

RETIREMENT PLAN FOR OFFICERS OF COLUMBIA UNIVERSITY

SUMMARY PLAN DESCRIPTION (Restated as of January 1, 1999)

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I. INTRODUCTION

It's easy to envision your retirement years as carefree and financially secure. However, to ensure that your dreams come true, you need to plan ahead. The University wants to help you realize your vision of the future and give your retirement planning a solid foundation. That's where the Retirement Plan (the "Plan") comes into play. The Plan is a University-sponsored retirement plan that will provide a lifetime income to you in retirement.

This Summary Plan Description summarizes the major features of the Plan but it is not intended as a substitute for the Plan document, individual annuity contracts/certificates, or individual custodial accounts. If a provision in the Plan document, individual annuity contract or certificates, or the individual custodial accounts and this Summary Plan Description conflict, the provisions of the Plan document, annuity contracts or certificates or custodial accounts will control.

II. HIGHLIGHTS OF RETIREMENT PLAN

| <u>Eligibility and Participation</u> | <u>Your Contribution</u> | <u>What the Plan Provides</u> |
|--|--|---|
| <ul style="list-style-type: none">• If you hold a full-time appointment as an Officer (or hold an appointment as a full-time visiting officer of instruction or research) and your appointment is to grade level 14 or higher (grade level 6 or higher if you are employed at the Health Sciences Campus or Harlem Hospital), you will participate in the Plan on the first day of the month coincident with or next following your date of appointment.• If you hold a full-time appointment as an Officer but your appointment is to grade level 13 or lower (grade level 5 or lower if you are employed at the Health Sciences Campus or Harlem Hospital) or you bear the title of Instructor, Associate, Assistant, Senior Lecturer, Lecturer, Post-doctoral Research Scientist or Post-doctoral Research Scholar, Staff Associate or Librarian I, you will participate in the Plan on the first day of the month coinciding with or next following the date you complete two years of service. | <ul style="list-style-type: none">• Nothing. | <ul style="list-style-type: none">• Annuity income during your retirement or lump sum income upon retirement, funded by University contributions. Contributions are based on a formula using your salary, age and years of eligible service.• Death benefits for your beneficiaries.• An investment choice among three different Funding Agents, each of which offer a broad range of options for the investment of University contributions made on your behalf. |

III. ELIGIBILITY REQUIREMENTS

Officers Holding Full-time Appointments

If you hold a full-time appointment as an Officer (or you hold an appointment as a full-time visiting officer of instruction or research) and you are not an Officer described below, you will become a Participant in the Plan on the first day of the month coincident with or next following the date of your appointment as an Officer (*e.g.*, if you are appointed on April 15, you will become a Participant on May 1).

If you do not hold a full-time appointment as an Officer and you are not an Officer described below, you will become a Participant in the Plan on the first day of the month coincident with or next following the date on which you complete 1,000 hours of employment during your eligibility computation period. For this purpose, (i) your "eligibility computation period" is the 12-consecutive month period beginning on the date you first complete an hour of employment for the University and each anniversary of that date and (ii) you will be credited with an "hour of employment" for each hour that you are directly or indirectly paid or entitled to pay or granted back pay for performance of duties for the University and for each hour you are on vacation, holiday, illness, layoff, jury duty, military duty or leave of absence.

Officers Holding Appointments to a Grade Level 13 or Lower (Grade Level 5 or Lower for Officers employed at the Health Sciences Campus or Harlem Hospital) or Other Specified Titles

If you hold a full-time appointment as an Officer but your appointment:

- Is to a grade level of 13 or lower (grade level 5 or lower for Officers employed at the Health Sciences Campus or Harlem Hospital); or
- Bears the title of Instructor, Associate, Assistant, Senior Lecturer, Lecturer, Post-doctoral Research Scientist or Post-doctoral Research Scholar, Staff Associate or Librarian I.

You will become a Participant in the Plan on the first day of the month after you complete two years of service. You will be credited with a "year of service" if you complete at least five (5) months of employment during an eligibility computation period and you do not incur a break in service before satisfying the two years of service eligibility requirement. For example, if your appointment is to a grade level 5 and you began working for the University on May 15, 1997, you will become a Participant on June 1, 1999 if you complete at least five (5) months of employment during the eligibility computation period ending on May 14, 1998 and the eligibility computation period ending on May 14, 1999. On the other hand, if you incur a break in service prior to becoming a Participant, *e.g.*, you complete one year of service but then terminate employment and do not return for a 12-consecutive month period, the one year of service completed prior to your break in service will be disregarded for purposes of determining when you will become a Participant.

For purposes of this paragraph, (i) your "eligibility computation period" is the 12-consecutive month period beginning on the date you first complete an hour of employment for the University and each anniversary of that date, (ii) you will be credited with a "month of employment" for any month in which you complete at least one hour of employment, (iii) an "hour of employment" is an hour for which you are directly or indirectly paid for performance of duties for the University, and (iv) you will incur a "break in service" if you complete less than five months of employment during an eligibility computation period.

Solely for purposes of determining whether you have had a break in service for eligibility, you will be credited with a month of employment if you are absent from work and such absence began on or after January 1, 1985 and is on account of (i) your pregnancy, (ii) birth of your child, (iii) placement of a child in connection with your adoption of such child; (iv) care of a child described in (ii) or (iii) immediately after such birth or placement up to a total of five (5) months of employment. Months of employment will be counted in the eligibility computation period in which the absence began, if necessary to prevent a break in service, otherwise in the following eligibility computation period.

Ineligible Officers

Officers whose appointments as an officer are incidental to their educational program at the University, Officers who are classified as non-benefited or casual employees in accordance with University personnel policies and procedures, and Officers whose terms of employment are subject to a collective bargaining agreement unless the agreement specifically provides for their participation in the Plan are not eligible to participate in the Plan.

Eligibility Requirements Prior to 1989

For periods prior to January 1, 1989, the Plan's eligibility requirements were different than those stated above. If you would like to know when you first became a Participant, you should contact the Benefits Office.

IV. PARTICIPATION

Eligibility for University Contributions

Once you have met the eligibility requirements described above, the University will make monthly contributions on your behalf for such periods during which (i) you hold a full-time appointment as an Officer or complete at least 1,000 hours of employment (as defined in Section III) during the Plan Year and (ii) you are not otherwise an ineligible Officer described in Section III.

Leaves of Absence

During a sabbatical or a leave of absence with full or partial salary, the University will continue to make contributions on your behalf based on your salary paid during such sabbatical or leave of absence. If you take an unpaid leave of absence, the University's contributions on your behalf will be suspended but in most cases you will automatically be reinstated in the Plan when you return to work.

Disability

If you terminate your employment upon becoming disabled, contributions made by the University on your behalf will stop.

V. UNIVERSITY CONTRIBUTIONS

Amount of Contributions

The amount the University contributes for you is as follows:

| <u>If You Are:</u> | <u>The Contribution Will Be:</u> |
|--|--|
| Under age 40 OR have less than five years of Eligible Service (without tenure) | 5% of your Salary up to the Social Security Wage Base PLUS 10% of your Salary above the Social Security Wage Base |
| Age 40 or older AND have at least five years of Eligible Service or tenure | 7.5% of your Salary up to the Social Security Wage Base PLUS 12.5% of your Salary above the Social Security Wage Base |
| Age 55 or older AND have at least 15 years of Eligible Service | 12.5% of your Salary up to the Social Security Wage Base PLUS 17.5% of your Salary above the Social Security Wage Base |

In addition, the University will also contribute 15% of your "guaranteed additional compensation from clinical activities" as such term is defined in accordance with University personnel policies and procedures.

Your contribution level is determined on a pay period by pay period basis. In other words, if you meet the age and Eligible Service requirements for a higher contribution level during a Plan Year, the higher contribution level will become effective as of the pay period following the date on which you satisfy the age and Eligible Service requirements for a higher contribution level.

Years of Eligible Service

"Eligible Service" means all your completed years of employment while participating in the Plan (or any other pension plan to which the University contributes) or while you were employed by the University on a full-time basis as such term is defined in accordance with University personnel policies and procedures. However, if you incur a "break in service" that is greater than or equal to the number of completed years of employment you had immediately before the break, you will forfeit all years of Eligible Service earned prior to such break in service. For purposes of determining years of Eligible Service, a break in service is a 12-consecutive month period during which you complete less than 500 hours of service.

Leaves of absence with full or partial salary, sabbatical leaves, unpaid leaves of six months or less within any three year period, are included in Eligible Service. You will also continue to earn Eligible Service, if you are eligible for benefits under the University's Long-Term Disability Plan or Optional Long-Term Disability Plan, and have elected coverage under such plans, for as long as you remain disabled.

Salary

"Salary" means your regular salary and additional compensation of \$1,000 or more that is authorized for a period of eight or more consecutive months. Salary does not include any other special compensation, grants, allowances, University contributions to the Plan or fringe benefit earned under any other benefit plan but does include your pre-tax contributions to a Tax-Deferred Annuity or one or both of the University Spending Accounts.

The amount of Salary that can be used to determine your contributions under the Plan for a Plan Year is limited by federal law. For the Plan Year beginning in 1999, the salary limit is \$160,000. This limit is adjusted periodically for increases in the cost of living.

Social Security Wage Base

"Social Security Wage Base" means the maximum amount of earnings on which you and the University pay annual Social Security (Old-Age, Survivors and Disability Insurance - OASDI) taxes. The Social Security Wage Base increases on January 1 of each year. For 1999, the Social Security Wage Base is \$72,600.

Example of Contribution Formula

Assume that you are age 42, have 10 years of service, earn \$80,000, and no guaranteed compensation from clinical activities, your annual contribution is determined as follows:

| | |
|---|-------------------|
| 7.5% x \$72,600 (the Social Security Wage Base) | \$5,445.00 |
| 12.5% x \$ 7,400 (pay in excess of the Social Security Wage Base) | \$925.00 |
| <i>Sum</i> | <i>\$6,370.00</i> |

Contributions Prior to July 1, 1994

For periods prior to July 1, 1994, University contributions were determined under different contribution schedules. See Appendix A for details or contact the Benefits Office if you would like to know how your contributions were determined for prior periods.

Dollar Limits on Contributions

There are two separate dollar limits on the amount the University can contribute on your behalf for each Plan Year. As the calculation of these limits are complicated, the University will provide you with a statement reflecting your dollar limits for each Plan Year.

The two separate dollar limits are commonly referred to as the "415 limit" and the "maximum exclusion allowance (MEA) limit" and are summarized below:

- University contribution *plus* your contributions to a Tax Deferred Annuity for a Plan Year cannot exceed your 415 limit which is the lesser of \$30,000 or 25% of your compensation.
- University contributions *plus* your contributions to a Tax Deferred Annuity for a Plan Year cannot exceed your MEA limit which is an amount equal to: 20% of your compensation multiplied by the number of years you have worked for the University *less* the sum of all contributions made by the University on your behalf to the Retirement Plan or to any other University-sponsored retirement plan *and* all of your pre-tax contributions to a Tax Deferred Annuity for all prior years while you were employed by the University.

For purposes of the above limits, "compensation" is the total amount of your earnings for a Plan Year from the University. It does not include University contributions to the Retirement Plan or fringe benefits earned under any other benefit plan but does include your contributions to a Tax Deferred Annuity and the amounts you set aside for one or both of the University Spending Accounts.

Vesting of Contributions

Vesting is a term that means a permanent right of ownership. You are always 100% vested in your accumulations (the contributions made on your behalf by the University and any earnings on those contributions).

VI. YOUR INVESTMENT OPTIONS

Funding Agents and Investment Options

You are responsible for making the investment decisions with respect to contributions made by the University on your behalf. The University has selected three Funding Agents for the purpose of investing contributions under the Plan. The Funding Agents are Teachers Insurance Annuity Association - College Retirement Education Fund (TIAA-CREF), The Calvert Social Investment Fund (Calvert) and the Vanguard Family of Mutual Funds (Vanguard), each of which offers a variety of investment options. The University has the right, upon reasonable notice to Participants, to add or eliminate an entity as a Funding Agent.

To direct the investment of contributions made by the University on your behalf, you must complete an *Investment Direction of University Retirement Plan Contributions* form along with the appropriate fund application for the Funding Agent you select. If you do not provide investment direction, University contributions made on your behalf will be automatically invested in the Vanguard Money Market Reserve Account.

In addition to this summary plan description, you will be provided with information regarding each Funding Agent, each available investment vehicle and each underlying investment fund. As indicated in the investment materials, there are three types of investment vehicles:

- A TIAA guaranteed or fixed-dollar annuity is an annuity under which University contributions are used to purchase contractual or guaranteed amounts of future benefit payments. Once purchased, the guaranteed benefit of principal plus interest cannot be decreased, but it can be increased by dividends. Dividends may increase or decrease although changes in dividends are usually gradual.
- A CREF variable annuity is an annuity under which University contributions may be invested in any of the underlying investment funds selected by the University. Each investment fund has its own investment objective and portfolio of securities. A variable annuity does not provide a contractual or guaranteed amount of future benefit payments. Instead your benefits are based upon the current market value of your "accumulation units" in each of the underlying investment funds.
- A Calvert or Vanguard custodial account is an account under which University contributions may be invested in any of the underlying investment funds selected by the University. Each investment fund has its own investment objective and portfolio of securities. A custodial account does not provide a contractual or guaranteed amount of future benefit payments. Instead your benefits are based upon the current

market value of your "accumulation units" in each of the underlying investment funds.

Before you choose the investment or investments for contributions made by the University on your behalf, you should think about the following:

- When do you plan on retiring
- How much income will you need at retirement
- Will you be able to supplement your retirement benefits with Social Security, your own savings, other retirement benefits, other investments or a spouse's income

It is intended that the Plan constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act (ERISA) and that the fiduciaries of the Plan, including the University, shall be relieved of liability for any losses which are the direct and necessary result of investment instructions given by you or your beneficiary. Accordingly, you may want to consult your investment or financial advisor before making a final decision.

Investing Among the Funding Agents

You may direct that University contributions made on your behalf be invested in one or any combination of the following: (i) a TIAA-CREF Regular Annuity Contract, (ii) a Calvert custodial account, and/or (iii) a Vanguard custodial account. Keep in mind:

- If you choose to invest with TIAA-CREF, you may invest your entire University contributions with TIAA or CREF or divide contributions between TIAA and any of the CREF accounts.
- If you choose to invest with Calvert and/or Vanguard, you may divide your University contributions among any of the investment funds as Calvert or Vanguard permits.
- If you fail to provide investment direction, University contributions will be automatically invested in the Vanguard Money Market Reserve Account.

Changing Your Investment Directions

There are two different types of investment changes available to you. You can transfer your *existing* accumulations among the investment funds and you can change the investment direction of *future* contributions made on your behalf by the University.

Existing Accumulations

You may transfer existing accumulations among CREF, Calvert, and Vanguard as often as you want, as follows:

- You may transfer among your CREF accounts at any time as long as you are transferring at least \$1,000 or your entire balance, if less. You must file a "Request for a CREF Accumulation Transfer and/or Change in Premium Allocation" form; your transfer will take effect as of the close of the business day in which CREF receives your completed form. Call CREF at 1-800-842-2252 to request a transfer.
- The minimum transfer from your TIAA annuity is \$10,000 or your entire balance, if less. Your transfer will be made in substantially equal installments over a period of

10 years on the anniversary of your election of the option. Each installment will include principal, interest, plus any dividends earned. If your entire TIAA balance is less than \$2,000 you can transfer from TIAA to CREF in a lump sum. Call TIAA at 1-800-842-2777 to request a transfer.

- You may transfer among your Calvert funds at any time. You may transfer funds from another Funding Agent to Calvert by completing an Asset Transfer Authorization Form and a Calvert application (if you have not already done so). Call Calvert at 1-800-368-2745 to transfer to and among Calvert funds.
- You may transfer among your Vanguard funds at any time. You may transfer funds from another Funding Agent to Vanguard by completing an Asset Transfer Authorization and a Vanguard application (if you have not already done so). Call Vanguard at 1-800-523-1188 to transfer to and among Vanguard funds.
- To transfer out of Calvert or Vanguard funds to another Funding Agent, contact the Funding Agent to which you are transferring your investment.

Future Contributions

Your investment election will take effect with the first contribution made on your behalf by the University and will remain in effect for the remainder of the calendar year. You may change the investment direction of future contributions prior to the beginning of each calendar year during the University's open enrollment by completing a new *Investment Direction of University Retirement Plan Contributions* form and, if necessary, a fund application for the new Funding Agent. Your investment direction for a calendar year is irrevocable and may not be changed until the next calendar year.

Keeping Track of Your Investments

To help you keep track of your investments, you will receive a quarterly investment statements from each Funding Agent you've invested with (TIAA-CREF, Calvert and Vanguard). Your statement will show account activity including your current accumulation balance; dividends paid and interest earned, if any; University contributions made and distributions received. In addition, you may contact the Funding Agent by telephone for investment information as set forth below:

| | |
|------------------------|-----------------------|
| TIAA Earnings | 1-800-223-1290 |
| CREF Unit Values | 1-800-223-1290 |
| TIAA-CREF Publications | 1-800-842-2733 x 5509 |
| Calvert | 1-800-368-2745 |
| Vanguard | 1-800-523-1188 |

VII. ACCESSING YOUR ACCOUNT BEFORE RETIREMENT

Generally, you may not withdraw or borrow funds from or otherwise access your Plan accumulations until you retire from the University. An exception may apply if you have entered into a written agreement with University to retire or terminate employment as of a definite date. You will be notified by the Benefits Office if an exception applies to you.

VIII. WHEN YOU CAN RETIRE

The normal retirement age under the Plan is age 65 but you may retire as early as age 55 or you may work beyond the normal retirement date. Upon retirement or retirement on account of disability, you can begin receiving benefit payments on the first day of any month following your retirement; however, federal law requires that you begin receiving benefit payments no later than the April 1 following the calendar year in which you turn 70-1/2. Your benefits will be based on the value of your accumulations at the time your payments actually begin.

If your benefits begin before your normal retirement age, your payments will be less than they would have been had you waited until age 65, reflecting the longer period of time over which you are expected to receive such payments. If you continue to work for the University beyond your normal retirement age, you can delay your receipt of benefit payments until you actually retire. You will receive larger benefit payments than you would have received at normal retirement because the University will continue to make contributions on your behalf until your actual retirement date and your benefits are expected to be paid over a shorter period of time.

IX. IF YOU LEAVE THE UNIVERSITY BEFORE RETIREMENT

If your employment with the University terminates before retirement, you generally cannot begin receiving benefit payments until the first day of the month following your attainment of age 55. An exception may apply, however, if your accumulations are less than \$5,000. In such case, you may be eligible to receive a lump sum distribution of your benefits prior to age 55; provided, all of the other conditions prescribed by the Funding Agent are met. You may also delay your receipt of benefit payments beyond age 55 but federal law requires that you begin receiving benefit payments no later than the April 1 following the calendar year in which you turn 70-1/2. Your benefits will be based on the value of your accumulations at the time your payments actually begin.

The Benefits Office will provide you with more information when you leave.

X. PAYMENT OF BENEFITS

Electing Your Payment Option

Once you are eligible to begin receiving benefit payments, you can elect any of the payment options then made available by the Funding Agent you have selected and you can name anyone -- or more than one person -- as your co-annuitant or survivor annuitant. However, if you are married when your benefit payments begin and you elect a payment option other than a Joint & Survivor Annuity with your spouse as co-annuitant, the law requires that you provide written, notarized consent from your spouse as to the specific payment option. Your election of a payment option, and if necessary your spouse's written, notarized consent to

your election, must be made during the 90-day period before your benefit payments begin. It is also important to understand that you cannot change your payment option or co-annuitant under a Joint & Survivor Annuity once benefit payments have begun. The survivor annuitant(s) under other payment options can be changed, with notarized spousal consent, if the new annuitant is not your spouse.

If you wish to elect a payment option other than a lump sum or periodic payments, you should transfer all your accumulations to TIAA-CREF when you are ready to start receiving benefit payments as TIAA-CREF provides a broad range of annuity (lifetime) payment options. You should also keep in mind that you can have your benefit payments from TIAA and each of your CREF accounts begin on different dates. If you wish to postpone receiving your benefit payments, you can leave your accumulations at Vanguard or Calvert until you are ready to start receiving lifetime payments.

If you do not elect a payment option, your accumulations will remain invested in the funds that you have chosen until such time as you initiate any action, or until the beginning date required by federal tax law. Generally, the law requires that you must begin receiving benefit payments by the later of the April 1 following the end of the year in which you reach age 70-1/2 or your termination of employment with the University.

Normal Form of Payment

If you are not married on the date benefit payments are to be paid to you, your benefits will automatically be paid in the form of a single life annuity, unless you elect an optional form of payment as provided below. Under a single life annuity, you will receive monthly benefit payments for your lifetime, and at your death, all benefit payments will stop.

If you are married on the date benefit payments are to be paid to you, your benefits will automatically be paid in the form of a Joint and Survivor Annuity, unless you and your spouse elect an optional form of payment as provided below. Under a Joint and Survivor Annuity, you will receive monthly benefit payments for your lifetime and, at your death, your surviving spouse will receive monthly benefit payments equal to 50% or more (depending on your election) of your monthly benefit. After your spouse dies, all benefit payments will stop.

Optional Forms of Payment

If you prefer (and, if you are married, your spouse consents in writing), you can elect one of the following optional forms of payment offered by TIAA-CREF. These options typically include:

- **Lump Sum.** If you are at least age 55 you can withdraw 100% of your accumulations. A lump sum option as well as a periodic payment option is also offered by Calvert and Vanguard.
- **Lifetime Annuity.** This annuity pays you lifetime income. When you die, payments stop. While this option offers higher initial income than the other options, there is no provision for benefit payments to be paid to your spouse or other dependent(s) after your death.
- **Joint & Survivor Annuity.** This annuity also pays a lifetime income, and lets you guarantee a lifetime income for your named co-annuitant (usually your spouse, but can be any other person you name, subject to spousal approval). Once you begin payments, you cannot change your co-annuitant. You may continue 50%, 66-2/3% or 100% of the income you were receiving to your co-annuitant after your death.

- 10, 15 or 20-Year Certain Lifetime Annuity. This annuity also pays a lifetime income but benefit payments are reduced for your lifetime because payments are guaranteed for the period you elect (10, 15 or 20 years). If you die during the guaranteed period, the remaining payments will be made to your named survivor annuitant. If you die after that period, no further benefit payments will be made.
- Retirement Transition Benefit. This option pays 10% of your accumulations in a lump sum when you first begin receiving your benefit payments. You may want to consider taking advantage of this option to help smooth your transition to retirement.
- Interest Payment Retirement Option (IPRO). This option, if you are between the ages of 55 and 69-1/2, pays the interest that would otherwise be credited to your TIAA account and postpones the payment of the principal you would otherwise receive. You may want to consider taking advantage of this option if you have other sources of income when you first retire.

TIAA-CREF Annuities

TIAA annuity income consists of guaranteed income and income from dividends. Because TIAA invests in fixed-dollar investments, a TIAA annuity provides you with stable income that may vary from year to year but will not fall below a guaranteed minimum.

You may receive your TIAA interest and dividends in one of three ways: the standard form of payment, the graded form of payment, or a combination of the two. Under the "standard" form, you receive all interest and dividends; if the dividend rate stays constant you will receive the same amount each year. Under the "graded" form, you receive only part of the dividends right away - the rest is reinvested to purchase more guaranteed annuity income. These payments start lower than the standard form but steadily increase over the years.

CREF annuity income does not provide a guaranteed amount of benefit payments. Since CREF invests in stocks, you share in the profits and losses as the stock market value and dividend rates change. Your retirement income will be based on the number of CREF accumulation units you have at retirement and the value of those units, which is periodically re-evaluated. (Note: If you have invested in the Bond Market Account, you must transfer those account balances to another CREF or TIAA investment before you can receive benefit payments.)

Taxation of Distributions

When you receive benefit payments under the Plan, you are required to report such amounts as income when you file your annual income tax return and pay any applicable taxes.

Under current tax laws, if you receive a distribution from the Plan before you reach age 59-1/2, you may also be required to pay a 10% penalty on the distribution. The 10% penalty *may not apply* if any of the following is applicable:

- the distribution occurs following your termination of employment with the University after reaching age 55
- the distribution is paid in the form of an annuity
- the distribution is on account of disability

- the distribution is paid on account of medical expenses to the extent such distribution does not exceed the amount allowable as a deduction for federal tax purposes

In the case of certain distributions, you may elect a direct rollover of all or part of such distributions to an individual retirement account or another institution's 403(b) plan that accepts rollovers.

If your distribution is eligible for direct rollover treatment but you elect not to roll over your distribution, the IRS requires the Funding Agent to withhold 20% of the taxable portion of your distribution. You can generally maintain the tax-deferred status of your distribution by depositing all or a part of it into an individual retirement account or another 403(b) plan (if it accepts rollovers) within 60 days of receipt, but you will be taxed on the 20% that is withheld even if you roll over the remaining portion of your distribution within the 60-day period. You can roll over the total amount of your distribution if you replace the 20% with your own money, and then claim a refund of that amount on your annual tax return.

For more information about the taxation of your distribution or whether your distribution is eligible for direct rollover treatment, contact your Funding Agent.

XI. DEATH BENEFITS

Designating a Beneficiary

Once you become a Participant in the Plan, it is important for you to designate one or more beneficiaries on the beneficiary designation form that you file with the Funding Agent. A beneficiary is the person who will receive the value of your Plan accumulations in the event you die before benefit payments commence.

If you are not married, you can name anyone as your beneficiary. If you are married, federal law requires that your spouse be the beneficiary to at least 50% of your Plan accumulations unless your spouse provides written, notarized consent to your choice of a different beneficiary or beneficiaries. You may, even if you are married, choose a secondary or contingent beneficiary who will receive your benefit payments if your primary beneficiary dies before you.

You can change your beneficiary at any time (subject to the spousal consent requirement) by submitting a revised beneficiary designation form to the Funding Agent. If your marital status changes, you should review your beneficiary designation. Your marriage will automatically revoke your choice of beneficiary for 50% of your Plan accumulations. However, your divorce will not revoke your beneficiary designation.

Survivor Benefits

If you die *after* your benefit payments begin, then depending on the form of payment you elected before your death, your beneficiary will receive either nothing (if you elected a single life annuity or have received a lump sum payment) or the balance of your benefits (if you named your beneficiary as your co-annuitant) as a survivor annuity or in periodic installments for the duration of the payment period you elected.

If you die *before* your benefit payments begin, the full value of your Plan accumulations will be paid to your beneficiaries. If you are married and die before your benefit payments begin, your spouse, unless he or she elects otherwise, is entitled to receive a life annuity, the actuarial equivalent of which is equal to 50% of your Plan accumulations. The remaining 50% will be payable to the beneficiary you have designated which may be your spouse or other beneficiary. If you wish to leave more than 50% of your Plan accumulations to a

beneficiary other than your spouse, you and your spouse must waive the survivor life annuity and the waiver of your spouse must be notarized. You generally must be at least 35 years old to waive the survivor life annuity benefit.

If your beneficiary is your estate or other entity that is not a person, the death benefit will be paid in a single lump sum. Otherwise, you or your beneficiary can choose one or more of the following payment options:

- a single life annuity, which provides monthly payments for the life of your beneficiary.
- a joint and survivor annuity, which provides monthly payments for the life of your beneficiary and continued payments to your beneficiary's beneficiary for the rest of his or her life.
- a 10, 15 or 20-year guaranteed annuity, which provides monthly payments for the life of your beneficiary and continued payments to your beneficiary's beneficiary for the remainder of the guaranteed period if your beneficiary dies prior to end of the guaranteed period.
- a single sum, or installment payments
- a rollover to an individual retirement account in the event your beneficiary is your spouse

Your beneficiary may delay the payment of death benefits until December 31 of the year after your death. If your beneficiary is your spouse or, in the case of certain payment options, the payment of death benefits may be delayed for more than one year. Contact your Funding Agent for more details.

XII. AMENDMENT AND TERMINATION OF PLAN

The University expects to continue the Plan indefinitely, but necessarily reserves the right to change it or to discontinue it if circumstances warrant. However, under no conditions can any amendment adversely affect your accrued benefit.

XIII. CLAIMS PROCEDURES

The Plan Administrator shall determine all questions relating to the administration of the Plan, including, but not limited to, questions relating to eligibility to participate in the Plan and the computation of the amount and kind of benefits payable to the Participants and their beneficiaries. The determination of the Plan Administrator shall be final and binding.

You or your beneficiary may file a written claim with the Plan Administrator for benefit payments you feel belong to you. The statement must include the basis of the claim, must be dated and signed by you or your beneficiary, or an authorized representative, and must have your address and telephone number.

If your claim is denied either totally or partially, you or your beneficiary will receive a written notice within 90 days (or within 180 days if special circumstances require additional time for processing your claim) following the Plan Administrator's receipt of your claim. The

notice will explain the reason for the denial, refer to the specific plan provision or provisions on which the denial is based, describe any necessary additional information, describe how claims are reviewed, and explain the steps for an appeal. If the Plan Administrator does not respond within 180 days, you may consider your claim denied.

If you or your beneficiary disagree with a denial of your claim, you, your beneficiary, or an authorized representative may make a written request to the Plan Administrator for a review of your claim. The request must be made within 60 days after your claim is denied.

The Plan Administrator will respond in writing to your written request for review within 60 days (or within 120 days if special circumstances require additional time for processing your request for review) following its receipt. If additional time is needed to process your request for review, you will be so notified. The Plan Administrator's response shall include specific reasons for its decision, written in a manner calculated to be understood by you, as well as specific references to the pertinent plan provisions on which the Plan Administrator's decision is based. If the Plan Administrator does not respond within 120 days, you may consider your claim denied.

XIV. STATEMENT OF ERISA RIGHTS

As a Participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974. ERISA provides that all Plan Participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office all plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.
- 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.
- Obtain, once a year, a statement of the total Plan benefits accrued and the nonforfeitable (vested) Plan benefits. The Plan Administrator may require a written request for this statement, but 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 employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including the University, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA. If your claim for a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator 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 \$100 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 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 the 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 office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

XV. KEEPING OUR RECORDS UP TO DATE

Whether you are an active or retired Officer, it is important for you to keep the University up to date about certain information. To ensure that you receive benefit payments for which you are eligible, be sure to notify the Benefits Office and your Funding Agent(s)-- in writing -- of any changes in your address, your marital status or your designated beneficiary.

XVI. PLAN INFORMATION

| | |
|---|--|
| Plan Sponsor: | Columbia University 475 Riverside Drive, Room 1901 New York, New York 10115 (212) 870-3074 |
| Employer ID Number: | 13-5598093 |
| Plan Administrator: | Vice President for Human Resources Columbia University 475 Riverside Drive, Room 1901 New York, New York 10115 (212) 870-2832 |
| Agent for the Service of Legal Process: | Vice President for Human Resources Columbia University 475 Riverside Drive, Room 1901 New York, New York 10115 (212) 870-2832 |
| Plan Year: | July 1 through June 30. Prior to the Plan Year beginning January 1, 1999, the Plan Year was a calendar year. Due to the change in the Plan Year, there will be a short Plan Year beginning January 1, 1999 and ending June 30, 1999. |

Plan coverage under Pension Benefit Guaranty Corporation:

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation if the Plan terminates because the Plan is a defined contribution plan.

APPENDIX A

The formula for determining the amount of University contribution to the Plan has been changed from time to time as reflected below.

For the period of July 1, 1993 through June 30, 1994

University contributions made on your behalf were the sum of 10% of your guaranteed income from faculty practice, if any, plus:

| <u><i>If You Are</i></u> | <u><i>The Contribution Will Be:</i></u> |
|--|--|
| Under age 40 OR have less than five years of Eligible Service (without tenure) | 5% of your salary up to the Social Security Wage Base PLUS 10% of your salary above the Social Security Wage Base |
| Age 40 or older AND have at least five years of Eligible Service or tenure | 7.5% of your salary up to the Social Security Wage Base PLUS 12.5% of your salary above the Social Security Wage Base |
| Age 55 or older AND have at least 15 years of Eligible Service | 12.5% of your salary up to the Social Security Wage Base PLUS 17.5% of your salary above the Social Security Wage Base |

For the period of July 1, 1992 through June 30, 1993

University contributions made on your behalf were determined as follows:

If You Were an Officer On or Prior to June 30, 1987. . .

If you were an Officer on or before June 30, 1987 and did not incur a break in qualifying employment at any time prior to June 30, 1993, University contributions made on your behalf were the sum of 10% of your guaranteed income from faculty practice, if any, plus:

| <u><i>If You Were:</i></u> | <u><i>The Contribution Was:</i></u> |
|---|---|
| Under age 40 OR had less than five years of Eligible Service (without tenure) | 5% of your salary up to the Social Security Wage Base PLUS 10% of your salary above the Social Security Wage Base |

| | |
|---|--|
| Age 40 or older AND had at least five years of Eligible Service or tenure | 10% of your salary up to the Social Security Wage Base PLUS 15% of your salary above the Social Security Wage Base |
|---|--|

| | |
|---|--|
| Age 55 or older AND had at least 15 years of Eligible Service | 15% of your salary up to the Social Security Wage Base PLUS 20% of your salary above the Social Security Wage Base |
|---|--|

If You Were Age 45 or Older and Had At Least 10 years of Eligible Service on January 1, 1976

If you were age 45 or older and had completed at least 10 years of Eligible Service or had completed 20 years of Eligible Service regardless of age on January 1, 1976, University contributions made on your behalf were determined as described above except that once you reached age 50 and had completed 15 years or more of Eligible Service, University contributions made on your behalf were the sum of 10% of your guaranteed income from faculty practice, if any, plus:

If You Were:

The Contribution Was:

| | |
|--|--|
| Age 50 and had at least five years of 15 years of Eligible Service | 15% of your salary up to the Social Security Wage Base PLUS 15% of your salary above the Social Security Wage Base |
|--|--|

| | |
|---|--|
| Age 60 or older AND had at least 20 years of Eligible Service | 20% of your salary up to the Social Security Wage Base PLUS 20% of your salary above the Social Security Wage Base |
|---|--|

For periods prior to July 1, 1992

Contact the Benefits Office if you would like to know how your contributions were determined for periods prior to July 1, 1992.