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# EMORY UNIVERSITY RETIREMENT PLAN



Revised Summary Plan Description  
July 2003

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**EMORY UNIVERSITY  
RETIREMENT PLAN**

**Revised Summary Plan Description  
July 2003**

**Introduction**

Emory University is pleased to make this retirement plan available to its employees. Planning today for life after retirement can make a difference in your financial future. The Emory University Retirement Plan (“Plan”) was restated effective January 1, 2003. This summary plan description will briefly describe the way the Plan currently operates.

Please note that this summary plan description will not give you any rights or benefits in addition to those provided under the Plan. The Plan in its entirety is set forth in a separate legal document which is controlling as to all rights and benefits under the Plan. The description of the Plan in this summary plan description replaces and supersedes any previous versions of this document furnished to you for the Plan.

Please keep this information for future reference.

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EMORY UNIVERSITY RETIREMENT PLAN  
*Summary Plan Description*

SPECIAL DEFINITIONS

For purposes of this summary plan description:

***Affiliate(s)*** – means Emory Healthcare, Inc., The Emory Clinic, Inc., Emory Children’s Center, Inc., and Wesley Woods Center of Emory University, Inc. (including Wesley Woods, Inc. for periods prior to January 1, 1999).

***Break in Service*** – means a period of employment during which the Employee is credited with 500 or fewer Hours of Service.

***CREF*** – means the College Retirement Equities Fund.

***Emory or University*** – means Emory University.

***Employee Basic Contribution*** – means voluntary employee contributions which do not exceed 2% of Regular Salary.

***Employee Supplemental Contribution*** – means voluntary employee contributions that exceed 2% of Regular Salary.

***Employer*** – means that the institution having control of the payment of your wages, which is Emory University.

***ERISA*** – means the Employee Retirement Income Security Act of 1974, as amended.

***Fidelity Fund*** – means a mutual fund authorized by the Employer as an investment under the Fidelity Investments § 403(b) (7) Custodial Account.

***Post-Doctoral Training Fellow*** – means any post-doctoral non-degree candidate in a training program at Emory University who receives compensation from the Employer for services performed for the University or an Affiliate as an employee.

***Regular Salary*** – means for each calendar year (1) the sum of your earnings from your base pay from the Employer, including shift differential if applicable (whether paid hourly, weekly, monthly or annually), your summer earnings from teaching or research for the Employer, and certain payments made to you by the Employer as a result of your patient care activities at the Fulton-DeKalb Hospital Authority facilities, or (2) \$200,000 (as adjusted for inflation periodically by the Secretary of the Treasury), whichever is less. Thus, for example, the term “Regular Salary” does not include expense reimbursements, bonuses, statutory overtime or other premium payments (other than shift differentials), and any compensation for services not covered by your base pay. However, “Regular Salary” includes payments made on your behalf as Voluntary Employee Contributions under this Plan, salary deferral elections made under the Emory University Beneflex Plan and the University deferred compensation plan maintained under Section 457 of the Internal Revenue Code of 1986, as amended (the “Code”), except to the extent such payments or deferrals are not permitted by the Code to be included for a particular Plan purpose.

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**Salary Deduction Contributions** – means your after-tax contributions to the Plan from your Regular Salary which are included in your federal taxable income when they are contributed to the Plan but are not included in your federal taxable income when they are actually distributed to you from the Plan.

**Salary Reduction Contributions** – means your pre-tax contributions to the Plan from your Regular Salary which are not included in your federal taxable income when they are contributed to the Plan but are included in your federal taxable income when they are actually distributed to you from the Plan.

**Student** – means any student enrolled full time at Emory who is also an employee of Emory and who is exempt from federal FICA tax withholding because of his or her student status.

**TIAA** – means the Teachers Insurance and Annuity Association.

**Vanguard Fund** – means a mutual fund authorized by the Employer as an investment under the Vanguard § 403 (b) (7) Custodial Account.

**Year of Service** – means completion of a period of employment with the Employer during which you are credited with at least 1,000 hours of service. For purposes of determining whether you have completed such a “Year of Service”:

- Period of Employment means the first 12-month period beginning on the date you are employed and, if you do not complete 1,000 hours of service in that period, subsequent 12-month periods will begin on each anniversary of your employment date.
- Service will be credited for each hour for which you are paid (or entitled to payment) for performing duties for the Employer. You will also be credited for hours paid for approved absences when you are not performing duties for the Employer such as vacation, jury duty, holiday, illness, incapacity (including disability), layoff, military duty or leave of absence. However, no more than 501 hours will be credited for any single continuous period of absence.
- Services with Affiliates will be counted as service with the Employer, subject to the Break in Service rules.
- If you terminate employment with Emory and all Affiliates after completing one Year of Service or attaining a nonforfeitable interest in your University contributions to the Plan, your service before your employment termination will be credited upon rehire if your Break in Service period does not exceed five years. If the Break in Service period exceeds five years, the prior service will not be counted unless at the time you terminated employment you had a nonforfeitable interest in Employer contributions to the Plan. If your prior service is not counted upon reemployment because you do not satisfy these requirements, you will be treated as a new hire for eligibility and vesting purposes.

NOTE: This language replaces all previous language in the definition of “Year of Service.”

## THE PLAN

**General.** The Plan is a legal document under which funds are accumulated to provide retirement income for employees. The rules in the Plan are established by the Employer in compliance with ERISA and other federal laws, including the Code. These rules set forth the criteria for eligibility to participate, vesting, nondiscrimination, Employer contributions, employee contributions

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through Salary Reduction elections or Salary Deduction elections, transfer of funds and distribution of funds.

All contributions are credited to annuity contracts or custodial accounts made available through either TIAA/CREF, The Vanguard Group, Inc., or Fidelity Investments Institutional Services. Various investment alternatives for the contributions are provided under the contracts or accounts.

***Changing or Terminating the Plan.*** The Employer intends that the Plan be permanent, but the Plan may be amended by the Employer at any time to change the conditions of participation for all or any group of employees, the type of benefits provided under the Plan or any other terms of the Plan, and the Plan may be terminated in whole or in part at any time. Any amendments to the Plan will be in writing signed by the senior officer in Emory's Human Resources Division (or any successor to that division), the President or the Executive Vice President of the University, or any other person authorized by the University to sign Plan amendments.

Amendments to the Plan will be required from time to time to reflect changes in federal law or Plan design decisions made by the Employer. Pending the actual adoption of such an amendment, the Plan will be administered in accordance with applicable federal law or design decisions.

Any amendments to the Plan which affect the information in this summary plan description will be described in written supplements to this summary plan description. Since there will probably be a delay between the effective date of a Plan amendment and the date that amendment is described in this summary plan description, you should contact the Human Resources Benefits Department (the "Benefits Department") before taking any irrevocable action based on this summary plan description.

***Contributions under the Plan.*** There are two general kinds of contributions. First, there are "voluntary contributions," which are contributions that eligible employees can elect to make. These contributions can be made either through salary deduction elections or salary reduction elections. Second, there are Employer contributions. The Employer makes two kinds of contributions on behalf of eligible employees: a "basic contribution" for all eligible employees and a "matching contribution" for eligible employees who make voluntary contributions which are eligible for matching contributions.

***Rollovers.*** As of January 1, 2002, an Employee may directly rollover, into their Emory University Retirement Plan account, his or her interest in another plan that is maintained under section 403(b) of the Code (with the exception of hardship distributions). Effective as of May 1, 2003, the Plan will also accept a rollover of a distribution from a qualified plan (a plan maintained under Section 401(a) of the Code). Rollover contributions are always fully vested and are subject to the rights and restrictions which apply to Employee Supplemental Contributions under the Plan.

## EMPLOYEE VOLUNTARY CONTRIBUTIONS

***Eligibility for Making Voluntary Contributions.*** If you are an employee of Emory, you are eligible unless:

- you are a leased employee,
- you are a Student,
- you are a Post Doctoral Fellow receiving a Tax Form 1099 or Form 1042 from Emory,

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- you are normally scheduled to work less than 20 hours per week and have not yet met the Year of Service requirement,
  - you are included in a unit of employees covered by a collective bargaining agreement between the Employer and employee representatives which does not provide for participation in the Plan, or
  - you are a nonresident alien with no U.S. source of income.

Participants in the Plan prior to January 1, 1995 working less than 20 hours per week will continue to be eligible to participate.

***Voluntary Contribution Elections.*** You may elect to make voluntary contributions through payroll withholding effective as of (1) the first day of the calendar month which coincides with or next follows the date you are employed by Emory or (2) the first day of any subsequent calendar month. In either case you must file a properly completed election form and related investment vendor applications with the Benefits Department before that effective date. Your contributions will be withheld from your Regular Salary beginning with the first pay date that ends after that effective date.

***Stopping Voluntary Contributions.*** You may elect to stop making voluntary contributions at any time and your election will be effective the first day of the month following the date the Benefits Department receives your properly completed election form.

***Types of Voluntary Contributions.*** There are two types of voluntary contributions – “salary reduction” contributions and “salary deduction” contributions. You may elect to make one type or the other, but you cannot elect to make both types of contributions at the same time.

***Salary Reduction Contributions.*** (Before-Tax Contributions) Your “salary reduction” contributions are not included in your federal taxable income when they are contributed to the Plan but are included in your federal taxable income when they are actually distributed to you from the Plan. State and local income tax treatment of salary reduction contributions ordinarily is the same as the federal income tax treatment. For example, under the Georgia income tax law, such contributions would not be included in your income when they are contributed to the Plan but would be included in income when distributed from the Plan. To make salary reduction contributions, you must enter into a salary reduction agreement with your Employer under which you agree to a reduction in salary and your Employer agrees to make a contribution to the Plan on your behalf equal to the amount of that reduction. You may change your salary reduction agreement with the Employer prospectively at any time during a calendar year. Your change will be effective as of the first day of the month following the date the Benefits Department receives your properly completed election form unless you elect a later effective date. The agreement is irrevocable as to salary earned while the agreement is in effect, but you may terminate the agreement at any time for amounts not yet earned. An existing agreement will remain in effect until revoked. Therefore, a new agreement does not need to be made each year unless you want to change your existing agreement.

***Salary Deduction Contributions.*** (After-Tax Contributions) Your “salary deduction” contributions are included in your federal taxable income when they are contributed to the Plan but are not included in your federal taxable income when they are actually distributed to you from the Plan. State and local income tax treatment ordinarily is the same as the federal income tax treatment. For example, such contributions would be included in your income under Georgia income tax law. The rules on making and changing your election regarding salary deduction

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contributions are the same as for salary reduction contributions. However, employees who are not eligible for Employer Basic Contributions because they have not completed one Year of Service cannot contribute salary deduction contributions to the Plan, but may make salary reduction contributions before completion of one Year of Service. Employees who are considered “highly compensated” according to the Code also cannot make contributions by salary deduction, even after completing one Year of Service. In 2003, a highly compensated employee is one whose total compensation in 2002 from Emory and all Affiliates was at least \$90,000. The \$90,000 limit is subject to adjustment for inflation by the Secretary of Treasury.

***Earnings on Voluntary Contributions.*** Earnings on voluntary contributions (both salary reduction and salary deduction contributions) will be included in your federal taxable income when they are actually distributed to you from the Plan. Penalties may apply for early withdrawal.

***Amount of Voluntary Contributions.*** If you elect to make voluntary contributions, you may contribute no less than 1% of your Regular Salary and no more than the limits set under the federal income tax laws.

There are limitations under the federal income tax laws that apply to your salary reduction contributions and your salary deduction contributions under both this Plan and other employer plans. A comprehensive description of these limitations and the various rules that could affect them is not set forth in this summary plan description. Additional information on how your individual circumstances may affect these various limitations is available in Internal Revenue Service Publication 571. The Benefits Department will help you calculate the maximum amount which you may contribute.

***Limitations.*** Participants in the Plan may contribute up to the lesser of \$40,000 or 100% of their includable compensation annually and as defined by the Code in sections 415(d) and 403(b)(3). However, salary reduction contributions to this Plan and any other plan to which you contribute on a pre-tax basis during a calendar year may not exceed an annual limit which is adjusted periodically under tax laws. The annual limit in 2003 is \$12,000 (not including catch-up contributions). The Employer will attempt to monitor employee salary reduction contributions to prevent employees from meeting the annual limit. However, it is ultimately your responsibility to ensure the limit is not exceeded. If you exceed the limit, you must notify the Plan Administrator of the Plan from which you wish to take a distribution to correct the excess contribution by March 1 of the year following the calendar year in which you exceeded the limits.

***Catch-up Election.*** A participant who is at least 50 years old at any time during the plan year (the calendar year), may also elect to make a “catch-up contribution” on a salary reduction basis during the plan year in addition to the annual contribution limit on salary reduction contributions. The amount must be in accordance with the tax laws, and contributions will only be considered “catch-up contributions” after you have maximized the regular before-tax contributions for that particular year. In 2003, the maximum amount permitted to be contributed as a catch-up contribution is \$2,000. The catch-up contribution is adjusted periodically under the Code. You will be advised of changes to this limit.

## EMPLOYER CONTRIBUTIONS

***Eligibility for Employer Contributions.*** You will be eligible for Employer contributions after you have completed at least one Year of Service and reached at least age 21 \* *unless*:

- you are a Student,

- you normally are scheduled to work less than 20 hours per week,
- you are a nonresident alien with no U.S. source of income,
- you are a medical house staff or fellow participating in a Residency Training Program at Emory University,
- you are a Post-Doctoral Training Fellow receiving a Tax Form 1099 or Form 1042 from Emory (i.e., not an employee of Emory),
- you are covered under a collective bargaining agreement which does not provide for participation in the Plan or,
- you are a leased employee.

(\*Prior to January 1, 2003 the age requirement for eligibility to receive Employer Contributions was age 26.)

**Basic Contributions.** Once you are eligible to receive Employer contributions, the Employer will automatically contribute an amount equal to 6% of your Regular Salary. If you do not select an investment upon hire, Employer contributions will be defaulted into a Vanguard Custodial Account and invested in the Vanguard fund designated by Emory for investment of defaulted Employer contributions on your behalf.

**Matching Contributions.** If you are eligible to receive Employer contributions and you elect to make voluntary contributions, the Employer will make a matching contribution as follows:

<u>Plan Years Beginning On or After January 1, 2003</u>	
<b>Voluntary Contribution</b>	<b>Employer Matching Contribution</b>
1% of Regular Salary	1.5% of Regular Salary
2% of Regular Salary	3% of Regular Salary

<u>Plan Years Ending Prior to January 1, 2003</u>	
<b>Voluntary Contribution</b>	<b>Employer Matching Contribution</b>
1% of Regular Salary	2% of Regular Salary
2% of Regular Salary	4% of Regular Salary

These contributions are *in addition* to the 6% Basic Employer contribution.

The federal income tax laws limit the amount of matching contributions and salary reduction contributions that can be made by the Employer for highly compensated employees. This limitation depends on several factors. Any such contributions that exceed this limitation (and any income on those contributions) will be distributed to you from the Plan if such action is necessary if you were fully vested in the contributions as explained below. Otherwise, these excess contributions will be forfeited.

**When Employer Contributions Begin.** Your Employer will begin to make contributions on your behalf effective as of the first day of the calendar month which coincides with or next follows the date on which you satisfy the age and one Year of Service requirements. Contributions will be based on your Regular Salary for such pay period and your voluntary contributions, if any made for such pay period.

**Contributions While on Leave of Absence.** If you are on a paid leave of absence, voluntary contributions and Employer contributions will be based only on your Regular Salary that is actually paid to you during your leave of absence. No contributions may be made by you (or by

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your Employer on your behalf) if you are on a leave of absence without pay, unless you are covered by a disability plan through the Employer which makes contributions to the Plan during your period of disability.

***Termination of Employment and Rehire.*** If your employment with the Employer and all Affiliates terminates and you are rehired by the Employer, if at the time you terminated employment you had at least one Year of Service, or you have a non-forfeitable interest in Employer contributions, your service before termination of employment will be credited upon your reemployment for purposes of eligibility to participate and vesting, if your Break in Service period does not exceed five years. If your Break in Service period exceeds five years, the prior service will not be counted unless at the time you terminated employment you had a nonforfeitable interest in Employer contributions to the Plan. If you do not satisfy these conditions, you will be treated as a new hire.

***Vesting.*** You are always fully vested in your Voluntary Employee contributions to the Plan. If you were credited with an Hour of Service on or before December 31, 2002, you are also fully vested at all times in Employer contributions made to the Plan on your behalf. If you were not credited with an Hour of Service on or before December 31, 2002, your Employer contributions will be vested in accordance with the following schedules:

<u>Matching Contributions</u>	
<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 3	0%
3 or more	100%

  

<u>Employer Basic Contributions</u>	
<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5 or more	100%

(A Participant who is employed as an eligible Post Doctoral Training Fellow will be fully vested in his or her Employer contributions at all times without regard to any Years of Service requirement, and without regard to whether such Participant was credited with an Hour of Service prior to January 1, 2003.)

Amounts which are not vested at the time you terminated employment will be forfeited as of the earlier of (1) the date you receive a distribution of your vested interest, (2) June 30 of the year you terminate employment if the termination occurs between January 1 and June 30, or (3) the last day of the Plan Year in which you terminate employment if the termination occurs between July 1 and December 31. Forfeited amounts will be reinstated (without earnings since the time of forfeiture) by the Employer if you return to employment prior to incurring five consecutive one year Breaks in Service. Forfeitures will be used to reduce Employer contributions, reinstate reemployed participant accounts if required to be reinstated, or to pay Plan expenses as determined by the Plan Administrator.

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## PLAN FUNDING

**General.** Your benefit under the Plan is funded through your voluntary contributions and the Employer's contributions and the investment gains and losses on such contributions.

**Investment Options.** The Plan offers a broad range of investment options to participants. Contributions may be held and invested under individual annuity contracts issued by TIAA CREF. Contributions may also be held under a custodial account and invested in Vanguard Funds or Fidelity Funds. (Prior to 1994, contributions could be made to annuity contracts offered through a marketing agreement between the Employer and H. C. Copeland and Associates, Inc.; however, no new contributions or transfers can be made to contracts offered through the Copeland organization after 1993.)

Prospectuses will be provided by the company that issues the annuity contract or maintains the custodial account.

**Choosing an Investment Option.** You can choose how your voluntary contributions and the Employer's contributions are to be invested among the available annuity contracts and custodial accounts, subject to the rules set forth below. Please note that we will use the term "vendor" to describe TIAA/CREF, Fidelity or Vanguard.

The Employer's 6% basic contribution, the Employer's matching contribution and your Employee Basic Contribution must be initially invested with only one of the three vendors, but you may choose a different vendor for each of these three types of contributions.

Thus, only your Employee Supplemental Contributions (contributions you make in excess of 2% of your Regular Salary) can initially be invested in any combination of vendors. Once a contribution has been invested with a particular vendor, as stated above, you may transfer all or a portion of your investment with that vendor to and from annuity contracts and custodial accounts of any of the approved vendors at any time subject to any rules under those contracts and accounts. For example, transfers from the TIAA portion of your TIAA/CREF annuity contract will need to be spread over a 10-year period.

Although ordinarily only you can direct the investment of annuity contracts and custodial accounts, at least one vendor will accept investment directions from another person designated by you. The Employer generally has agreed to let vendors offer this alternative if the vendor desires to do so. However, if you are interested in designating another person to make investment directions for you, you need to clearly understand the vendor's rules for accepting such directions and, in particular, for failing to accept such directions. For example, if the vendor fails to accept a direction, you need to know whether you will be notified and, if so, how quickly you will be notified. If you are interested in designating another person to direct your investments, please contact your vendor for further information and any forms required by the vendor.

You are responsible for monitoring the activity in your annuity contract and/or custodian accounts and determining if your investment instructions have been followed. If you find your instructions have not been followed, you should immediately notify the appropriate vendor to correct the error or oversight. The length of time you have to notify a vendor of an investment mistake is subject to the terms and conditions set by the vendor.

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***Changes in Investment Rules.*** The Employer may revise, terminate or establish new rules and procedures for making or changing your investment elections and for making contributions to, and transfers between, annuity contracts and custodial accounts.

Any changes will be communicated to you as soon as practicable after the changes have been made. The Employer has the right to change any of the investment alternatives available from a particular insurance or investment company, to stop using one company or to add another company whenever the Employer deems such action to be appropriate under the circumstances.

***Responsibility for Investment Decisions.*** The Employer's objective in offering a wide range of investment alternatives under the Plan has been to let each participant make investment decisions with respect to these alternatives based on his or her own risk tolerance and retirement objectives. The Employer intends that each participant be responsible for those decisions under a special section in ERISA, Section 404(c).

The U.S. Department of Labor has issued regulations under Section 404(c) of ERISA. These regulations affirmatively relieve the Employer of any fiduciary responsibility and liability under ERISA for investment decisions made by participants if certain conditions are satisfied with respect to such alternatives.

One such condition is that the Employer let each participant know that the Employer intends to take advantage of this regulation to the extent those conditions are satisfied. Thus, we want to notify each participant that the Employer intends that the Plan be a plan described in ERISA Section 404(c) and Title 29 of the Code of Federal Regulations § 2550.404c-1, and that the fiduciaries of the Plan be relieved of liability for any losses which are the direct and necessary result of investment instructions given by participants and beneficiaries.

The Employer will continue to monitor the performance of each investment alternative available under the Plan to determine whether it remains acceptable within the range of investment alternatives available under the Plan. Each participant needs to continue to reevaluate whether the alternatives in which his or her contributions are invested remain appropriate. Information on the alternatives available under the Plan is available periodically either through the Employer or through the persons who manage the investment alternatives. The Employer urges each participant to review such information on a regular basis.

## PLAN BENEFITS

***Amount of Plan Benefits.*** The amount of the benefit payments to you will depend on the actual value of each annuity contract or custodial account at the time the payments are made and the form of benefit payment option that you elect. All contributions made by you under the Plan, NOT including your Employer's contributions, are fully vested immediately when they are made. Employer contributions are subject to the vesting schedules described previously. The value of each annuity contract or custodial account will depend on the investments made through that contract or account. The form of the payments will depend on the contract or account, provided such payment form is permissible under the Plan.

***Withdrawals Before Employment Terminates.*** Withdrawals before your employment terminates may be made only under very limited circumstances.

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First, except for disability distributions described below, Employer contributions and their earnings are never available for withdrawals before your employment with Emory University and all Affiliates terminates.

Second, whether your voluntary contributions are available for withdrawals while you are working depends on the following factors:

- whether the contribution is a salary reduction or salary deduction contribution,
- whether the contribution is an Employee Basic Contribution or an Employee Supplemental Contribution,
- the terms of the annuity contract or custodial account in which your contributions are invested, and
- the federal income tax law restrictions on certain withdrawals before termination of employment.

You may withdraw your Employee Basic Contributions before your employment terminates only if you are disabled (as described below) or have a financial hardship (as discussed below).

Before your employment terminates, you may withdraw your Employee Supplemental Contributions provided that such withdrawals are permissible under the terms of your annuity contracts or custodial accounts and the federal tax law. The federal tax laws generally prohibit withdrawals of salary reduction (pre-tax) contributions (and earnings) credited to your annuity contracts after 1988 and any amounts which have ever been held in a custodial account unless (1) your employment has terminated, (2) you are at least age 59½, (3) you become disabled, or (4) you have a financial hardship as described below.

Please note that any withdrawal made before you reach age 59½ ordinarily will be subject to an additional 10% federal tax penalty for a premature distribution unless you are disabled. This 10% tax is in addition to normal federal (and state or local) taxes due upon distribution.

***Disability Distribution and Determinations.*** If you are a totally disabled employee on authorized disability leave of absence, you may receive your Plan benefits before your employment has officially terminated. You will be eligible for this special distribution provision if you are on an authorized disability leave of absence from Emory and are either eligible for Social Security disability benefits or determined to be disabled by the insurance company or other independent third party under Emory’s long term disability plan. If you meet these disability requirements, you must notify the Plan Administrator and complete any forms required to begin payment of a Plan benefit.

***Financial Hardship Withdrawals (for “immediate and heavy financial burden”).*** A withdrawal for financial hardship can be made if your custodial account or annuity contract has a hardship withdrawal provision and the Employer determines that you satisfy the Internal Revenue Service’s guidelines for hardship withdrawals. Those guidelines currently permit hardship withdrawals in only four circumstances:

- to pay certain unreimbursed medical expenses for you or your dependents,
- to pay post secondary tuition costs or related educational fees such as room and board expenses for the next 12 months for you or your spouse, children or dependents,
- to purchase your principal residence, or
- to prevent eviction or mortgage foreclosure on your principal residence.

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Even if you come within one of these guidelines, there are other conditions that the Internal Revenue Service requires you to satisfy to be eligible for a hardship withdrawal. Hardships are not eligible for rollover to another retirement plan or individual retirement account/annuity. You will not be permitted to make voluntary contributions under the Plan for 6 months following the withdrawal from this Plan or any hardship withdrawal from any Affiliate's plan. It is the employee's responsibility to contact the Benefits Department and complete a new salary reduction agreement to resume your contributions after the six-month contribution suspension period.

A hardship withdrawal may not be in excess of the amount needed to satisfy the hardship plus any taxes or penalties reasonably anticipated to occur from such withdrawal.

Further, a Participant must obtain all other distributions (other than hardship withdrawal) and all non-taxable loans available from the Plan and all other plans maintained by the Employer and Affiliates before a hardship withdrawal may occur.

If you have a financial hardship you should contact the Benefits Department to obtain a copy of the procedures for requesting a hardship withdrawal and the criteria used to determine your eligibility for such withdrawal.

**Loans.** Employer policy currently allows loans under certain supplemental annuity contracts issued by TIAA/CREF. Loans may only be made from the portion of such contracts attributable to Employee Supplemental Contributions made on a salary reduction basis. TIAA/CREF determines how the loans from its contracts are to be administered, in light of the requirements for loans under federal laws. Thus, for example, the interest rate, the minimum and maximum loan amounts, the repayment period and other loan terms will be determined by TIAA/CREF. If you are interested in a loan, you will need to contact TIAA/CREF; they will provide you with application forms and further information on the loan procedures, including information on how interest rates are determined, how to apply for a loan and what happens if you fail to repay your loan.

**Benefits on Termination of Employment.** If your employment terminates, you do not forfeit the amounts in your contract and accounts that are from your own contributions (adjusted for earnings and losses) or the vested amounts from Employer contributions. You will forfeit Employer contributions in which you are not vested as described previously. Your investments that are vested will continue to be credited with investment earnings and losses in accordance with the terms of your annuity contracts or custodial accounts. You may choose when you want to begin receiving benefit payments from your contracts or accounts subject to the federal law requirements and other Plan rules described in the next section.

Your benefit payments can begin at any time after your employment with Emory University and all Affiliates terminates.

You may want to delay the payment of your benefits until you reach age 59 ½ because benefit payments which begin before you reach age 59½ ordinarily will be subject to an additional 10% federal tax penalty unless you are disabled or your benefit is paid as an annuity.

**Minimum Distributions.** The federal income tax laws require that you start receiving payments no later than the later of April 1 following the calendar year in which you reach age 70½, or the calendar year in which you terminated employment with Emory and all Affiliates. However, you

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can elect to begin receiving the minimum distribution once you reach age 70½ even if you have not terminated employment.

The entire value of the Annuity Contracts and Custodial Accounts maintained for a Participant must be distributed or begin to be distributed no later than such Participant's applicable required beginning date as described above over one of the following periods (or a combination thereof):

- the life of the Participant,
- the life of the Participant and a designated Beneficiary,
- a period certain not extending beyond the life expectancy of the Participant, or
- a period certain not extending beyond the joint and last survivor expectancy of the Participant and a designated Beneficiary.

The amount of the minimum distribution is calculated in accordance with IRS regulations. If you have further questions, contact the investment vendor.

## BENEFIT PAYMENT METHODS

***Normal Payment Form.*** There are a number of variables that need to be taken into account to determine how your benefits will be paid whether your benefits become payable before or after your employment terminates.

If you are married on the date that benefit payments are scheduled to begin, federal law requires that your benefits be paid under the survivor annuity option (as described below) with your spouse as your beneficiary. However, you may waive your right to this normal form of benefit for a married person by electing another benefit payment option if your spouse consents in writing before a notary public to your waiver.

If you are not married on the date that benefit payments are scheduled to begin, federal law requires that your benefits be paid under the single life annuity option (as described below). However, you may waive your right to this normal form of benefit for a single person by electing another benefit payment option.

You may elect to waive the survivor annuity option or the single life annuity option within the 90-day period ending on the date your benefit payments are scheduled to begin. If you are married, your spouse must consent during this period in writing before a notary public to your waiver. If the normal benefit payment form for you is properly waived, you then may elect to receive one of the optional forms of benefit payments available under your annuity contract or custodial account.

***Optional Annuity Payment Forms.*** Your optional forms of benefit payment may vary from one annuity contract or custodial account to another. For example, the TIAA/CREF regular annuity contracts generally include the following optional forms of benefit payments:

***Single Life Annuity Option.*** This option provides a monthly income to you for your lifetime, with all payments ceasing at your death.

***Single Life Annuity with Guaranteed Payment Period.*** Under this option, a monthly income is payable to you for your lifetime and if you die within a 10-, 15- or 20-year

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guaranteed payment period (whichever period you select), the monthly income will continue to your beneficiary for the remainder of the guaranteed payment period. However, you may not select a guaranteed payment period which is greater than your life expectancy at the time benefit payments are scheduled to begin (or such lesser period required under federal law).

***Survivor Annuity Option.*** This option provides a monthly income to you for your lifetime and, upon your death, to the person you designate as your beneficiary (may also be referred to as the “second annuitant”). You ordinarily may elect one of the following options:

- ***Two-Thirds Benefit to Survivor*** – At the death of you or your beneficiary (whichever comes first), two-thirds of the amount that was payable while both of you were living will be payable for the lifetime of the survivor.
- ***Full Benefit to Survivor*** –The full amount that was payable while you and your beneficiary were living will continue to be paid for as long as either you or your beneficiary is living.
- ***Half Benefit to Beneficiary*** – Upon your death, one-half of the amount that was payable while you were living will be payable for the lifetime of your beneficiary; if your beneficiary dies first, the full amount will continue to you for your lifetime only.

***Survivor Annuity with Guaranteed Payment Period.*** Under this option, you may select one of the three Survivor Annuity options described above with a guaranteed payment period of 10, 15 or 20 years (whichever period you select) and upon the death of both you and your primary beneficiary, the two-thirds, full or half benefit that was payable to the survivor will continue to your secondary beneficiary for the rest of the guaranteed period. However, you may not select a guaranteed payment period that is greater than the joint life expectancy of you and your primary beneficiary (or such lesser period required under federal law).

Please note that, if you are married and want to name someone other than your spouse as a beneficiary, your spouse also must consent to the person you designate as your beneficiary under the option you elect.

The custodial accounts generally do not provide for annuity forms of payment. Thus, if you want to have your benefits paid in an annuity form, you will need to contact your vendor to determine whether or not they have an annuity option, or transfer the accumulations in your custodial accounts to an annuity contract offered by TIAA/CREF.

If you have more than one annuity contract or custodial account, there is no requirement that your benefits under each contract or account be paid under the same option or that payments begin at the same time. You may elect to receive your benefits under more than one option and beginning on different dates, provided that such benefit payments satisfy the minimum distribution requirements under federal law and are permissible under your annuity contracts or custodial accounts.

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**Non-Annuity Payment Forms.** The Employer established the Plan primarily to provide income to you for your retirement. Therefore, the Plan generally permits payment in a form other than an annuity only in the following limited circumstances:

- Withdrawals for financial hardship may be made in a single sum payment from your Employee contributions.
- If you are disabled (regardless of your age), you may elect to receive benefit payments from your Employee Basic Contributions
  - in a single sum payment, or
  - in periodic installment payments over a specified number of years (at least 5 years and not more than 30 years, unless the federal income tax laws require a shorter period).
- The single sum and installment payment forms described above are available at any time after your employment terminates for all amounts contributed to the Plan on your behalf, including Employer contributions that are fully vested.

TIAA/CREF's current administrative practices make the following exceptions to the general rule of monthly annuity income option under regular annuity contracts:

**Partial Lump Sum.** In selecting a monthly income payment option, you may elect to receive a single sum payment of 10% or less of the value of your annuity contracts at the time your benefit payments begin.

**Repurchase.** You may elect to have TIAA/CREF repurchase amounts attributable to your voluntary contributions after your employment terminates and, if you satisfy TIAA/CREF's standard requirements for a repurchase, you will receive a single sum payment of those amounts. Please note that those requirements vary depending on whether your TIAA/CREF contract was issued after 1992 or before 1991.

Amounts attributable to non-vested Employer contributions are not eligible for repurchase. However, Employer contributions which were held in your TIAA/CREF regular annuity contract before 1992 may be eligible for repurchase in certain limited circumstances.

**Interest Payments.** If you are at least age 59½, you may elect to receive the interest credited to the TIAA portion of your contract if you satisfy TIAA/CREF's requirement for this option.

Please note that the Employer has no control over the companies which issue the annuity contracts or provide custodial accounts with respect to the particular administrative practices which may be implemented by those companies from time to time to provide options in addition to those set forth in the terms of its annuity contracts or custodial accounts. Thus, there is a risk that a company could revise or terminate any such practice without any advance notice at any time.

If you are married, your spouse must consent in writing before a notary public to your election of an optional payment form if the total value of your annuity contracts and custodial accounts is more than \$5,000.

Finally, the distribution rules and procedures established by the Employer may change from time to time, and any changes will be communicated to you as soon as practicable after the changes have been made.

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**Direct Rollovers.** If you have satisfied the requirements for a non-annuity payment described above and you elect payment in a single sum or installments for a period that is less than 10 years, that payment can be made in two ways. You can elect to have all or any portion of your payment either (1) paid to you (subject to applicable withholding for income taxes and any tax penalties that might apply) or (2) paid in a tax-free direct rollover to another employer's tax qualified plan (subject to the rules of that Plan) or to your individual retirement account/annuity if the distribution is an "eligible" rollover distribution" as defined in the tax laws. More information on these rollover rules and the tax consequences of Plan payments will be provided to you before payment is made. Financial hardship withdrawals do not qualify for a direct rollover effective for withdrawals on or after January 1, 2000.

## DEATH BENEFITS

**Death After Payment or Distribution Begins.** If you die after distribution has begun under an Annuity Contract or Custodial Account, the remaining interest under such Annuity Contract or Custodial Account must continue to be distributed at least as rapidly as under the method of distribution in effect immediately before your death.

**Death Before Payment or Distribution Begins.** If you die before distribution begins under an annuity contract or custodial account, the distribution of the entire value of your annuity contract or custodial account will be made to your designated beneficiary in a single lump sum or such other method as may be permitted by the applicable annuity contract or custodial agreement. In the case where a beneficiary has not been designated or is no longer living the following procedure will be followed:

1. If the participant was married at the time of death, his/her spouse shall be the beneficiary.
2. If the participant was unmarried at the time of death, his/her estate shall be the beneficiary.

Distributions to a non-spouse beneficiary must begin no later than one year after the date of the participant's death or such later date as may be permitted by regulations; or if your designated Beneficiary is your spouse, distributions may be deferred until December 31 of the calendar year in which the participant would have reached age 70½.

If you have not elected how a benefit is to be paid before your death, then your designated Beneficiary must elect a permissible method of distribution no later than the December 31 of the calendar year in which distributions would be required to begin. If no such election is made, this distribution will be automatically made in the form of a single lump sum payment subject to the rules of the annuity contract or custodial agreement.

Payments to your beneficiary are subject to federal law requirements for the amount and timing of death benefit payments.

It is very important for you to designate a beneficiary to receive your benefits under the Plan in the event of your death. You may change your beneficiary as often as you wish by completing the beneficiary designation form. You should remember to do so whenever there is a change in your circumstances (such as marriage, divorce or a death in the family), because your benefit generally will be paid to the person or persons you last designated as beneficiary, regardless of any change of circumstances which might make such designation otherwise inappropriate.

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If you are married, your spouse must consent in writing before a notary public for you to choose a non-spouse for any portion of your benefit.

#### DIVORCE PROCEEDINGS & DOMESTIC RELATIONS ORDERS

As a general rule, your interest in the Plan 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 interest in the Plan.

There is an exception, however, to this general rule for a “qualified domestic relations order” or “QDRO.” The Plan may be required by law to recognize certain court ordered obligations to pay child support or alimony, or to pay all or a portion of your interest in the Plan to your spouse, former spouse, child or other dependent. The court order must meet certain statutory requirements to be treated as a “qualified domestic relations order” and the Employer has established procedures to determine the validity of any domestic relations order it receives. To obtain a copy of these procedures or more information on qualified domestic relations order, contact the Benefits Department. You will be notified if the Employer receives a domestic relations order which relates to your interest in the Plan.

#### GENERAL PLAN INFORMATION

The Plan is sponsored by Emory University for its eligible Emory University employees. The Employer’s address, telephone number and Internal Revenue Service employer identification number is:

Emory University  
1762 Clifton Road  
Atlanta, Georgia 30322  
(404) 727-7623  
58-0566256

The Employer has assigned Number 001 to the Plan for federal reporting and disclosure purposes. The Plan operates on a calendar year basis and the end of the Plan Year is each December 31.

The Plan is a “defined contribution” plan which is intended to satisfy the requirements under Internal Revenue Code section 403(b). The Plan is not insured by the Pension Benefit Guaranty Corporation, a governmental agency which insures benefits under certain types of plans, because that agency does not insure the payment of benefits under a defined contribution plan.

Copies of the Plan document and other documents filed by the Employer with the Department of Labor may be examined in the Human Resources/Benefits area of Emory University.

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## ADMINISTRATION OF THE PLAN

The Employer (Emory) is the plan administrator for the Plan. The Vice President for Human Resources for Emory is the agent for service of legal process for the Plan; service of legal process may also be made upon the Employer, as plan administrator. The Employer, as plan administrator, has the exclusive responsibility and complete discretionary authority to control the operation, management and administration of the Plan with all powers necessary to enable it to properly carry out such responsibility and exercise such authority. Thus, the Employer has extremely broad powers to interpret the Plan and to make all decisions about eligibility, participation, contributions and benefits under the Plan, as well as about any other questions that come up in the operation of the Plan. The Employer may designate in writing other persons to carry out certain of its duties under the Plan.

All correspondence, requests for information and claims concerning eligibility, participation, contributions and other aspects of the operation of the Plan should be in writing and addressed to:

Vice President for Human Resources  
Agent for Plan Administrator  
Emory University  
1762 Clifton Road  
Atlanta, Georgia 30322

All correspondence, requests for information, claims and service of legal process concerning a particular annuity contract or custodial account should be in writing and addressed to:

For TIAA/CREF Contracts:

TIAA/CREF  
730 Third Avenue  
New York, New York 10017

For Fidelity Funds:

Fidelity Retirement Services  
P.O. Box 1823  
Boston, Massachusetts 02105

For Vanguard Funds:

The Vanguard Group  
P.O. Box 2600  
Valley Forge, Pennsylvania 19482-2600

The address of those insurance companies which issued the annuity contracts offered through H. C. Copeland and Associates, Inc. may be obtained by writing to:

The Copeland Companies  
Two Towers Center  
East Brunswick, New Jersey 08816

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## CLAIMS PROCEDURES

**General.** The Employer, as Plan Administrator, will review all claims relating to eligibility, participation, contributions and other aspects of the operation of the Plan and may require you to provide any information that it decides is necessary to make a decision about your claim. Within 90 days after the Employer receives your claim, it will notify you of its decision, unless special circumstances require an extension of time. If an extension of time is required, the Employer will notify you of the extension in writing before the end of the first 90-day period. In no event may the extension be longer than 90 days from the end of the initial 90-day period. The extension notice will indicate the special circumstances requiring the extension of time and the date by which you can expect to receive a decision.

If your claim is denied, in whole or in part, the Employer, as Plan Administrator, will provide you with written notice setting forth:

- The specific reason for the denial;
- The reference to the provisions of the Plan on which the denial is based;
- An explanation of what additional information or material, if any, is needed and why such information or material is needed; and
- Information about what steps you need to take to appeal the Plan Administrator's decision.

You or your representative may appeal the Plan Administrator's decision by submitting a written request for review by the Plan Administrator within 90 days after you receive the written notification denying your claim. In addition, you or your representative may review pertinent documents and submit issues and comments in writing. The Plan Administrator will review all relevant material, including any issues or comments submitted in writing by you or your representative, and will render a decision on the claim within 60 days after it receives your written request for review. The decision of the Plan Administrator will be in writing and will include specific reasons for the decision as well as specific references to the pertinent Plan provisions on which the decision is based. A failure to request a review of a claim that is denied will be treated as full and complete agreement with the denial.

**Annuity Contracts or Custodial Accounts.** Claims for benefits under your annuity contracts or custodial accounts should be made in accordance with the claims procedure of the insurance or investment company that issued your contract or custodial account. If the issuer has no such claims procedure or you are unable to obtain information on an issuer's claims procedure, you should contact the Plan Administrator.

## STATEMENT OF ERISA RIGHTS

Each participant in the Plan is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Benefits Department of Emory University and at other specified locations, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and summary plan descriptions.

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- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
  - Receive a summary of the Plan’s annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
  - Obtain a statement telling you whether you have a right when you reach age 65 (if you terminate employment with Emory) to receive benefits under the Plan and, if so, what your benefits would be if you stop participation under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to have a right to a benefit. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan (“fiduciaries”) have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your ERISA 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.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the 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.

*NOTE: Emory reserves the right to terminate, suspend, withdraw, amend or modify the Plan in whole or in part at any time. Further, Emory reserves the right to terminate or modify coverage for any group of employees, active or retired and their dependents or a class of dependents at any time.*

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Emory University  
Human Resources Benefits Department  
1762 Clifton Road  
Atlanta, GA 30322