or
- Completion of three (3) Vesting Years.

Vesting Requirements for Employees Transferring from the Hospitals to the University

If you transfer employment from the Hospitals to the University or are rehired by the University following a termination of employment with the Hospitals after completing at least one Vesting Year, you will be 100% vested in your retirement savings account established under ERIP's Defined Contribution portion upon your participation date. If you transfer employment from the Hospitals to the University or are rehired by the University following a termination of employment with the Hospitals prior to completing one Vesting Year, you will be 100% vested in your retirement savings account established under ERIP's Defined Contribution portion once you satisfy the vesting requirements described above. In other words, you will be treated like any other new hire of the University except that your periods of employment with the Hospitals will be taken into account for purposes of determining Vesting Years and Breaks in Service.

Vesting Years

General Rule

A Vesting Year is a 365-day period that generally begins on your hire date. All employment with the University is taken into account regardless of whether your employment is in an ERIP-eligible position. For example, if you are hired by the University to work as a non-ERIP-eligible employee (e.g., as a "temporary" employee), your non-ERIP-eligible employment will be taken into account in determining your Vesting Years. In addition, all employment with the Hospitals is also taken into account. Keep in mind that Vesting Years are credited in whole periods only. For example, if you terminate employment after working 321 days in your third year of employment, you will not be credited with a Vesting Year for your third year of employment.

Bridging Rule

If you do not complete a Vesting Year during your initial 365-day period that begins on your hire date (i.e., you terminate employment) but you are rehired within 12 months of your termination date, your period of separation is treated as a period of employment. For example, if you are hired by the University on March 1, 2005 and terminate employment on July 31, 2005, but are rehired on November 1, 2005, your first period of employment (March 1, 2005 through July 31, 2005) will be aggregated with your period of separation (August 1, 2005 through October 31, 2005) and if you work through February 28, 2006, you will be credited with a Vesting Year on March 1, 2006.

Aggregation of Periods of Employment

If you do not complete a Vesting Year during your initial 365-day period that begins on your hire date and you are rehired more than 12 months after your termination date but prior to incurring five (5) consecutive 1-Year Breaks in Service, your period of separation will not be treated as a period of employment. However, your periods of employment will be aggregated to determine whether you have completed a Vesting Year. For example, if you are hired by the University on March 1, 2005 and terminate employment on July 31, 2005, but are rehired on September 1, 2006, your first period of employment (March 1, 2005 through July 31, 2005) will be aggregated with your second period of employment beginning on September 1, 2006 and if you work through March 31, 2007, you will be credited with a Vesting Year on April 1, 2007.

Forfeiture of Vesting Years

Once you are vested in University contributions, your Vesting Years cannot be forfeited. Thus, if you were hired by the University prior to July 1, 2005, your Vesting Years cannot be forfeited even though you may not be 100% vested in your benefit from ERIP's Defined Benefit portion. This is because you are 100% vested in the University's contributions to your retirement savings account under ERIP's Defined Contribution portion. However, if you are hired by the University on or after July 1, 2005 and you are not vested in University contributions when you terminate employment, you will forfeit previously earned Vesting Years if you incur five (5) consecutive "1-Year Breaks in Service" as defined below. For example, if you are hired after July 1, 2005 and terminate employment after completing two (2) Vesting Years, your two (2) Vesting Years will not count towards the three (3) Vesting Year requirement if you incur five (5) consecutive 1-Year Breaks in Service. If you are rehired by the University before you incur five (5) consecutive 1-Year Breaks in Service, your pre-break Vesting Years will be restored upon your rehire date and aggregated with your prior periods of employment and, if applicable, periods of severance.

Breaks in Service

You will incur a "1-Year Break in Service" for each 365-day period that begins on your termination date and on each anniversary thereof during which you do not complete an hour of employment. For purposes of determining whether you have incurred a 1-Year Break in Service, a special rule applies to a maternity or paternity leave. Under the special rule, if you terminate employment for maternity or paternity reasons, you cannot incur a 1-Year Break in Service for the 365-day period that begins on your termination date and for the following 365-day period that begins on the first anniversary of your termination date. A maternity or paternity leave is a period during which you are initially absent from work on account of (i) your pregnancy, (ii) birth of your child, (iii) placement of a child in connection with your adoption of such child, or (iv) care of a child described in (ii) or (iii) immediately after such birth or placement. You must timely provide the University with sufficient information prior to your maternity or paternity leave to establish that your termination from work is on account of maternity or paternity reasons.

Forfeiture of ERIP Benefits

If you leave the University before you are vested in your benefit from ERIP's Defined Benefit portion (without regard to your contributions made prior to January 1, 1994 in which you are always vested), your benefit will be forfeited following your termination date.

If you leave the University before you are vested in the University's contributions to your retirement savings account established under ERIP's Defined Contribution portion, you will not be entitled to receive any University contributions previously allocated to your retirement savings account nor will you be entitled to receive any earnings on those contributions, and such amounts will be forfeited following your termination date.

If you are rehired by the University before you incur five (5) consecutive 1-Year Breaks in Service as defined above, the benefit forfeited under ERIP's Defined Benefit portion and the amount forfeited under ERIP's Defined Contribution portion will be restored upon your rehire date.

Vesting Requirements Prior to July 1, 2005

If you terminated employment prior to July 1, 2005, the vesting requirements for both ERIP's Defined Benefit portion and Defined Contribution portion were different. If you have any questions regarding the prior vesting requirements, contact the Benefits Office.

How ERIP Works

Summary

ERIP provides you with two sources of income for retirement: the Defined Benefit portion and the Defined Contribution portion. The table below summarizes how the two portions of ERIP work.

	Defined Benefit	Defined Contribution
How Much is My Benefit?	Your benefit is calculated using a specified formula that takes into account your Final Average Pay and Years of Participation. The amount of your monthly benefit also depends on the payment option you choose.	Your benefit is determined by the value of your retirement savings account that includes your contributions, the University's contributions, and investment gains (and losses). The amount of your monthly benefit also depends on the payment option you choose.
Who Pays for My Benefit?	The University generally pays the full cost of this benefit by making contributions to a pension fund that are actuarially determined. If you participated in ERIP prior to January 1, 1994, you also contributed to this benefit. No employee contributions are required or permitted after December 31, 1993.	You and the University both contribute toward this benefit. You establish a retirement savings account in your name with TIAA-CREF and/or Vanguard. You contribute 3% of each paycheck to this account and the University contributes an additional 2.5% of your pay.
When Will I Become Vested?	If you are employed by the University on or after July 1, 2005, you are 100% vested once you attain age 65 or die while employed by the University, or once you complete three (3) Vesting Years (whichever occurs first).	• If you were hired before July 1, 2005: Immediately. • If you are hired after June 30, 2005: You are fully vested in your contributions but you are not vested in your University contributions unless you attain age 65 or die while employed by the University, or until you complete three (3) Vesting Years (whichever occurs first).
When Can I Receive My Benefit?	If you are vested, you can receive this benefit anytime after you leave the University.	If you are vested, you can receive this benefit anytime after you leave the University.
What Are My Payment Options?	• Annuity • Lump sum payment • Lump sum payment of employee contributions with any remaining benefit payable as an annuity • Direct rollover	• Annuity • Lump sum payment • Periodic installment payments • Direct rollover • Combination of above

The following pages contain a more detailed explanation of the features of ERIP's Defined Benefit and Defined Contribution portions.

How the Defined Benefit Portion Works

Calculating Your Benefit

Your benefit under ERIP's Defined Benefit portion is calculated based on the formula shown below.

1% of your **Final Average Pay**
plus
0.5% of your Final Average Pay in excess of
Social Security Covered Compensation
the sum multiplied by
Years of Participation (up to 35 years)

- **Final Average Pay**. This is the average of your five highest consecutive years of compensation during your final 10 years of ERIP participation. Compensation means your total gross wages paid by the University *excluding* amounts paid on account of severance such as final accrued vacation and sick pay but *including* your contributions to ERIP's Defined Contribution portion and salary reduction contributions to the University's Supplemental Retirement Program ("SRP"), Flexible Spending Plan, and Qualified Transportation Program.

- **Social Security Covered Compensation**. During your working career, you and your employers (including the University) pay Social Security ("FICA") taxes on your wages, up to a maximum wage each year called the Taxable Wage Base. Social Security Covered Compensation is the average of those Taxable Wage Bases over the 35-year period ending with the last day of the calendar year in which you reach your Social Security Retirement Age. Once you reach that age or you terminate your employment with the University (whichever occurs first), your Social Security Covered Compensation is fixed and will not be adjusted for future years. You do not have to calculate Social Security Covered Compensation—it is provided in special Covered Compensation tables. Keep in mind, if your Final Average Pay is less than your Social Security Covered Compensation, this portion of the Defined Benefit formula will equal zero.

  Your Social Security Retirement Age depends on your date of birth and generally is as follows:

Social Security Retirement Age ("SSRA")	Year of Birth
65	1937 or before
66	1938 through 1954
67	1955 and after

  Examples of Social Security Covered Compensation at selected ages are as follows:

Year of Birth	Year You Reach SSRA	2003 Social Security Covered Compensation
1937	**2002**	$39,444
1947	**2013**	$63,132
1957	**2024**	$78,972
1967	**2034**	$86,436
1977	**2044**	$87,000

- **Years of Participation**. This is the number of years and fractions of years (measured in months) during which you actively participate in ERIP. If you take an approved leave of absence or if you terminate employment and are rehired by the University within 12 months of your termination date, your leave or period of separation counts toward your Years of Participation if you return from your leave or are rehired as an ERIP-eligible employee. In addition, you will continue to be credited with Years of Participation while you are receiving payments under the University's long-term disability program. Years of Participation in excess of 35 are not taken into account.

Your Normal Retirement Benefit

The formula and factors described above are used to calculate your "normal retirement benefit" which is the annual benefit payable to you beginning at age 65 and continuing for your lifetime. This form of payment is called a "single life annuity." You may choose other payment options (see Forms of Benefit Payment) and you may choose to begin receiving your benefit before age 65, but in either case your normal retirement benefit will be reduced because:

- You are expected to receive your benefit payments for a longer period of time, and/or
- You have elected a benefit that continues payments to your spouse or other beneficiary after your death.

Benefit Examples

Let's assume you decide to retire at age 65 and receive monthly benefit payments for your lifetime only. You have participated in ERIP for 30 years and the Social Security Covered Compensation table says that Covered Compensation for your year of birth is $43,968.

Your five highest consecutive years of pay during the last 10 years are:
- $45,020
- $43,709
- $42,436
- $41,200
- $40,000

The three factors used to calculate your benefit are:

- Final Average Pay: $42,473 (the five highest salaries added together and then divided by five)
- Social Security Covered Compensation: $43,968
- Years of Participation: 30

Your annual normal retirement benefit is calculated as follows:

1% x $42,473 =	$424.73
Years of Participation	x 30
Annual Normal Retirement Benefit	**$12,741.90**

Because your Final Average Pay did not exceed your Social Security Covered Compensation, that portion of the formula is not included in the calculation.

If instead your Final Average Pay was $47,271 and the other two factors—Social Security Covered Compensation and Years of Participation—stayed the same, here's how your annual normal retirement benefit would be calculated:

1% x $47,271 =	$472.71
0.5% x $3,303 ($47,271 - $43,968) =	+ $16.52
	$489.23
Years of Participation	x 30
Annual Normal Retirement Benefit	**$14,676.90**

Participant Contributions Made Prior to January 1, 1994

If you participated in ERIP prior to January 1, 1994, you contributed a percentage of your salary toward the cost of funding your benefit under ERIP's Defined Benefit portion. In other words, your contributions to the Defined Benefit portion are applied toward your normal retirement benefit calculated as described above. Employee contributions to the Defined Benefit portion were discontinued beginning January 1, 1994.

How the Defined Contribution Portion Works

ERIP Contributions

Under ERIP's Defined Contribution portion, you establish a retirement savings account into which you contribute 3% of your compensation and the University contributes 2.5% of your compensation each pay period. These contributions and their investment earnings make up your retirement savings account from which you can draw additional retirement income.

For purposes of calculating ERIP contributions, compensation means your total gross wages paid by the University *excluding* amounts paid on account of severance such as final accrued vacation and sick pay but *including* your contributions to ERIP's Defined Contribution portion and salary reduction contributions to the University's SRP, Flexible Spending Plan, and Qualified Transportation Program.

Prior to July 1, 2005, the University's contribution formula was different. If you have any questions regarding the prior contribution formula, contact the Benefits Office.

Rollover Contributions

Subject to any restrictions imposed by the investment companies, you may make a tax-deferred rollover of eligible cash (not stock, securities or mutual fund shares) to your retirement savings account under ERIP's Defined Contribution portion. The amount rolled over may be invested among the TIAA-CREF and Vanguard funds offered under ERIP's Defined Contribution portion. Eligible cash rollovers include distributions from employer retirement plans such as 403(b) tax-sheltered annuities, 401(k) plans, and 457(b) governmental plans as well as lump sum distributions from defined benefit pension plans. Taxable distributions from traditional IRAs also are accepted. You may roll over your after-tax contributions only if directly rolled over from a 403(b) tax-sheltered annuity. To make a rollover to your retirement savings account, contact TIAA-CREF or Vanguard.

Contributions and Earnings are Tax-Deferred

All contributions and earnings are tax-deferred. That means:

- **Your contributions** are deducted from your pay before taxes are withheld. That way, you save money on income taxes today while you save for your future retirement. Your contributions are taxed when paid to you following your retirement or other termination of employment.

- **University contributions** are not taxed as compensation when made to your account. Like your own contributions, the University's contributions are taxed when paid to you following your retirement or other termination of employment.
- **Your retirement savings account** grows faster because the earnings on your contributions (those you make and those made on your behalf by the University) are not taxed until paid to you following your retirement or other termination of employment.

Example
Tax-deferred dollars can give your retirement savings a big boost. For example, assume that you can set aside $100 for savings each month and are in a 28% tax bracket. If you decide to save through a regular savings account, you will be able to deposit $72 each month after taxes. Assuming an 8% earning rate, you will save $11,650 after ten years after taking into account taxes on the earnings. However, by saving through ERIP, you will be able to deposit the full $100 a month to an ERIP retirement savings account. Assuming a same earning rate of 8%, you will save $18,300 — $6,650 more than with a regular savings account.

Limitations on Benefits and Contributions

Federal tax laws place benefit and contribution limits on the Defined Benefit and Defined Contribution portions of ERIP. These limits are increased periodically.

Limitations on Defined Benefit Portion

Federal tax laws limit the amount of compensation that can be used to calculate your retirement benefit and the maximum benefit you can receive from ERIP's Defined Benefit portion. However, as a practical matter, your benefits will not be adversely affected as both limits are very high. For 2005, the compensation limit is $210,000 and the maximum benefit is $170,000 for retirement benefits paid in the form of a single life annuity.

Limitations on Defined Contribution Portion

Federal tax laws limit the amount you and the University can contribute to your retirement savings account under ERIP's Defined Contribution portion each year. For 2005, the sum of your contributions and the University's contributions to ERIP's Defined Contribution portion and your contributions to the SRP cannot exceed 100% of your compensation or $42,000, whichever is less. Again, as a practical matter, it is unlikely that your contributions or the University's contributions will be adversely affected by this limitation.

Participant Loans

You may obtain participant loans under ERIP's Defined Contribution portion while employed by the University. ERIP's participant loan program is administered by TIAA-CREF, and all loans from ERIP are subject to the rules and requirements set forth in the *TIAA-CREF Retirement Plan Loans* pamphlet. If your retirement savings account is invested with Vanguard, you must transfer the necessary amount of funds to TIAA-CREF before you can take advantage of ERIP's participant loan program. A brief summary of ERIP's participant loan program is provided below.

Amount of Loan

The minimum amount that may be borrowed is $1,000 and the maximum amount that may be borrowed is the least of: (i) $50,000, (ii) 45% of your vested retirement savings account invested with TIAA-CREF, and (iii) 90% of your vested retirement savings account invested in TIAA-CREF variable investment funds. Prior loans under ERIP's participant loan program and the participant loan program under the University's SRP may reduce your maximum loan amount.

Securing Your Loan

A portion of your retirement savings account — that is, an amount equal to 110% of the loan amount — will serve as collateral for your loan and must be invested in a TIAA Retirement Loan certificate, an annuity that is separate and distinct from your other TIAA-CREF contracts. For example, if the value of your vested retirement savings account invested with TIAA-CREF is $10,000, you may borrow up to $4,500. If you borrow $4,500, $4,950 of your vested retirement savings account (110% of $4,500) will serve as collateral for your loan and must be invested in a TIAA Retirement Loan certificate. As you repay the loan, the excess collateral will be transferred periodically to the CREF Money Market fund. Amounts invested in the TIAA Retirement Loan certificate are not available for benefit payments.

Loan Terms

You will be charged a variable rate of interest on your loan; the interest rate is subject to change once a year on the first day of the month in which your loan was originally issued. You can take up to five years to repay your loan (or up to 10 years if you use the loan proceeds to purchase your principal residence). In most cases, the term of a loan cannot extend past the April 1st of the year after the year you attain age 70½. Loans can be repaid either quarterly or monthly. Payments can be made by check sent directly to TIAA-CREF or through automatic deductions from your checking account (required for monthly billing). If you are married, your spouse must consent to the loan.

Loans in Default

If you miss a loan payment, you will be considered in default on the entire outstanding loan balance. Generally, if the total overdue amount is not paid by the end of the calendar quarter following the calendar quarter in which repayment was due, the outstanding loan balance (including accrued interest) will be reported to the IRS as current taxable income to you and may be subject to penalties for early distribution. Your loan will remain outstanding and the collateral held under your TIAA Retirement Loan certificate will not be available for benefit payments until you have repaid your loan. Repayment may be made either by direct repayment to TIAA-CREF or by deemed repayment through a plan loan offset (that is, repayment of your outstanding loan by application of your loan collateral to the amount that is due at such time as permitted by law).

Applying for Loans

You can request a loan at any time provided you are actively employed by the University. To obtain a copy of the *TIAA-CREF Retirement Plan Loans* pamphlet, determine the amount you can borrow and the amount of your loan repayments, and to apply for a loan, you can visit TIAA-CREF's website at www.tiaa-cref.org or you can call (800) 842-2776 and speak with a TIAA-CREF representative. You can repay your loan early without penalty.

Receiving Your Benefits

While You Are Employed by the University

You cannot withdraw money from ERIP while employed by the University. In-service withdrawals (including hardship withdrawals) are not permitted. However, loans are available from ERIP's Defined Contribution portion. See Participant Loans for more information.

After You Leave the University

If you are vested in your benefit under ERIP's Defined Benefit portion, you can start receiving benefit payments from ERIP's Defined Benefit portion at any time following termination of your University employment. You also can start receiving benefit payments from the vested portion of your retirement savings account under ERIP's Defined Contribution portion at any time following termination of your University employment. The following pages contain a more detailed explanation of the types of benefits and forms of benefit payment available under ERIP.

Benefit Payments Under the Defined Benefit Portion

Types and Forms of Benefits

If you are vested in your benefit under ERIP's Defined Benefit portion upon your termination of employment (see Vesting in ERIP for vesting requirement), the following types of annuity benefits are available under ERIP's Defined Benefit portion:

- **Normal Retirement Benefit.** Your normal retirement date is the first day of the month coincident with or next following your 65th birthday. If you elect to commence annuity payments on or after your normal retirement date, you are eligible to receive a normal retirement benefit (i.e., an unreduced benefit) based on your Final Average Pay and Years of Participation as of the date you terminate employment. (See Calculating Your Benefit for an explanation of the normal retirement benefit calculation.)
- **Early Retirement Benefit.** Your early retirement date is the first day of the month coincident with or next following the first date on which you have both attained age 55 and completed five Vesting Years (see Vesting in ERIP for the definition of "Vesting Years"). If you elect to commence annuity payments on or after your early retirement date but prior to your normal retirement date, you are eligible to receive an early retirement benefit. Your early retirement benefit is calculated in the same way as your normal retirement benefit, based on your Final Average Pay and Years of Participation as of the date you terminate employment, but is reduced because your annuity payments begin early and are expected to be paid for a longer period of time. The amount of the reduction is 5% for each year (or fraction thereof) that you begin receiving payments before age 65. If you elect to postpone your annuity payments until you reach age 65, you will receive an unreduced normal retirement benefit.

  Example
  Let's assume you terminate your University employment at age 57 after 9.17 years of ERIP participation. Your Final Average Pay at termination is $56,336 and your Covered Compensation is $61,152.

Your annual normal retirement benefit is calculated as shown below. If you wait until you attain age 65 to begin your annuity payments, you will receive $5,166.01 per year for your lifetime (assuming you choose the single life annuity form of payment).

1 % x $56,336 =	$ 563.36
Years of Participation	x 9.17
Annual Normal Retirement Benefit	**$5,166.01**

Because your Final Average Pay did not exceed your Social Security Covered Compensation, that portion of the formula is not included in the calculation.

Alternatively, you may begin annuity payments when your employment ends at age 57. In that case, your normal retirement benefit of $5,166.01 will be reduced to reflect the fact that your annuity payments will begin eight years prior to age 65.

The amount of the reduction will be 40% (eight years times 5% per year), leaving you with 60% of your normal retirement benefit or $3,099.61 per year.

Annual Normal Retirement Benefit	**$5,166.01**
Reduction Factor	x 60%
Annual Early Retirement Benefit	**$3,099.61**

- **Pre-Retirement Benefit.** If you elect to commence annuity payments prior to your early retirement date, you are eligible to receive a pre-retirement benefit. Your pre-retirement benefit is calculated in the same way as your normal retirement benefit, based on your Final Average Pay and Years of Participation as of the date you terminate employment, but is reduced because your annuity payments begin early and are expected to be paid for a longer period of time. The amount of the reduction is actuarially determined (and the more favorable 5% reduction used in calculating the early retirement benefit does not apply) for each year (or fraction thereof) that you begin receiving payments before age 65. If you elect to postpone your annuity payments until you reach age 65 or age 55, you will receive the unreduced normal retirement benefit or the early retirement benefit, respectively.
- **Late Retirement Benefit.** If you continue to work beyond age 65, you are eligible to receive a late retirement benefit calculated in the same way as your normal retirement benefit, based on your Final Average Pay and Years of Participation as of the date you terminate employment. Your late retirement benefit is then compared to the actuarial equivalent of your normal retirement benefit beginning at age 65. You will receive the greater of your late retirement benefit or the actuarial equivalent of your normal retirement benefit, reduced in each case for any benefit payments you previously received.

Forms of Benefit Payment

ERIP is designed to provide you with income during your retirement. Benefits under the Defined Benefit portion ordinarily are paid in the form of an annuity—that is, regular monthly payments for your lifetime (continuing for your beneficiary's lifetime if you wish, subject to spousal consent). Your decision when and how to receive your benefit under the Defined Benefit portion is independent of your decision regarding the payment of your benefit under the Defined Contribution portion.

Although the Defined Benefit portion is designed to provide an annuity, you do have the option of electing a **lump sum distribution** (subject to spousal consent) instead. Depending on when you started participating in ERIP, you also may elect a partial lump sum distribution and annuity option.

- **Full Lump Sum Option**. You may cash out the entire value of the benefit you have accrued under the Defined Benefit portion. This payment option will leave no future benefits under the Defined Benefit portion payable to you or your beneficiaries. The amount of your full lump sum distribution is equal to the larger of (i) your contributions plus accrued interest as determined under the terms of ERIP (if you participated in ERIP prior to 1994) and (ii) the lump sum actuarial equivalent of your normal retirement benefit.

- **Partial Lump Sum (Contributions Plus Interest) and Annuity Option**. If you participated in ERIP prior to 1994, you may cash out the entire value of your contributions plus accrued interest. If a residual benefit remains after you withdraw your contributions, this represents the portion of your benefit that is funded by the University. You may elect that any residual benefit be paid to you as a normal, early, pre-retirement, or late retirement benefit.

You may elect to roll over all or part of your lump sum distribution to another tax-deferred retirement vehicle such as an individual retirement account or another employer's retirement plan. See Direct Rollovers for further information.

If you do not elect a lump sum distribution or if you elect a partial lump sum distribution, your benefit (or residual benefit) is paid in the form of an **annuity**. You have a number of annuity options from which you can choose, as described below.

- **Single Life Annuity Option**. Under this option, you will receive retirement income for as long as you live. This option provides a larger monthly income to you than the annuity options described below. The Single Life Annuity Option is the normal form of payment if you are not married when benefit payments begin. If you elect the Single Life Annuity Option, no benefit will be payable to your beneficiaries after you die.
- **Survivor Annuity Option.** Under this option, you will receive retirement income for as long as you live and if your co-annuitant lives longer than you, he or she will continue to receive income as long as he or she lives. The Survivor Annuity Option is the normal form of payment if you are married when benefit payments begin. You may not elect a co-annuitant other than your spouse without your spouse's consent and you may not change your co-annuitant after your benefit payments begin. Under the Survivor Annuity Option, the retirement income that would have been payable to you had you elected the Single Life Annuity Option will be reduced to reflect the fact that your benefit will be paid over two lifetimes instead of one. The amount continuing to your co-annuitant depends on which of the following options you choose:
  - **Half Benefit to Co-Annuitant.** At your death, your co-annuitant will receive annuity payments for his or her lifetime equal to one-half of the amount you were receiving before your death.
  - **Two-Thirds Benefit to Co-Annuitant.** At your death, your co-annuitant will receive annuity payments for his or her lifetime equal to two-thirds of the amount you were receiving before your death.
  - **Full Benefit to Co-Annuitant**. At your death, your co-annuitant will receive annuity payments for his or her lifetime equal to the amount you were receiving before your death.

If you participated in ERIP's Defined Benefit portion prior to 1994, a benefit may be payable after you die under the Single Life Annuity Option and after your co-annuitant dies under a Survivor Annuity Option under the circumstances described in this paragraph. Prior to 1994, you contributed a percentage of your salary to ERIP's Defined Benefit portion. Those contributions earn interest until your benefit payments begin. If your contributions remain in the Defined Benefit portion when you elect to commence your annuity (that is, you did not previously withdraw them in a lump sum distribution), the following rules apply:

- If you elect to receive your benefit under the Single Life Annuity Option, your beneficiary will be eligible to receive a benefit equal to the difference between the value of your contributions plus interest at the time you elected the Single Life Annuity Option and the total of the annuity payments you received before your death.
- If you elect to receive your benefit under a Survivor Annuity Option, your co-annuitant's beneficiary will be eligible to receive a benefit equal to the difference between the value of your contributions plus interest at the time you elected a Survivor Annuity Option and the total of the annuity payments you and your co-annuitant received before you both died.

In other words, if you participated in ERIP's Defined Benefit portion prior to 1994, the total payments made to you, your co-annuitant or beneficiary, and your co-annuitant's beneficiary will be at least equal to the value of your contributions plus interest under the Defined Benefit portion at the time you elect an annuity option.

Example

Allen Smith retires on June 1, 2005 and elects the Single Life Annuity Option. Allen began participating in ERIP in 1987 and contributed a percentage of his salary to the Defined Benefit portion until December 31, 1993 (when participant contributions to the Defined Benefit portion were discontinued). As of his retirement date, Allen's contributions plus interest equal $18,000. His monthly annuity income is $650. After two years of retirement, Allen dies on May 31, 2007, having received two years (24 months) of annuity payments totaling $15,600 (24 months x $650). Although Allen elected the Single Life Annuity Option, his designated beneficiary is entitled to receive a benefit from ERIP's Defined Benefit portion because the total annuity payments made to Allen before his death were less than the total amount that he contributed to ERIP's Defined Benefit portion. Allen's beneficiary will receive the difference between the following two amounts:

Allen's total contributions plus interest at retirement =	$18,000
Total annuity payments made to Allen before his death =	$15,600
Benefit payable to Allen's beneficiary = $18,000 - $15,600 =	$2,400

Reemployment After Benefit Payments Commence

If you are rehired by the University after commencing benefit payments, you will continue to receive annuity payments in the event you elected to receive your benefit in the form of an annuity instead of a lump sum. If you are rehired into a benefits-eligible position, your benefit under ERIP's Defined Benefit portion will be recalculated based on your Final Average Pay and Years of Participation as of the date you again terminate employment, and will be reduced for any annuity payments or lump sum distribution you previously received.

Starting Benefit Payments from ERIP's Defined Benefit Portion

To receive your benefit from ERIP's Defined Benefit portion upon your retirement or other termination of employment, you must complete the appropriate benefit application. The type of application depends on how you want to receive your benefit (i.e., in the form of an annuity, lump sum or rollover distribution, or a lump sum payment of your contributions with any residual benefit paid in the form of an annuity). Application forms are available at http://hr.uchicago.edu/forms/benefits.html#retirement and from the Benefits Office. You should obtain the necessary forms at least three months prior to the date on which you wish to begin receiving benefit payments.

Benefit Payments Under the Defined Contribution Portion

Amount of Benefits

Your benefit payments from ERIP's Defined Contribution portion will be determined by the value of the vested portion of your retirement savings account and the form of payment you choose. You can start receiving benefit payments from ERIP's Defined Contribution portion upon your termination of employment for any reason.

Normal Form of Payment

If you are married on the date your benefit payments begin, the vested portion of your retirement savings account must be paid in the form of a survivor annuity with your spouse as your co-annuitant, unless you and your spouse waive the survivor annuity form of payment and you elect an optional form of payment with your spouse's consent. See Spousal Rights to ERIP Benefits below for more information. Under a survivor annuity, monthly payments are made for your lifetime and, at your death, your surviving spouse receives monthly payments equal to at least 50% of your monthly benefit. After your surviving spouse dies, all payments stop.

If you are not married on the date your benefit payments begin, the vested portion of your retirement savings account must be paid in the form of a single life annuity unless you waive the single life annuity and elect an optional form of payment. Under a single life annuity, monthly payments are made for your lifetime, and at your death, all payments stop.

If you do not waive the annuity payment form, you must transfer any amounts in a Vanguard investment fund to a TIAA-CREF investment fund before your benefit payments can begin.

Optional Forms of Payment

The optional forms of payment vary depending on the investment funds in which your retirement savings account is invested. Once you decide to start receiving benefit payments, you have the flexibility to start payments from the TIAA-CREF investment funds (so long as you have accumulations of at least $10,000 in the TIAA-CREF investment fund) and Vanguard investment funds on different dates. You can start benefit payments from different CREF Accounts on different dates so long as you have accumulations of at least $10,000 in each CREF Account. You can elect different forms of payment for your accumulations in the TIAA-CREF investment funds (so long as the form of payment is available to you and you have accumulations of at least $10,000 for each form of payment) and for your accumulations in the Vanguard investment funds. For example, you can elect an annuity option for your accumulations in a CREF Account and periodic distributions for your accumulations in a Vanguard investment fund.

Description of Forms of Payment

The optional payment forms are governed by the terms of your investment funds and currently include:

- **Single Life Annuity Option**. This option pays you an income for life with payments stopping at your death. A single life annuity provides you with a larger monthly payment than the other annuity options. This option is also available with a 10, 15, or 20 year guaranteed payment period (but not exceeding your life expectancy at the time you begin annuity payments). If you die during the guaranteed period, payments in the same amount that you would have received will continue to your beneficiary(ies) for the remainder of the guaranteed period. This option is available only for accumulations invested in a TIAA-CREF investment fund.

- **Survivor Annuity Option**. This option pays you a monthly benefit for life and, if your co-annuitant lives longer than you, he or she will continue to receive a monthly benefit for his or her life. The amount of the monthly benefit continuing to your co-annuitant depends on which of the following three options you choose:
    - **Half Benefit to Co-Annuitant**. Your monthly benefit payment continues as long as you live. If you die and your co-annuitant survives you, he or she will receive one-half of the monthly benefit you would have received if you had lived.
    - **Full Benefit to Co-Annuitant**. Your monthly benefit payment continues as long as either you or your co-annuitant is living.
    - **Two-Thirds Benefit to Survivor**. At the death of either you or your co-annuitant, your monthly benefit payment is reduced to two-thirds the amount that would have been paid if both of you had lived, and the reduced monthly benefit payment is continued to the survivor for life.

  All survivor annuities are available with a 10, 15, or 20 year guaranteed period, but not exceeding the joint life expectancies of you and your co-annuitant at the time you begin annuity payments. This option is available only for accumulations invested in a TIAA-CREF investment fund.

- **Retirement Transition Benefit Option**. This option enables you to receive a one-time lump sum payment of up to 10% of your accumulations in a TIAA Retirement Annuity at the time you start payments under an annuity option; provided, that your accumulations are invested in a TIAA Individual Retirement Annuity ("RA"). The one-time payment cannot exceed 10% of your accumulations then being converted to an annuity.

- **Transfer Payout Annuity Option**. This option enables you to receive benefit payments from the TIAA Retirement Annuity over a 10-year period instead of in the form of a single life annuity or a survivor annuity. At the end of the 10-year period, all payments stop. If you die during the 10-year period, payments will continue in the same amount to your beneficiary for the remaining period.

- **Interest Payment Retirement Option ("IPRO")**. This option enables you to receive benefit payments from the TIAA Retirement Annuity equal to the contractual interest rate plus dividends that would otherwise be credited to your TIAA Retirement Annuity <u>*and*</u> is available only if (i) you are between the ages of 55 and 69½ and (ii) your accumulations in the TIAA Retirement Annuity are at least $10,000. Under the IPRO, your accumulations are not reduced because monthly payments are limited to the interest earned on your accumulations. Interest payments made under the IPRO must continue for at least 12 months and thereafter will continue until you begin receiving your accumulations under an annuity option. When you do begin annuity payments from the TIAA Retirement Annuity, you may choose any of the available annuity options. If you die while receiving interest payments under the IPRO, your beneficiary will receive the amount of your accumulations, plus interest earned but not yet paid.

- **Fixed Period Option**. This option enables you to receive benefit payments over a fixed period between two and 30 years in duration. At the end of the selected period, all payments stop. If you die during the selected period, payments will continue in the same amount to your beneficiary for the remaining period. This option is not available for accumulations invested in the TIAA Retirement Annuity.

- **Minimum Distribution Option ("MDO")**. This option enables you to automatically comply with federal tax law distribution requirements and is available only in the year you attain age 70½ or retire, if later. Under the MDO, you will receive the minimum distribution that is required by federal tax law while preserving as much of your accumulations as possible. If you die while receiving payments under the MDO, your beneficiary will receive your remaining accumulations. This option is available under all investment funds.

- **Lump Sum or Partial Lump Sum Distribution Option**. This option enables you to receive all or a portion of your accumulations under all investment funds except the TIAA Retirement Annuity in the form of a lump sum distribution or a partial lump sum distribution. In the case of the TIAA Real Estate Account or a CREF Account, partial lump sum distributions under this option are administered through TIAA-CREF's Systematic Withdrawal Service. This service (provided free of charge) allows you to specify the amount and frequency of payments. Currently, the initial amount must be at least $100 per investment fund. Once payments begin, they will continue at the frequency you specify (i.e., monthly, quarterly, semi-annually, or annually). You can change the amount and frequency of payments, as well as stop and restart payments, as your needs dictate. Once you have received the entire amount of your accumulations, no future benefits from the Plan will be payable to you, your spouse, or beneficiaries upon your death.

- **One-Time Lump Sum Distribution Option**. This option enables you to receive your accumulations in the TIAA Retirement Annuity in the form of a lump sum distribution; provided, that <u>your accumulations are invested in a TIAA Group Retirement Annuity ("GRA") and your election is made within 120 days following your termination of employment with the University</u>. A 2.5% surrender charge will apply. Once you have received the entire amount of your accumulations, no future benefits from the Plan will be payable to you, your spouse, or beneficiaries upon your death.

Please note the following:

- TIAA-CREF imposes a 10-year installment payout restriction on amounts invested in the TIAA Retirement Annuity. This means that if you invest all or part of your retirement savings account in the TIAA Retirement Annuity, you will be able to withdraw only ten percent of that part of your account annually unless you are eligible to elect the One-Time Lump Sum Distribution Option described above and you make such election within 120 days following your termination of employment with the University.

- Vanguard does not offer an annuity form of payment. If you invest all or part of your retirement savings account with Vanguard and wish to receive your benefit in the form of an annuity, you must first transfer your Vanguard accumulations to a TIAA-CREF investment fund.

- The above descriptions of the payment forms are summaries. In the event there is an inconsistency between the above descriptions of the payment forms and the payment forms available under the terms of your investment funds, the terms of your investment funds will govern. For more information regarding the forms of payment available under ERIP's Defined Contribution portion, please contact the investment companies directly.

Starting Benefit Payments from ERIP's Defined Contribution Portion

To receive your vested benefit from ERIP's Defined Contribution portion upon your retirement or other termination of employment, you must complete the appropriate benefit application. The type of application depends on:

- Where your retirement savings account is invested (i.e., with TIAA-CREF or Vanguard), and
- How you want to receive your benefit (i.e., in the form of an annuity, lump sum, periodic payment, direct rollover or a combination of payment options).

To obtain the necessary forms, please call TIAA-CREF and Vanguard directly at:

Investment Company	Phone Number
TIAA-CREF	(800) 842-2776
Vanguard	(800) 523-1188

Your benefit application may require certification of your retirement or other termination of employment by a Benefits Office representative. You may obtain this certification either by mailing your completed application to the Benefits Office or by visiting the Benefits Office during business hours.

Spousal Rights to ERIP Benefits

Your spouse has special rights under both the Defined Benefit and Defined Contribution portions of ERIP. If you are married when your benefit payments begin, those payments must be made in the form of a survivor annuity providing a monthly benefit to your surviving spouse of at least 50% of your monthly benefit (e.g., the Half Benefit to Co-Annuitant Option provided under ERIP's Defined Benefit and Defined Contribution portions).

- If you wish to elect a form of payment that does not provide at least 50% of your annuity benefit to your surviving spouse, federal law requires that you waive the survivor annuity in writing and that your spouse consent to your waiver. Your spouse's written consent must be notarized or signed in the presence of a Benefits Office representative.

- If you wish to designate a co-annuitant or beneficiary other than your spouse (as applicable, depending on the form of payment you select), federal law requires that your spouse consent to that designation. Your spouse's written consent must be notarized or signed in the presence of a Benefits Office representative.

Your waiver of the survivor annuity and/or designation of a co-annuitant or beneficiary other than your spouse must be made during the 90-day period before your benefit payments begin. The waiver, designation, and spousal consent forms are included with the benefit application that must be completed when you request a payment from the Defined Benefit and Defined Contribution portions of ERIP.

Things You Need to Know Before Choosing a Payment Option

As you consider the different benefit payment options offered under ERIP, you should keep the following things in mind:

- If you cash out the entire value of your vested benefits under the Defined Benefit portion and Defined Contribution portion, no future benefits will be payable to you, your spouse, or beneficiaries upon your death.

- If you elect a lump sum distribution under the Defined Benefit portion, the amount of your lump sum will be the actuarial equivalent of your normal retirement benefit. The more favorable 5% reduction applied to early retirement benefits does not apply even if you elect a lump sum after you have attained age 55.

- If you elect an annuity option under the Defined Benefit portion, your annuity payment will be determined under the Defined Benefit portion's benefit formula. If you elect an annuity option under the Defined Contribution portion, your annuity payment will be determined by TIAA-CREF based on the vested balance in your investment fund and your life expectancy at the time benefit payments begin. Also, federal tax laws may limit the length of a guaranteed period or the amount of a survivor annuity if you name a co-annuitant who is not your spouse.
- A single life annuity pays a benefit for your lifetime with no benefits continuing after your death. In contrast, a survivor annuity pays a reduced benefit for your lifetime with benefits continuing to your co-annuitant upon your death. Payments are reduced during your lifetime because benefits are expected to be paid for a longer period of time (i.e., your lifetime plus your co-annuitant's lifetime). Note, however, that all survivor annuities are calculated in a way that makes them equal in value to the single life annuity.
- If you participated in ERIP's Defined Benefit portion prior to 1994, the total payments made to you, your co-annuitant or beneficiary, and your co-annuitant's beneficiary will be at least equal to the value of your contributions plus interest under the Defined Benefit portion at the time you elect an annuity option (see Forms of Benefit Payment for more information).
- Different payment options have different tax consequences. Be sure to read "Paying Taxes" below and consult your professional financial advisor before deciding when and how to take a payment from ERIP.

Direct Rollovers

If you receive a benefit payment that is an "eligible rollover distribution," you may roll over all or a portion of it either directly or within 60 days after receipt into an individual retirement account or annuity ("IRA") described in Section 408(a) or 408(b) of the Internal Revenue Code, a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code, a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, or an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts your eligible rollover distribution and, to the extent required, separately accounts for your eligible rollover distribution. An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment, or a payment that is part of a fixed period payment over ten or more years.

An eligible rollover distribution is subject to a mandatory federal income tax withholding rate of 20% *unless* it is rolled over directly to an IRA or other eligible retirement plan; this process is called a "direct rollover." If you have an eligible rollover distribution paid to you, then 20% of the distribution must be withheld even if you intend to roll over the money into an IRA or other eligible retirement plan. To avoid withholding, instruct the investment company to directly roll over the money for you.

Deferring Benefit Payments

Once you terminate employment, you may leave your benefit in ERIP's Defined Benefit portion until you reach age 65. Once you reach age 65, benefit payments must commence on the first day of the month coincident with or next following your 65th birthday. There is no deadline by which you must elect to begin benefit payments from ERIP's Defined Contribution portion. You may continue the tax-deferred investment of your retirement savings account. However, federal tax laws require that you begin receiving certain minimum payments from the Defined Contribution portion after you attain age 70½. If you are employed by the University when you attain age 70½, minimum distributions are neither required nor permitted until you retire. If you attained age 70½ and started taking minimum distributions from ERIP before January 1, 1999, you may elect to continue those payments.

Paying Taxes

The taxable portion of your benefits under the Defined Benefit and Defined Contribution portions of ERIP is subject to federal income taxation when you receive it. This section describes some of the rules that affect the taxation of your benefits.

Lump Sum Distributions

The taxable portion of your lump sum distribution is subject to a mandatory federal income tax withholding rate of 20% to the extent you do not elect a direct rollover to another tax-deferred retirement vehicle such as an IRA or other eligible retirement plan. If you timely roll over all or a part of your lump sum distribution, that portion will not be subject to federal income tax in the year of distribution and will continue to be tax-deferred. Portions you do not roll over are treated as taxable income in the year of distribution and you may be required to pay income taxes in addition to the 20% withheld when you file your tax return for that year. You also may be required to pay an additional 10% tax penalty if your distribution is an early withdrawal (see below).

Annuity Payments

The taxable portion of your annuity payments is not subject to mandatory federal income tax withholding. You may elect that withholding not apply to your annuity payments, but if you do nothing, a federal income tax withholding rate of 10% will apply. You cannot roll over annuity payments to an IRA or other eligible retirement plan. The election to waive withholding is included with the benefit application that must be completed when you elect your annuity option.

Periodic Payments

The taxable portion of your periodic payments (a payment option available only under the Defined Contribution portion) may or may not be subject to mandatory federal income tax withholding. If your periodic payments are scheduled to last for a period of less than 10 years, they are subject to tax as described under "Lump Sum Distributions" above. If your periodic payments are scheduled to last for a period of 10 years or more, they are subject to tax as described under "Annuity Payments" above.

Early Distribution Penalty

If you receive a taxable distribution prior to age 59½, the portion you do not roll over to another tax-deferred retirement vehicle is subject to an additional 10% tax penalty unless the distribution is made because:

- You retire or leave the University at age 55 or older.
- You die or become disabled.
- You have elected to receive the distribution as part of a series of substantially equal periodic payments (not less frequently than annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your beneficiary.
- The distribution is received pursuant to a qualified domestic relations order.

Distributions of After-Tax Contributions

If you participated in ERIP prior to 1994 and some or all of your contributions under the Defined Benefit portion were made on an after-tax basis, those contributions are not subject to federal income tax or the early distribution penalty when they are paid to you from ERIP.

An Important Point About Taxes

This section entitled "Paying Taxes" is not intended to give specific tax advice to you or your beneficiaries. A more detailed summary, "*Special IRS Tax Notice Regarding Plan Payments*," is available at http://hr.uchicago.edu/forms/benefits.html#retirement and from the Benefits Office. Tax laws are complicated and change often. They also affect different individuals in different ways. A professional tax advisor is your best source of information about the tax laws applicable to your distributions from ERIP.

If Your Benefit Application is Denied

If all or part of your benefit application is denied, you (or your authorized representative) will receive a written or electronic explanation of the denial containing the following:

- Specific reasons for the denial.
- Specific references to ERIP's provisions on which the denial is based.
- A description of any additional information that is required and why the information is needed.
- The steps you can take to ask for a review of the decision.
- A statement of your right to bring a civil action under Section 502(a) of ERISA if your claim is denied upon review.

The written or electronic explanation of the denial ordinarily will be provided within 90 days of the date you file your benefit application. However, in special situations, additional time may be needed (up to another 90 days) to process your application. If an extension is needed, you will be provided with a written or electronic notice of the reasons for the delay and the date you can expect to receive a decision on your benefit application.

If your benefit application is denied and you wish to request a review of the denied application, you must submit such request to the Benefits Office in writing within 60 days after you receive the denial notice. Under ERIP's review procedures:

- You may submit appropriate issues, comments and reasons why you think your application should not have been denied.

- You may review all pertinent documents and submit issues and comments in writing in connection with the review and request reasonable access to, and copies of, all documents, records and other information relating to your application free of charge.

- Your request for review will be given full and fair review taking into account all claim-related comments, documents, records and other information you have submitted without regard to whether such information was submitted or considered under the initial decision.

Normally, you will receive a written or electronic explanation of the University's final decision within 60 days. If more time is needed (up to another 60 days), you will be notified, in writing or electronically, of the reasons for the delay and the date you can expect to receive a final decision about your application. If upon final review your application is denied, a written or electronic explanation of the denial will be provided by the University and will state: (i) the specific reasons for the denial, (ii) the specific references to ERIP's provisions on which the denial is based, (iii) a statement that you are entitled to receive (upon request and free of charge) reasonable access to, and copies of, all documents, records and other information relating to your application, and (iv) a statement of your right to bring a civil action under Section 502(a) of ERISA.

Death Benefits

If You Die After ERIP Benefits Begin

If you die after benefit payments from the Defined Benefit portion or the Defined Contribution portion (or both) have begun, the benefit payable to your beneficiary will depend on the form of payment you elected when payments from each portion first began. For example, if you elected a lump sum distribution, no benefit will be paid following your death. If you elected a survivor annuity, the amount payable to your co-annuitant will depend on the kind of annuity you elected. For example, if you elected the Half Benefit to Co-Annuitant Option, your co-annuitant will receive half of your monthly benefit amount for the remainder of his or her life.

If You Die Before ERIP Benefits Begin

If you die before benefit payments from the Defined Benefit portion or the Defined Contribution portion (or both) have begun, ERIP provides the following death benefits:

Death Benefits from ERIP's Defined Benefit Portion

If you die before benefit payments from ERIP's Defined Benefit portion have begun, the death benefit payable depends on your age and vesting status at your date of death, and whether or not you have a surviving spouse. If you are a:

- **Non-Vested Participant.** No death benefit is payable from ERIP's Defined Benefit portion. However, if you contributed to ERIP's Defined Benefit portion before January 1, 1994, your contributions plus interest will be paid in the form of a lump sum distribution or, if your beneficiary is your surviving spouse, in the form of a lifetime survivor annuity unless you and your spouse elect to waive the survivor annuity during your lifetime or your surviving spouse waives the survivor annuity and elects a lump sum distribution instead.
- **Vested Participant – Beneficiary is Surviving Spouse.** A death benefit in the form of a lifetime survivor annuity commencing as soon as administratively feasible following your death will be paid to your surviving spouse unless you and your spouse elect to waive the survivor annuity during your lifetime or your surviving spouse waives the survivor annuity and elects a lump sum distribution instead. The survivor annuity is the actuarial equivalent of the lump sum value of the benefit that would have been paid to you from the Defined Benefit portion (taking into account any contributions you made to ERIP's Defined Benefit portion before January 1, 1994) had you terminated employment on the date of your death, survived to age 65 (if death occurs prior to age 65) and then commenced benefit payments in the form of a single life annuity. The amount of the monthly annuity payment will depend on your surviving spouse's age at the time annuity payments commence.
- **Vested Participant Hired Prior to January 1, 2005 – Beneficiary is Surviving Spouse.** If you were hired prior to January 1, 2005 and you die after attaining age 55 but prior to attaining age 65 while you are employed by the University, instead of the survivor annuity described above, your surviving spouse may elect that the annuity payment for the first five years following your death be equal to the benefit that would have been paid to you from the

Defined Benefit portion (taking into account any contributions you made to ERIP's Defined Benefit portion before January 1, 1994) had you terminated employment on the date of your death, survived to age 65, and commenced benefit payments in the form of a single life annuity. After five years, the annuity payments to your spouse will be reduced to the monthly amount that would have been payable to your surviving spouse had you terminated employment on the date of your death, commenced benefit payments in the form of a Half Benefit to Co-Annuitant and then died on the following day.

- **Vested Participant – Non-Spouse Beneficiary or Waiver of the Survivor Annuity.** A death benefit in the form of a lump sum distribution will be paid to a non-spouse beneficiary or to a spouse who waives the survivor annuity described above. The lump sum distribution is the actuarial equivalent of the monthly payments that would have been paid to you from the Defined Benefit portion (taking into account any contributions you made to ERIP's Defined Benefit portion before January 1, 1994) had you terminated employment on the date of your death, survived to age 65 (if death occurs prior to age 65) and then commenced benefit payments in the form of a single life annuity.

Death Benefits from ERIP's Defined Contribution Portion

If you die before benefit payments from ERIP's Defined Contribution portion have begun, your beneficiary is entitled to the full value of the vested portion of your retirement savings account. Your beneficiary may select any payment option offered by the investment company so long as the payment option is in compliance with federal law. However, if you are married, your spouse is entitled to receive a lifetime annuity that is at least the actuarial equivalent of 50% of the vested portion of your retirement savings account unless your spouse previously consented to your waiver of spousal death benefits as described below.

Spousal Rights to ERIP Death Benefits

Your spouse has special rights under both the Defined Benefit and Defined Contribution portions of ERIP. Under both the Defined Benefit portion and the Defined Contribution portion, your spouse automatically is your sole beneficiary unless you complete a valid beneficiary designation naming another or other beneficiaries. If you wish to designate a beneficiary other than your spouse, your spouse must consent to that designation in writing. Your spouse's written consent must be notarized or signed in the presence of a Benefits Office representative. You generally must be at least 35 years old or have terminated employment before you can waive spousal death benefits under ERIP.

Deferring Benefit Payments

Your beneficiary may defer the payment of death benefits until December 31 of the year following the year of your death. If your beneficiary is your spouse or, in the case of certain payment options, the payment of death benefits may be deferred for more than one year. For more information, please contact the Benefits Office regarding death benefits from ERIP's Defined Benefit portion and TIAA-CREF or Vanguard regarding death benefits from ERIP's Defined Contribution portion.

Administrative Information

Your ERISA Rights

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

Receive Information About ERIP and Benefits

- Examine, without charge, at the Benefits Office, all documents governing ERIP, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by ERIP 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 Benefits Office, copies of documents governing the operation of ERIP, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Benefits Office may make a reasonable charge for the copies.
- Receive a summary of ERIP's annual financial report. The Benefits Office 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 ERIP 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 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. The Benefits Office must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of ERIP. The people who operate ERIP, called "fiduciaries" of ERIP, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including the University, your union 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 limits.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request a copy of the plan document or the latest annual report from ERIP and do not receive it within 30 days, you may file suit in a federal court. In such a case, the court may require the University to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent due to reasons beyond the University's control.

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 University's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court. If it should happen that plan fiduciaries misuse ERIP'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 ERIP, you should contact the Benefits Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the University, 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 also can obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Plan Administrator

The University has all discretionary power and authority necessary to administer ERIP including, but not limited to, the power and authority to interpret the provisions of ERIP, to compute the amount and kind of benefits payable to participants and beneficiaries, to direct the payment of plan expenses from ERIP, and to resolve any questions relating to eligibility to participate in ERIP. Any action taken in good faith by the University in the exercise of the discretionary power and authority conferred upon it, including a final decision made under the review and appeal process described herein, shall be conclusive and binding upon participants and their beneficiaries.

Plan Amendment and Termination

While it is expected that ERIP will continue indefinitely, the Board of Trustees of the University reserves the right to amend, modify or terminate ERIP and to discontinue ERIP contributions at any time under any circumstance it deems advisable (including, but not limited to, the need to address legal changes or cost or plan design considerations). Any termination or modification of ERIP shall not adversely affect the benefits accrued by participants prior to the date of termination or modification except to such extent as the University may decide in accordance with applicable law. Upon termination of ERIP, all participants who are employed by the University shall be 100% vested in any ERIP benefits accrued prior to the termination date.

Pension Benefit Guaranty Corporation

Benefits provided by ERIP's Defined Benefit portion are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. If ERIP is terminated without enough money to pay all benefits under the Defined Benefit portion, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some persons may lose certain benefits.

The PBGC guarantee generally covers: (i) normal and early retirement benefits, (ii) disability benefits (if you become disabled before the plan terminates), and (iii) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (i) benefits greater than the maximum guaranteed amount set by law for the year in which ERIP terminates, (ii) some or all benefit increases and new benefits based on plan provisions that have been in place fewer than 5 years at the time ERIP terminates, (iii) benefits that are not vested because you have not worked long enough for the University, (iv) benefits for which you have not met all of the requirements at the time ERIP terminates, (v) certain early retirement payments, and (vi) 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 ERIP has and how much the PBGC collects from employers.

Benefits provided by ERIP's Defined Contribution portion are **not** insured by the PBGC under Title IV of ERISA. The insurance provisions of ERISA do not apply to benefits under the Defined Contribution portion.

For more information about the PBGC and the benefits it guarantees, you may 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). Additional information about the PBGC's pension insurance program is available through the PBGC's website at http://www.pbgc.gov.

Qualified Domestic Relations Orders

As a general rule, your interest in your ERIP benefit may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away, or otherwise transferred. In addition, your creditors may not attach, garnish, or otherwise interfere with your ERIP benefit.

There is an exception, however, to this general rule. Under certain circumstances, a court may award all or part of your ERIP benefit to your current or former spouse, child, or other dependent by issuing a "domestic relations order." If the University determines that the domestic relations order is a "qualified domestic relations order," the University must honor the order, and all or a portion of your ERIP benefit will be paid as indicated in the order. The procedures used by the University to determine whether a domestic relations order is a qualified domestic relations order are available upon request without charge.

Plan References

Please keep this information for future reference:

Plan Name	The University of Chicago Retirement Income Plan for Employees
Plan Number	002 When requesting additional information about ERIP from the U.S. Department of Labor, refer to the above plan number.
Effective Date	January 1, 1953
Plan Sponsor & Administrator	The University of Chicago c/o Benefits Office 956 East 58th Street Chicago, IL 60637 Phone: (773) 702-9634 Fax: (773) 702-0324 E-mail: benefits@uchicago.edu A complete list of the employers participating in ERIP is available upon written request to the plan administrator.
Employer Identification Number	36-2177139
Agent for Service of Legal Process	The University of Chicago Benefits Office 956 East 58th Street Chicago, IL 60637 Phone: (773) 702-9634 Fax: (773) 702-0324 E-mail: benefits@uchicago.edu Legal process also may be served on the investment companies, if applicable.
Investment Companies	**TIAA-CREF** 730 Third Avenue New York, NY 10017 Phone: (800) 842-2776 www.tiaa-cref.org **The Vanguard Group** Attn: Plan # 090005 P.O. Box 1101 Valley Forge, PA 19482 Phone: (800) 523-1188 www.vanguard.com
Plan Year	January 1 to December 31
Type of Plan	Internal Revenue Code Section 403(b) plan with defined benefit and defined contribution components; ERISA Section 404(c) plan.

A Final Note

This summary is written in everyday language. We have tried to make it as complete and accurate as possible. If there are any discrepancies between this summary and the legal plan documents (such as ERIP's plan document, individual and group annuity contracts, custodial account agreements and loan agreements), those documents will determine how ERIP works and the benefits that are paid. Participating in ERIP does not guarantee employment.