

# **COLUMBIA UNIVERSITY**

## **Summary Plan Description for the Retirement Plan - Local 241 Transport Workers Union of America**

Columbia University (the “University”) offers two retirement plans to help provide you with retirement income after you stop working.

The Plans are the Columbia University Retirement Plan – Local 241, Transport Workers Union of America (the “Retirement Plan”) and the Voluntary Retirement Savings Plan (“VRSP”).

The University pays the full cost of all benefits provided under the Retirement Plan by making contributions to a trust that are actuarially determined. You can supplement your retirement income by making pre-tax contributions from your paycheck to the VRSP.

The Summary Plan Description describes the benefits provided under the Retirement Plan. A separate Summary Plan Description is available for the VRSP. We encourage you to read both Summary Plan Descriptions to learn how the Plans work.

The Summary Plan Description also includes a brief description of two other benefits that may be available to you in your retirement – Retiree Medical and Retiree Life – each of which is provided under the Columbia University Retiree Medical and Life Insurance Benefits Plan.

Click to open the [Summary Plan Description for the Voluntary Retirement Savings Plan](#).

**If there are any discrepancies between the information in this Summary Plan Description and the Plan documents, the Plan documents will always govern. Columbia University reserves the right to change or terminate the Retirement Plan and the Columbia University Retiree Medical and Life Insurance Benefits Plan at any time. This Summary Plan Description is in no way intended to imply a contract of employment.**

# Table of Contents

<b>RETIREMENT PLAN .....</b>	<b>1</b>
<b>Introduction.....</b>	<b>1</b>
<b>Eligibility and Participation.....</b>	<b>1</b>
Employees Scheduled to Work 12 Months Per Year and at Least 20 Hours Per Week.....	1
Employees Not Scheduled to Work 12 Months Per Year and at Least 20 Hours Per Week.....	2
Eligibility Requirements Before July 1, 1988.....	2
<b>Vested Participants .....</b>	<b>2</b>
Vesting Service .....	3
Special Rules.....	3
Forfeiture of Vesting Service.....	3
Break in Vesting Service .....	4
Hour of Employment .....	4
<b>How Your Pension is Calculated .....</b>	<b>4</b>
The Career Formula .....	4
The Final Pay Formula.....	6
Example of Pension Calculations .....	6
Forfeiture of Months of Service and Final Pay Service.....	8
Limitations on Pensions .....	8
<b>Pension Commencement Dates.....</b>	<b>8</b>
Normal Retirement Date .....	8
Early Retirement Date.....	9
Deferred Retirement Date .....	9
Optional Early Payment Date for Amounts Less than \$10,000.....	9
Accessing Your Pension .....	10
<b>Pension Payments.....</b>	<b>10</b>
Description of Payment Options .....	10
Electing a Payment Option .....	11
Tax Information .....	11
Qualified Domestic Relations Orders .....	13
Suspension of Pension Payments upon Re-employment.....	13
Keeping Our Records Up To Date.....	14
<b>Disability Pension.....</b>	<b>14</b>
<b>Death Benefits.....</b>	<b>14</b>
Before You Retire .....	15
After You Retire .....	16
During a Disability Pension .....	16
Designating a Beneficiary.....	16

<b>Claims and Appeals Procedures .....</b>	<b>16</b>
Claims Procedures .....	16
Appeals Procedures.....	17
Bar on Civil Action.....	18
<b>How Your Pension Is Protected.....</b>	<b>19</b>
Pension Benefit Guaranty Corporation.....	19
Creditor Claims.....	19
<b>Plan Administration.....</b>	<b>20</b>
Administrator .....	20
Retirement Committee.....	20
Amendment and Termination of the Plan.....	20
Source of Benefit Payments.....	21
Funding Standards .....	21
Effect on Employment.....	21
<b>RETIREE MEDICAL AND LIFE INSURANCE BENEFITS PLAN.....</b>	<b>21</b>
<b>Retiree Medical Insurance .....</b>	<b>21</b>
<b>Retiree Life Insurance .....</b>	<b>27</b>
<b>STATEMENT OF ERISA RIGHTS .....</b>	<b>28</b>
Receive Information About Your Plan and Benefits .....	28
Prudent Actions by Plan Fiduciaries.....	29
Enforce Your Rights .....	29
Assistance with Your Questions.....	30
<b>PLAN INFORMATION.....</b>	<b>31</b>
<b>FINAL NOTE.....</b>	<b>33</b>

# RETIREMENT PLAN

## Introduction

To help give your retirement planning a solid foundation, Columbia University (the “University”) provides the Retirement Plan for Local 241 Transport Workers Union of America (the “Plan”) – a plan that can provide you with a steady monthly income during your retirement years.

The Plan is maintained pursuant to a collective bargaining agreement between the University and Local 241 of the Transport Workers Union of America, AFL-CIO (the “Local 241 Agreement”). The Plan only covers University employees whose employment is covered under the Local 241 Agreement (“TWU Members”). The Plan is a defined benefit pension plan that provides pension benefits to eligible participants based on a formula-based annuity benefit.

This Summary Plan Description summarizes the terms and conditions of the pension benefits under the Plan as they exist on January 1, 2011. This document, as a summary of benefits, is not intended as a substitute for the Plan document. If there is any ambiguity or inconsistency between the terms of the Plan document and this Summary Plan Description, the terms of the Plan document will control and are final.

If you have questions about the Plan, please call the Columbia University HR Benefits Service Center (“HR Benefits Service Center”) at (212) 851-7000, 9:00 a.m. to 4:00 p.m., Monday through Friday. You may also email us at [hr-retirement@columbia.edu](mailto:hr-retirement@columbia.edu).

Whether you are an active or retired employee, it is important for you to keep the University up to date about certain information. To ensure that you receive a pension for which you are eligible, be sure to notify HR Benefits Service Center – in writing – of any changes in your address, Plan beneficiary designation or marital status.

## Eligibility and Participation

If you are a TWU Member, you automatically participate in the Plan when you satisfy the applicable eligibility requirement set forth below. Participation in the Plan costs you nothing and you do not have to complete any forms in order to participate.

### **Employees Scheduled to Work 12 Months Per Year and at Least 20 Hours Per Week**

If you are scheduled to work 12 months per year and at least 20 hours per week, you will participate in the Plan on your first regularly scheduled day of work as a TWU Member.

## **Employees Not Scheduled to Work 12 Months Per Year and at Least 20 Hours Per Week**

If you are not scheduled to work 12 months per year and at least 20 hours per week, you will participate in the Plan on the first day of your first eligibility computation period during which you complete 1,000 hours of employment; provided, you are a TWU Member on the last day of that eligibility computation period. See the *Vested Participant* Section below for further information regarding hours of employment.

Your “eligibility computation period” is the 12-consecutive month period beginning on the date you first complete an hour of employment and each anniversary of that date. For example, if you begin working for the University on May 1, 2010, your first eligibility computation period is May 1, 2010 through April 30, 2011. If you complete 1,000 hours of employment by April 30, 2011 and you are employed as a TWU Member on April 30, 2011, you will become a participant retroactive to May 1, 2010. If you do not complete 1,000 hours of employment during your first eligibility computation period, you can become a participant by completing 1,000 hours of employment in any subsequent eligibility computation period; provided, you are a TWU Member on the last day of that eligibility computation period.

### **Eligibility Requirements Before July 1, 1988**

For Plan years beginning before July 1, 1988, the Plan’s eligibility requirements were different than those stated above. If you would like to know when you first became a participant, please contact the HR Benefits Service Center.

## **Vested Participants**

Once you become a Plan participant, you will start to accrue a pension. However, in order to receive a pension you must vest – that is, have a right to – a pension from the Plan. You will become a Vested Participant as follows:

- The completion of five years of Vesting Service (ten years if your employment with the University terminated before July 1, 1989);
- The later of your 65<sup>th</sup> birthday (if you are employed by the University on that date) or the fifth anniversary of the date you became a participant in the Plan; or
- Death while performing qualified military service.

If your employment with the University terminates before you are vested, then you are not entitled to any benefits from the Plan. Qualified military service is military service that had you lived and returned to employment with the University, you would have been entitled to full reemployment rights as prescribed by the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”).

## **Vesting Service**

Vesting Service is measured in Plan years – that is, 12-consecutive-month periods beginning on July 1st and ending on June 30th as of 1999. You will be credited with Vesting Service as follows:

- One year of Vesting Service for each Plan year during which you complete at least 1,000 hours of employment; and
- A fraction of year of Vesting Service (rounded to the nearest 1/12) for each Plan year during which you do not complete at least 1,000 hours of employment equal to the number of hours of employment you complete divided by 1,000.
- Vesting Service includes all your hours of employment for the University even if you complete such hours as a non-TWU Member.

## **Special Rules**

For purposes of computing your Vesting Service, the following rules apply:

- You will be credited with hours of employment for periods during which you are performing qualified military service based on your regularly scheduled hours of work determined immediately preceding your qualified military service to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994.
- You will be credited with hours of employment for each month or partial month up to six months within any three-year period while you are on an unpaid, authorized leave of absence based on your regularly scheduled hours of work determined immediately preceding your leave of absence.
- If you are not scheduled to work 12 months per year and at least 20 hours per week but you subsequently become eligible to retroactively participate in the Plan, you will be credited with one year of Vesting Service for that Plan year even if you did not complete 1,000 hours of employment during the Plan year.

## **Forfeiture of Vesting Service**

Once you are vested, years of Vesting Service cannot be forfeited. However, if you are not vested, you will forfeit years of previously earned Vesting Service if you incur a five consecutive “Breaks in Service” as defined below. If you are re-employed by the University before you incur five consecutive Breaks in Service, your pre-break Vesting Service will be restored upon your re-employment date.

The forfeiture rules were different before July 1, 1987. Please contact the HR Benefits Service Center if you have any questions about forfeited Vesting Service.

## **Break in Vesting Service**

You will incur a “Break in Service” for each Plan year during which you complete less than 501 hours of employment; provided, that you will not be treated as incurring a Break in Service for the Plan year in which you first become a participant even if you complete less than 501 hours of employment. For example, if you are hired as a full-time TWU Member on May 1, 2011 and you complete 320 hours of employment for the Plan year ending June 30, 2011, you will not be treated as incurring a Break in Service for that Plan year.

For purposes of determining whether you have incurred a Break in Service for a Plan year, special rules apply: (1) you will be credited with up to 501 hours of employment during a maternity or paternity leave (described below) that begins on or after July 1, 1987 for the Plan Year in which your maternity or paternity leave begins based on your regularly scheduled hours of work (or 8 hours for each normal working day if the University is unable to determine your regularly scheduled hours of work) if it is necessary to prevent a Break in Service; otherwise such hours will be credited in the following Plan year; and (2) you will be credited with hours of employment during a Family and Medical Leave Act (FMLA) leave.

A maternity or paternity leave is a period during which you are initially absent from work on account of: (1) your pregnancy; (2) the birth of your child; (3) the placement of a child in connection with your adoption of such child; or (4) the care of such child in (2) or (3) immediately after birth/placement. You must timely provide the University with sufficient information to establish that your absence from work is a maternity or paternity leave.

## **Hour of Employment**

You will be credited with an “hour of employment” for each hour that you are paid or entitled to pay for performance of duties for the University, and up to a maximum of 501 hours for vacation, holiday, sick leave, disability, layoff, jury duty, military duty or authorized leave of absence.

## **How Your Pension is Calculated**

Your normal retirement pension is expressed as an amount payable monthly for your life beginning at your Normal Retirement Date as described in the *Pension Commencement Dates* Section). It equals the larger of the amount calculated under the Career Formula and the Final Pay Formula.

### **The Career Formula**

#### **Applicable Formula**

The Career Formula has been changed from time to time. Accordingly, the Career Formula applicable to you depends on when you were a TWU Member.

***TWU Member on or after July 1, 2008.*** If you complete at least one Hour of Covered Employment on or after July 1, 2008, your normal retirement pension under the Career Formula is equal to one-twelfth of the sum of:

- 2.0% of your Monthly Compensation for each Month of Service up to and including 120 Months of Service, plus;
- 2.20% of your Monthly Compensation for each of the next 240 Months of Service (Months of Service in excess of 120 Months of Service and up to and including 360 Months of Service), plus
- 2.30% of your Monthly Compensation for each Month of Service in excess of 360 Months of Service.

***TWU Member on or after January 1, 1999 and prior to July 1, 2008.*** If you completed at least one Hour of Covered Employment on or after January 1, 1999 but ceased to be a TWU Member prior to July 1, 2008, your normal retirement pension under the Career Formula is equal to one-twelfth of the sum of 2.00% of your Monthly Compensation for each Month of Service.

***TWU Member on or after January 1, 1990 and prior to January 1, 1999.*** If you completed at least one Hour of Covered Employment on or after January 1, 1990 but ceased to be a TWU Member prior to January 1, 1999, your normal retirement pension under the Career Formula is equal to one-twelfth of the sum of 1.75% of your Monthly Compensation for each Month of Service.

***TWU Member prior to January 1, 1990.*** If you ceased to be a TWU Member prior to January 1, 1990, the Career Formula was different. Please contact the HR Benefits Service Center if you have any questions about the Career Formula that applies to you.

### **Monthly Compensation**

“Monthly Compensation” means one-twelfth of your highest annual rate of pay in effect during a Month of Service. This means that your Monthly Compensation does not include overtime, shift or holiday premiums, or fringe benefits earned under any other benefit plan but also is not reduced by any pre-tax contributions to the Voluntary Retirement Savings Plan, one or both of the University Spending Accounts or the Transit/Parking Reimbursement Program. If you were a TWU Member prior to July 1, 1988, your Monthly Compensation for your employment prior to July 1, 1988 may be determined differently. If you have any questions, please contact the HR Benefits Service Center.

### **Month of Service**

“Month of Service” means each calendar month in which you complete at least one Hour of Covered Employment. If you were a TWU Member prior to July 1, 1976, your Months of Service prior to July 1, 1976 may be determined differently. If you have any questions, please contact the HR Benefits Service Center.

## **Hour of Covered Employment**

“Hour of Covered Employment” means an hour of employment for which you are directly or indirectly paid or entitled to pay or granted back pay for the performance of services for the University as a TWU Member.

## **The Final Pay Formula**

### **Applicable Formula**

The Final Pay Formula has been changed from time to time. Accordingly, the Final Pay Formula applicable to you depends on when you were a TWU Member.

***TWU Member on or after July 1, 1988.*** If you complete at least one Hour of Covered Employment on or after July 1, 2008, your normal retirement pension under the Final Pay Formula is 1.20% of your Average Monthly Compensation multiplied by your Final Pay Service.

***TWU Member prior to July 1, 1988.*** If you ceased to be a TWU Member prior to July 1, 1988, the Final Pay Formula was different. Please contact the HR Benefits Service Center if you have any questions about the Final Pay Formula that applies to you.

### **Average Monthly Compensation**

“Average Monthly Compensation” means your average Monthly Compensation (as defined under the *Career Formula* Section above) for your final 60 consecutive months of employment as a TWU Member. For this purpose, months of employment in which you have no Monthly Compensation are not taken into account. Also, if you have fewer than 60 months of Monthly Compensation, then Average Monthly Compensation is calculated as the average of all Monthly Compensation.

### **Final Pay Service**

“Final Pay Service” means the number of full Plan Years (July 1 to June 30) during which you are employed as a TWU Member regardless of the number of Hours of Covered Employment (as defined under the *Career Formula* Section above) completed during such Plan Years. If you are not employed as a TWU Member throughout a Plan Year, you will be credited with one-twelfth of such Plan Year for each month or partial month during which you are employed as a TWU Member. For example, if you cease to be a TWU member on August 15, 2010, you will be credited with 2/12<sup>th</sup> of Final Pay Service for the Plan Year beginning July 1, 2010 and ending June 30, 2011.

## **Example of Pension Calculations**

Assume that you retire on your normal retirement date on July 1, 2010 after completing 120 Months of Service as a TWU Member. The calculation of your normal retirement pension under each formula is shown below based on the assumed annual Compensation for your 10 years of Benefit Service:

**Career Formula (as shown on annualized basis)**

<b>Plan year</b>	<b>Compensation</b>	<b>Benefit Formula</b>	
2009-10	\$40,000	x 2.00% =	\$ 800
2008-09	\$38,000	x 2.00% =	\$ 760
2007-08	\$36,000	x 2.00% =	\$ 720
2006-07	\$34,000	x 2.00% =	\$ 680
2005-06	\$32,000	x 2.00% =	\$ 640
2004-05	\$30,000	x 2.00% =	\$ 600
2003-04	\$28,000	x 2.00% =	\$ 560
2002-03	\$26,000	x 2.00% =	\$ 520
2001-02	\$24,000	x 2.00% =	\$ 480
2000-01	\$22,000	x 2.00% =	\$ 440
<b>Total</b>			<b>\$6,200</b>

**Final Pay Formula**

<b>Plan Year</b>	<b>Compensation</b>		
2009-10	\$ 40,000		
2008-09	\$ 38,000	Average Compensation (\$180,000 divided by 5 years)	\$36,000
2007-08	\$ 36,000	Multiplied by 1.2%	<u>    x .012</u> \$432
2006-07	\$ 34,000	Multiplied by 10 years of Final Pay Service	<u>    x 10</u> <b>\$ 4,320</b>
2005-06	\$ 32,000		
<b>Total</b>	<b>\$180,000</b>		

Since the Career Formula provides the larger amount, you would receive an annual normal retirement pension of \$6,200, payable in monthly installments for your lifetime.

## **Forfeiture of Months of Service and Final Pay Service**

Once you are vested (as described under the *Vested Participants* Section above), Months of Service and Final Pay Service cannot be forfeited. However, if you are not vested, you will forfeit previously earned Months of Service and Final Pay Service under the following circumstances:

- For purposes of the Career Formula if your Vesting Service is forfeited because you incurred five consecutive “Breaks in Service” as described in the *Vested Participants* Section above, you will also forfeit your Months of Service. Months of Service that are forfeited are not taken into account when computing your normal retirement pension under the Career Formula.
- For purposes of the Final Pay Formula, your Final Pay Service is forfeited if you incur five consecutive “Breaks in Final Pay Service.” A Break in Final Pay Service is different from a Break in Service for purposes of calculating your years of Vesting Service. You will incur a Break in Final Pay Service if you do not complete at least one (1) hour of employment during the 12-consecutive-month period that begins on your termination date and each anniversary thereof. If you are absent from University employment for reasons other than termination of employment), the 12-consecutive-month period will begin on the first anniversary of the date your absence commences. Final Pay Service that is forfeited is not taken into account when computing your normal retirement pension under the Final Pay Formula.

The forfeiture rules were different before July 1, 1987. Please contact the HR Benefits Service Center if you have any questions about forfeited Months of Service and Final Pay Service.

## **Limitations on Pensions**

Federal law limits the maximum annual pension you can receive from the Plan. However, as a practical matter, your pension will not be limited, because the federal limit is very high and increases periodically. For 2011, the annual limit on the amount of compensation the Plan may take into account to calculate your pension is \$245,000, and the annual limit for pensions paid in the form of a single life annuity is the lesser of \$195,000 (as increased by cost-of-living adjustments periodically) or 100% of your average compensation for three consecutive calendar years that produces the highest average. If your pension must be reduced to satisfy the limit, you will be notified by the HR Benefits Service Center.

## **Pension Commencement Dates**

### **Normal Retirement Date**

If you terminate your employment with the University upon reaching your normal retirement date, you are eligible to receive a normal retirement pension beginning on your normal retirement date.

Your normal retirement date depends on when you became a participant in the Plan.

- If you became a participant in the Plan before July 1, 1988, your normal retirement date is the first day of the month coinciding with or next following your 65<sup>th</sup> birthday.
- If you became a participant in the Plan on or after July 1, 1988, your normal retirement date is the first day of the month coinciding with or next following the later of your 65<sup>th</sup> birthday or the fifth anniversary of the date you became a participant in the Plan.

### **Early Retirement Date**

If you are vested and have reached age 55 (age 60 for pensions commencing prior to January 1, 1999), you are eligible to commence your pension before your normal retirement date. Your pension can commence as early as the first day of any month after your 55<sup>th</sup> birthday (60<sup>th</sup> birthday for pensions commencing prior to January 1, 1999) or, if later, the first day of any month after you terminate employment with the University.

The amount of this early retirement pension is equal to your normal retirement pension (in other words, the pension that would have been paid to you at your normal retirement date) reduced by an “early retirement reduction factor.” The early retirement reduction factor is 5% for each full year (and proportionate percentage for any fraction of a year) your pension commences prior to your normal retirement date. The reduction in your normal retirement pension is to take into account that an early retirement pension will likely be paid for a longer period of time.

However, if your employment with the University terminates after you reach age 62 and after you complete 240 Months of Service (300 Months of Service if your employment terminated before October 1, 1989), the reduction factor will not apply. For further information regarding Months of Service, see the *Career Formula* Section above.

### **Deferred Retirement Date**

If you continue your employment with the University beyond your normal retirement date, you will continue to accrue pension benefits under the Plan. Generally, you will be eligible to commence your pension on the first day of the month after you terminate employment with the University. However, you may instead, upon reaching age 70½, make a one-time election to commence payment of your pension no later than the April 1st after the year you reach age 70½ even though you are still employed by the University. In either case, your normal retirement pension will be actuarially increased to the extent required by law.

### **Optional Early Payment Date for Amounts Less than \$10,000**

If you are vested, you may *elect* that your pension be paid at any time after you terminate employment with the University but no later than your normal retirement date if the lump sum value of your pension is less than \$10,000 determined as of the first day of the month following the day you elect to commence payment of your pension or, if later, as soon as administratively feasible thereafter.

Effective July 1, 2008, the Pension Protection Act of 2006 imposes certain restrictions on lump sum payments if a pension plan is not at least 80% funded. If such a restriction applies to the Plan, your ability to receive a lump sum payment between \$5,000 and \$10,000 will be partially

restricted if the Plan's funded percentage falls below 80%, and fully restricted if the funded percentage falls below 60%. Lump sum payments of \$5,000 or less are not affected. If these restrictions become effective for the Plan you will receive a detailed notice describing the implications with respect to your pension.

## Accessing Your Pension

You may not withdraw or otherwise access your pension except as described in this Section. Once you are eligible to receive payment of your pension, you must request a pension packet from the HR Benefits Service Center. The pension packet will include a pension election form, detailed information about the available payment options, and tax information on pensions. You should request a pension packet from the HR Benefits Service Center at least two months prior to your pension commencement date. Payment of your pension cannot commence until a completed pension election form is received and processed by the HR Benefits Service Center. Pension payments are subject to federal income tax when you receive them and, if you are eligible to and elect a lump sum payment, you may be subject to penalty tax if you are under age 59½. See the *Tax Information* Section below for further information.

## Pension Payments

### Description of Payment Options

The Plan offers the following payment options for your pension:

- **Single Life Annuity.** Under a Single Life Annuity, you will receive your pension as a monthly payment for your lifetime, and at your death, all payments will stop. While this option provides a higher monthly payment than the other annuity options, there is no provision for payments to your spouse or other dependent(s) after your death.
- **Joint and 50% Survivor Annuity.** Under a Joint and 50% Survivor Annuity, you will receive your pension as an actuarially reduced monthly payment for your lifetime and, at your death, your co-annuitant will receive monthly payments equal to 50% of your monthly payment. After your co-annuitant dies, all payments stop. If your co-annuitant predeceases you, payments continue for your lifetime only and stop at your death.
- **Joint and 75% Survivor Annuity.** Under a Joint and 75% Survivor Annuity, you will receive your pension as an actuarially reduced monthly payment for your lifetime and, at your death, your co-annuitant will receive monthly payments equal to 75% of your monthly payment. After your co-annuitant dies, all payments stop. While this option provides a lower monthly pension than a Joint and 50% Survivor Annuity, the monthly payment to your co-annuitant will not be reduced as much upon your death. If your co-annuitant predeceases you, payments continue for your lifetime only and stop at your death. This option is available for pensions commencing on or after July 1, 2008.
- **Joint and 100% Survivor Annuity.** Under a Joint and 100% Survivor Annuity, you will receive your pension as an actuarially reduced monthly payment for your lifetime and, at your death, your co-annuitant will receive monthly payments equal to 100% of your monthly

payment. After your co-annuitant dies, all payments stop. While this option provides a lower monthly pension than a Joint and 50% or 75% Survivor Annuity, the monthly payment to your co-annuitant will not be reduced upon your death. If your co-annuitant predeceases you, payments continue for your lifetime only and stop at your death.

- **Lump Sum Cash-Out.** Under a Lump Sum Cash-Out, you will receive the entire present value of your pension in a single lump sum and no further payments will be paid by the Plan to you, your spouse or other beneficiaries. You may not elect this payment option for a disability pension (described below) or if the lump sum value of your pension is \$10,000 or more. Refer to the *Optional Early Payment Date for Amounts Less than \$10,000* section for information on how the funded status of the Plan may potentially restrict your ability to elect a Lump Sum Cash-Out.

## **Electing a Payment Option**

If you are not married on the date your pension commences, your pension will automatically be paid in the form of a Single Life Annuity unless you elect another available payment option. If you are married on the date your pension commences, your pension will automatically be paid in the form of a Joint and 50% Survivor Annuity with your spouse as your co-annuitant unless you elect a Joint and 75% or 100% Survivor Annuity with your spouse as your co-annuitant. You may also elect, with your spouse's written notarized consent, a Joint and Survivor Annuity with a co-annuitant other than your spouse, a Single Life Annuity, or a single lump sum payment (if the value of your pension is less than \$10,000.)

Your spouse's consent must be in writing and witnessed by a notary public and must contain his or her acknowledgment as to the effect of the consent and that it is irrevocable. Your spouse's consent is not required if you are legally separated unless a Qualified Domestic Relations Order (described below) requires otherwise or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish to the HR Benefits Service Center's satisfaction that you have no spouse or that he or she cannot be located.

Your election of a payment option, and if necessary, your spouse's written, notarized consent to your election, must be made during the 180-day period before your payments begin. Your election and/or your spouse's consent may be revoked during the same 180-day period but cannot be revoked after payments begin. It is important to understand that you cannot change your payment option or co-annuitant under a Joint and Survivor Annuity once payments have begun.

## **Tax Information**

Your pension payments are subject to federal income tax when you receive them. Some of the rules that affect the taxation of your pension payments are as follows:

- **Lifetime Annuity Payments.** Annuity payments paid over your lifetime are not subject to mandatory federal income tax withholding. You may elect that withholding not apply to your payments but if you do nothing, federal income tax will be withheld as if you are

married claiming three withholding allowances. You may not roll over annuity payments to an IRA or other eligible retirement plan. You may not roll over annuity payments to an IRA or other eligible retirement plan. The election to waive withholding will be included in the pension packet sent to you by the HR Benefits Service Center and must be completed before annuity payments can commence.

- **Lump Sum Payment.** A lump sum payment is subject to a mandatory federal income tax withholding rate of 20% to the extent you do not elect a direct rollover to an IRA or other eligible retirement plan. See *Direct Rollover* below for further information regarding direct rollovers. If you roll over all or a part of your lump sum payment within 60 days, that portion will not be subject federal income tax in the year of payment and will continue to be tax-deferred. Portions that are not timely rolled over are treated as taxable income in the year of payment and you may be required to pay income taxes in addition to the 20% withheld when you file your tax return for that year. You also may be required to pay an additional 10% tax penalty if your payment is an early payment as described below.
- **Early Payment Penalty.** If you receive a lump sum payment prior to age 59½, the portion you do not roll over to an IRA or other eligible retirement plan is subject to an additional 10% penalty federal excise tax unless the payment is made because:
  - You terminate employment with the University at age 55 or older;
  - You die or become disabled;
  - The distribution is received pursuant to a qualified domestic relations order.
- **Direct Rollovers.** If you receive a lump sum payment, you may roll over all or a portion of it either directly or within 60 days after receipt into an individual retirement account or annuity (IRA) described in Section 408(a) or 408(b) of the Internal Revenue Code, including a Roth IRA described in Section 408A of the Internal Revenue Code, a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code, a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, or an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts your lump sum payment and to the extent required, separately accounts for your lump sum payment.

A lump sum payment is subject to a mandatory federal income tax withholding rate of 20% *unless* it is rolled over directly to an IRA or other eligible retirement plan; this process is called a “direct rollover.” If you have a lump sum payment paid to you, then 20% of the distribution must be withheld even if you intend to roll over the money into an IRA or other eligible retirement plan. This means that, in order to roll over the entire lump sum payment in a 60-day rollover to an IRA or other eligible retirement plan, you must use other funds to make up for the 20% withheld. To avoid withholding, you should elect a direct rollover on your pension election form.

The tax information described above is not intended to give specific tax advice to you (or your beneficiaries). A more detailed summary, *Special IRS Tax Notice Regarding Plan Payments*, contains more information and is available from the HR Benefits Service Center. Tax laws are

complicated and change often. They also affect different individuals in different ways. A professional tax advisor is your best source of information about the tax laws applicable to payments from the Plan.

## **Qualified Domestic Relations Orders**

The Plan will comply with a domestic relations order that establishes the rights of a present or former spouse, child or other dependent (referred to as an “Alternate Payee”) to all or a portion of your pension to the extent that the domestic relations order is a “Qualified Domestic Relations Order” or “QDRO”. A domestic relations order can be in the form of a state court judgment, decree, or order, or court approved property settlement agreement.

When the HR Benefits Service Center receives a domestic relations order to divide your pension, the order will be reviewed by the HR Benefits Service Center to first determine whether the order is a QDRO. To be a QDRO, the order must relate to child support, alimony, or marital property rights and be made under state domestic relations law. The order should state the name of the Plan; the amount or percentage – or method of determining the amount or percentage – of the benefit to be paid to the Alternate Payee; and the number of payments or time period to which the order applies. The order must be consistent with the terms and conditions of the Plan, that is, the order cannot provide a form of benefit not otherwise provided under the Plan and cannot require the Plan to provide an actuarially increased benefit. If an earlier QDRO applies to your pension, the earlier QDRO takes precedence over a later one.

In certain situations, a QDRO may provide that payment is to be made to an Alternate Payee before you are entitled to commence payment of your pension. For example, a QDRO could require payment to an Alternate Payee on or after your “earliest retirement age,” even though you are not entitled to commence payment of your pension because you are still working for the University.

You (or your attorney) may contact the HR Benefits Service Center to obtain a copy of the Plan’s QDRO procedures. All QDROs should be sent to the attention of the HR Benefits Service Center. It is recommended that prior to filing a decree or order with the court, you or your attorney send a draft decree or order to the HR Benefits Service Center for review. By doing so, required revisions can be made prior to filing and you will avoid multiple filings with the court.

Once the order is determined to be qualified, a calculation of the segregated benefit will be completed and you and your Alternate Payee will receive information regarding your respective benefits.

## **Suspension of Pension Payments upon Re-employment**

If you are re-employed by the University as a TWU Member after commencing the payment of your pension in the form of an annuity payment (other than a disability pension described below) and again become a participant, your annuity payments will be suspended. However, if you are re-employed by the University on or after you are age 70½, you may make a one-time election that the payment of your pension not be suspended during your re-employment period.

Upon your subsequent termination of employment, you will be entitled to resume/continue (as applicable) your pension. Your pension will be increased to take into account your period of employment after your re-employment. It will also be actuarially increased to the extent required by law for any period of suspension after age 70½.

## **Keeping Our Records Up To Date**

Whether you are an active or terminated employee, it is important for you to keep the University up to date about certain information. You should notify the HR Benefits Service Center of any changes in your address or marital status.

## **Disability Pension**

If you are vested and become Disabled (see below) while employed by the University and prior to your normal retirement date, you are eligible to receive a disability pension commencing on the first day of the month after you terminate employment with the University. The disability pension benefit is equal to your normal retirement pension determined as of the day preceding your termination date and is not reduced by an early retirement reduction factor even though payment of the disability pension will commence prior to your normal retirement date. You may elect that your disability pension be paid in any annuity form of payment offered by the Plan.

You are considered to be Disabled if you have a physical or mental condition that totally prevents you from engaging in any substantially gainful activity and is expected to last for at least 12 months or to result in death. Whether you are Disabled will be determined based on a medical examination by a physician designated by the Administrator. A disability pension will continue until you are no longer Disabled, as determined by the Administrator in accordance with guidelines under the Plan, or until you are eligible to elect an early retirement pension or receive a normal retirement pension.

If you become entitled to a disability pension as a result of a terminal illness on or after July 1, 2008, you will receive the first six months of your pension payments in a one-time lump sum payment payable on the first day of the month after you terminate employment with the University. A “terminal illness” means an illness or physical condition that is certified by a physician (approved by the Administrator) to reasonably be expected to result in death in less than 12 months. If you survive beyond six months, payment of your disability pension will resume in the form of monthly payments on the first day of the seventh month. If you die within the six-month period following termination of employment, the one-time lump sum payment will not reduce the amount of the pre-retirement survivor annuity or survivor annuity as described in the *Death Benefits* Section below.

Your disability pension is subject to federal income tax, see *Tax Information* in the *Pension Payments* Section for further information regarding taxation of annuity payments.

## **Death Benefits**

If you are not vested on the date of your death, no death benefits will be paid to anyone.

## Before You Retire

If you are vested and you die before commencing an early or normal retirement pension, your designated beneficiary will receive a pre-retirement survivor annuity.<sup>1</sup>

- **Death on or after age 55.** If you die on or after your 55<sup>th</sup> birthday, the pre-retirement survivor annuity will be equal to the monthly amount that would have been payable to your designated beneficiary for his or her lifetime if you had terminated employment with the University on the date of your death (or, if earlier, your actual termination date), commenced payment of your pension in the form of a Joint and 50% Survivor Annuity with your designated beneficiary as co-annuitant, and died on the following day thereafter. If your designated beneficiary is your spouse, he or she may elect to commence the pre-retirement survivor annuity as early as the first day of the month following your death but no later than your normal retirement date. If your designated beneficiary is not your spouse, he or she may elect to commence the pre-retirement survivor annuity as early as the first day of the month following your death but no later than December 31<sup>st</sup> of the calendar year immediately following the calendar year in which you die.
- **Death prior to age 55.** If you die prior to your 55<sup>th</sup> birthday, the pre-retirement survivor annuity will be equal to the monthly amount that would have been payable to your designated beneficiary for his or her lifetime if you had terminated employment with the University on the date of your death (or, if earlier, your actual termination date), commenced payment of your pension in the form of a Joint and 50% Survivor Annuity with your designated beneficiary as co-annuitant on your 55<sup>th</sup> birthday, and died on the following day thereafter. If your designated beneficiary is your spouse, he or she may elect to commence the pre-retirement survivor annuity as early as the first day of the month following the day you would have attained age 55 but no later than your normal retirement date. If the lump sum value of the pre-retirement survivor annuity is less than \$10,000, your spouse may elect to commence an actuarially reduced pre-retirement survivor annuity as early as the first day of the month following your death. If your designated beneficiary is not your spouse, he or she may elect to commence the pre-retirement survivor annuity as early as the first day of the month following your death but no later than December 31<sup>st</sup> of the calendar year immediately following the calendar year in which you die.
- **Lump Sum Payment of Amounts Less Than \$10,000.** If the lump sum value of the pre-retirement survivor annuity is less than \$10,000, then your designated beneficiary may elect a lump sum payment of the pre-retirement survivor annuity payable as soon as administratively feasible following your death. If the pre-retirement survivor annuity is paid prior to the date you would have attained age 55, the pre-retirement survivor annuity will be the actuarial equivalent of the pre-retirement survivor annuity that would otherwise be payable on the first day of the month coincident with or next following the day you would have attained age 55. Refer to *Optional Early Payment Date for Amounts Less than \$10,000* in the *Pension Payments* Section for information on how the funded status of the Plan may potentially restrict your designated beneficiary's ability to elect a lump sum payment.

---

<sup>1</sup> For deaths occurring prior to January 1, 1999, death benefits were paid only to a surviving spouse.

## **After You Retire**

If you die after you commence an early or normal retirement pension, survivor benefits, if any, will depend upon the payment option you elected. For example, if you elected a Single Life Annuity or a Lump Sum Cash-Out, no further payments will be paid following your death. Alternatively, if you elected a Joint and Survivor Annuity, the survivor annuity will be paid to your co-annuitant if he or she survives you.

## **During a Disability Pension**

If you die while you are receiving a disability pension and you elected that your disability pension be paid in the form of Single Life Annuity, your surviving spouse or designated beneficiary will receive a pre-retirement survivor annuity as described above.

If you elected that your disability pension be paid in the form of a Joint and Survivor Annuity and your co-annuitant survives you, he or she will receive the elected survivor annuity until his or her death.

## **Designating a Beneficiary**

Effective January 1, 1999, you may designate a single beneficiary other than your spouse if you and your spouse waive the pre-retirement survivor annuity and your spouse consents to another beneficiary. Both the waiver and the consent to non-spouse beneficiary must be notarized and you generally must be at least 35 years old to waive the pre-retirement survivor annuity unless your employment with the University terminates before age 35.

If you are not married and have no designated beneficiary, the pre-retirement survivor annuity will be paid in equal shares to your living children; and if no children survive you, then to your parents; and if no parent survives you, then to your living siblings; and if no siblings survive you, then to your heirs at law (determined in accordance with the laws of the State of New York) as they existed at the date of your death. If one of the foregoing designated classes includes multiple beneficiaries, the beneficiary with the shortest life expectancy will be treated as your designated beneficiary for the purpose of calculating the death benefit but the monthly amount will be paid in equal shares to each living beneficiary in the class until the death of the beneficiary who was treated as your beneficiary for the purpose of calculating your death benefit. If the lump sum value of the pre-retirement survivor annuity is less than \$10,000, your beneficiary (or your beneficiaries as a class) may elect to receive the pre-retirement survivor annuity in the form of a single lump sum.

## **Claims and Appeals Procedures**

### **Claims Procedures**

If all or part of your claim for a pension (or a claim by your alternate payee under a qualified domestic relations order) or a beneficiary's claim for a survivor annuity is denied, the Administrator or its delegate (claim administrator) will send you (or your authorized representative) a written or electronic explanation of denial setting forth (1) the specific reasons

for the denial, (2) references to the Plan's provisions upon which the denial is based, (3) a description of any missing information or material necessary to process your claim (together with an explanation why such material or information is necessary), (4) an explanation of the appeals procedures for the Plan, and (5) a statement of your right to bring a civil action under Section 502(a) of ERISA if your claim is denied upon appeal. In the case of a disability pension claim, such notice shall also include (1) a copy of any internal rules, guidelines, protocol or other similar criterion on which the determination was based and (2) an explanation of any scientific or clinical judgment if the determination is based on a medical necessity or experimental treatment (or similar exclusion or limit).

An explanation of denial will be sent within 90 days (45 days in the case of a disability pension claim) following receipt of your benefit claim by the claim administrator unless the claim administrator determines that special circumstances require an extension of time for processing your claim. In the event an extension is necessary, you will receive written or electronic notice of the extension prior to the expiration of the initial 90-day period (45-day period in the case of a disability pension claim). The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In the case of non-disability pension claim, the 90-day period to decide your claim may be extended up to an additional 90 days for a total of 180 days. In the case of a disability pension claim, the 45-day period to decide your claim may be extended up to an additional 30 days and the first 30-day extension period may be extended up to an additional 30 days beyond the original extension for a total of 105 days.

## **Appeals Procedures**

If your claim for benefits is denied and you (or your alternate payee under a qualified domestic relations order or beneficiary) or an authorized representative wish to appeal the denial of your claim, you must submit a written appeal to the Columbia University Retirement Committee (the "Retirement Committee"), in care of the HR Benefits Service Center, within 60 days (180 days in the case of a disability pension claim) after you receive the denial notice. You must exhaust the Plan's appeal procedures prior to seeking any other form of relief. Under the Plan's appeals procedures:

- You may include written comments, documents, records and other information relating to your claim.
- You may review all pertinent documents and, upon request, shall have reasonable access to or be provided free of charge, copies of all documents, records, and other information relevant to your claim.

The Retirement Committee will provide a full and fair review of the appeal and will take into account all your claim related comments, documents, records, and other information submitted without regard to whether such information was submitted or considered under the initial determination. In the case of a disability pension claim, if the initial determination was based in whole or in part on a medical judgment, the review will be done in consultation with a healthcare professional who has appropriate training and experience in the relevant field of medicine, who was not consulted in connection with the previous notice of denial and who is not that person's subordinate. By filing a request for review, you will be deemed to consent to such consultation

and the sharing of pertinent medical claim information. If a medical or vocational expert is contacted in connection with a review, you have the right to learn the identity of such person.

The Retirement Committee will send you written or electronic notice of the decision rendered with respect to your appeal within 60 days (45 days in the case of a disability pension claim) following its receipt and all necessary documents and information unless the Retirement Committee determines that special circumstances require an extension of time for processing the appeal. In the event an extension is necessary, a written or electronic notice of the extension will be sent to you prior to the expiration of the initial 60-day period (45-day period in the case of a disability pension claim). The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In the case of non-disability pension claim, the 60-day period to review your appeal may be extended up to an additional 60 days for a total of 120 days. In the case of a disability pension claim, the 45-day period to review your appeal may be extended up to an additional 45 days for a total of 90 days.

In the case of a denial of an appeal, the written or electronic notice of such denial shall set forth (1) the specific reasons for the denial, (2) references to the Plan provisions upon which the denial is based, (3) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relating to your claim for benefits, and (4) a statement of your right to bring a civil action under Section 502(a) of ERISA. In the case of a disability pension claim, such notice shall also include (1) a copy of any internal rules, guidelines, protocol or other similar criterion on which the determination was based and (2) an explanation of any scientific or clinical judgment if the determination is based on a medical necessity or experimental treatment (or similar exclusion or limit).

Any decision of the Retirement Committee (or its delegate) shall be final, conclusive and binding upon you and the Plan and the University will take appropriate action to carry out such decision.

### **Bar on Civil Action**

You (or your alternate payee under a Qualified Domestic Relations Order or beneficiary) may not commence a civil action pursuant to ERISA Section 502(a) (1) with respect to a benefit under the Plan after the earlier of:

- Three (3) years after the occurrence of the facts or circumstances that give rise to, or form the basis for, such action; or
- One (1) year from the date you had actual knowledge of the facts or circumstances that give rise to, or form the basis for, such action.

Notwithstanding the foregoing, in the case of fraud or concealment, such action may be commenced not later than three (3) years after the date of discovery of the facts or circumstances that give rise to, or form the basis for, such action.

# How Your Pension Is Protected

## Pension Benefit Guaranty Corporation

Pensions under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the University; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, you may contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

## Creditor Claims

By law, no one other than you or your designated beneficiary have any claims to the benefits payable under the Plan. This means that you cannot assign or pledge your pension to any creditor or other person, and a third party's claims for a pension payable to you are ineffective. There is an exception to this rule. The Plan will comply with a Qualified Domestic Relations Order that directs the Plan to pay a specified portion of your pension to a spouse, former spouse, and/or for child support. See *Qualified Domestic Relations Orders* in the *Pension Payments* Section, for further information.

## **Plan Administration**

### **Administrator**

The Administrator of the Plan is the individual from time to time holding the office of Vice President for Human Resources or holding such office at the University that shall assume the functions and responsibilities of the Vice President for Human Resources. The Administrator has the duty to establish reasonable rules and procedures for the Plan's administration and has the power to delegate day-to-day administration of the Plan. The Administrator has the discretionary power and authority to determine all questions relating to the administration of the Plan, including, but not limited to, questions relating to eligibility to participate, reconciling any question or dispute arising under the Plan, and interpreting the plan document. Any determinations made by the Administrator shall be final and binding.

### **Retirement Committee**

The University has appointed a Retirement Committee consisting of at least three, but no more than five, members. The names of the members of the Retirement Committee are available upon request. The Retirement Committee has the power and discretionary authority to interpret the terms of the Plan and make any necessary rules for its administration, including, but not limited to, the determination of all questions relating to the administration of the Plan, eligibility to participate in the Plan and the computation of the amount and kind of benefits payable to the Participants and their beneficiaries. A determination by the Retirement Committee shall be final and binding.

### **Amendment and Termination of the Plan**

The University has reserved the right, subject to negotiations with Local 241, Transport Workers Union of America, to terminate the Plan or to amend the Plan under circumstances that the University and Local 241, Transport Workers Union of America deem advisable (including, but not limited to, cost or plan design considerations). Current participation in the Plan does not vest in any participant any rights to any particular benefit coverage in the future. However, no amendment may have the effect of reducing the accrued benefits or protected benefit (as defined under Section 411(d)(6) of the Internal Revenue Code) of any participant, former participant, or beneficiary. In the event of termination or amendment or elimination of benefits, the rights and obligations of participants prior to the date of such event shall remain in effect, and changes shall be prospective, except to the extent that the University, subject to negotiations with Local 241, Transport Workers Union of America, or applicable law provides otherwise.

If the Plan is terminated, in whole or in part, all affected participants will be fully vested in their benefits under the Plan regardless of their years of Vesting Service. Under the terms of the Plan, if the Plan is terminated and there are sufficient assets in the Trust to pay all benefits under the Plan, including those benefits, which became vested solely as a result of the Plan's termination, the excess assets will be returned to the University.

## **Source of Benefit Payments**

All assets of the Plan are held in trust by the Plan Trustee. All benefit payments are made directly from the trust. Participants or their designated beneficiaries may seek payment only from the trust and not directly from the University.

## **Funding Standards**

The University pays the full cost of all pension benefits by making contributions as determined by the Plan's enrolled actuary. The Internal Revenue Code and ERISA sets minimum funding rules to provide that sufficient money is available to pay promised benefits to you when you retire. In an effort to ensure that retirement programs like the Plan have enough money to pay benefits when due, the funding rules establish the minimum amounts that the University must contribute.

The funding rules take into account probable investment gains and losses and assumptions about factors such as future interest rates and potential workforce changes are considered. The funding rules also protect you from funding methods that could prove inadequate to pay promised benefits when they are due.

Any employer who fails to comply with the minimum funding requirements is charged an excise tax on the amount of the accumulated funding deficiency unless the employer receives a waiver of the minimum funding requirements. This tax is imposed whether the underfunding was accidental or intentional. Certain actions can also be taken by the Department of Labor and the PBGC to enforce the minimum funding standards.

## **Effect on Employment**

Participation in the Plan does not guarantee your continued employment with the University. If you terminate your employment or if you are discharged, the Plan does not give you any right to any benefit or interest in the funds in the Plan except as specifically provided in the Plan document. No rights accrue to any employee, dependent, or beneficiary by any statement in or omission from this Summary Plan Description, or by the operation of the Plan.

# **RETIREE MEDICAL AND LIFE INSURANCE BENEFITS PLAN**

## **Retiree Medical Insurance**

Columbia University is committed to helping you and your family protect your health and welfare after you retire. The Retiree Medical Plan for Columbia University (the "Plan") provides valuable protection by paying some of your medical and prescription drug expenses, before and after you are eligible for Medicare. The coverage is provided through EmpireBlue Cross BlueShield.

This document summarizes the key features and terms of the Plan's benefits as they exist today. It is not intended as a substitute for the Plan document. If there is any ambiguity or discrepancy between the terms of the Plan and this summary, the terms of the Plan document will control and be final.

The details of the Plan, including conditions and exclusions, are in the Summary Plan Description. If you do not have a Summary Plan Description, contact Empire BlueCross BlueShield at (800) 435-1385 or visit their website at [www.empireblue.com](http://www.empireblue.com). You can also write to them at:

Empire BlueCross BlueShield  
P.O. Box 1407  
Church Street Station  
New York, NY 10008

## **Eligibility**

You are eligible for this coverage if you retired under the Columbia University Retirement Plan – Local 241, Transport Workers Union of America after attaining age 55 and completing at least 10 years of continuous service after the age of 45 prior to your retirement.

You may also cover eligible dependents under the Plan. Refer to the Summary Plan Description for a definition of eligible dependents.

## **Cost of Coverage**

This coverage is currently available to you at no cost. The University reserves the right to amend or revise the basis for determining contributions, which may result in your paying part or all of the cost of this coverage in the future.

## **How the Medical Program Works**

The Plan offers you and your covered dependents a broad scope of hospital and medical benefits. These include physician services, preventive care, inpatient and outpatient hospital care, surgery, diagnostic tests and X-rays, certain types of therapy, treatment of mental health and substance abuse conditions, home health care, hospice care and prescription drugs.

Covered expenses are subject to certain terms, which are explained briefly on the following page. Please contact Empire BlueCross BlueShield at (800) 435-1385 to receive a detailed Summary Plan Description.

## **Calendar Year Deductible**

Each year, you must pay some of your covered expenses – the deductible – in full before the Plan will pay benefits for covered care. The amount of your deductible depends on your age:

- If you are under age 65, your deductible is \$150 for each covered person, up to a family maximum of \$450.
  - Retirees who show proof of other coverage (minimum 21 day hospital coverage) will receive medical and prescription drug coverage. Hospital benefits are not covered.
  - Retirees who **don't** show proof of other coverage (minimum 21 day hospital coverage) will receive hospital benefits in addition to the medical and prescription drug benefits. A \$2,000 deductible applies to **both** medical and hospital benefits.
- If you are age 65 or older, the annual deductible is reduced to \$100 per person.

Two special conditions may apply to the deductible:

- You can apply deductible expenses that you incur in the last quarter of one calendar year (October, November and December) toward the deductible for the next calendar year.
- If two or more covered members of a family are injured in the same accident, you need to pay only one deductible for that accident. The Program will pay benefits for all covered expenses related to the accident. This applies only in the calendar year in which the accident occurs.

## **Co-Insurance**

Co-insurance is the part of a covered medical expense that you pay after you meet the deductible. After you meet the deductible, you pay 20% of the covered cost of most services and the Plan pays 80%.

## **Out-of-Pocket Maximum**

The Plan limits the amount you have to pay for covered medical services each year after you meet the deductible. This limit is called the out-of-pocket maximum. After your out-of-pocket costs for a covered person reach \$750 (or \$3,750 in covered expenses) in a calendar year, the Plan pays 100% of that person's covered costs for the rest of the year. Payments will not exceed the Plan's normal benefit limits.

## **Reasonable and Customary Amount**

Plan benefits are based on the reasonable and customary (R&C) charge for a covered service. In this summary, the R&C charge is referred to as the "covered cost" of a service.

R&C reflects the fee that most providers in an area charge for the same or similar service. To determine whether a charge is reasonable and customary, the Plan considers the severity of the condition and any unusual circumstances that might call for special expertise or treatment method.

The Plan will not reimburse you for any charges that exceed the R&C amount. You must pay any excess yourself, along with your deductible and co-insurance.

## Lifetime Benefit Maximum

The Plan limits the amount of benefits it will pay a participant. The Plan’s lifetime maximum benefit is \$1 million for each covered person. If you or a covered dependent reaches this limit, coverage under the Plan will end.

If you are eligible for Medicare, the lifetime benefit maximum is reduced to \$150,000 per person.

Keep in mind that the Plan has other coverage limits for certain medical services and charges. For more details, please refer to the Summary Plan Description.

## Coordination of Benefits

If you have coverage under another health care plan, the Plan will coordinate its benefit payments. This is done to ensure that the combined payments to you do not exceed the actual expenses incurred.

Under coordination of benefits, one plan has primary responsibility and the other is secondary. The primary health care plan will reimburse you first. When this Plan is secondary, total plan benefits will not exceed the amount the Plan would have paid if it were primary. Please see the Summary Plan Description from Empire BlueCross BlueShield for an explanation of how the Plan determines which plan is primary.

If you are eligible for Medicare, Medicare is your primary coverage and will pay benefits first. Benefits from this Plan will not exceed Medicare’s allowable charge for a service.

## Medical Benefits

The chart below contains highlights of the benefits available under the Plan. This is not a complete list of covered services, and does not include information about benefit limits or exclusions. For full details about coverage and benefits, refer to the Summary Plan Description from Empire BlueCross BlueShield.

Covered Service / Feature	Plan Benefits
<b>Annual deductible</b> Individual Family	\$150 (\$100 for Medicare-eligible) \$450
<b>Co-insurance (Plan pays)</b>	80% of the covered cost after deductible
<b>Out-of-pocket maximum (not including deductible)</b> Individual Family	\$750 N/A
Physician Services	

<b>Physician office and hospital visits, and other services</b>	80% of covered cost after deductible
<b>Preventive care</b> Well-child care, subject to Program limits Other routine screenings	100% of covered cost, no deductible 80% of covered cost after deductible
Hospital Services	
<b>Inpatient care</b>	80% of covered cost after deductible; up to 365 days a year
<b>Outpatient care</b>	80% of covered cost after deductible
<b>Emergency room</b>	80% of covered cost after deductible, for medical emergency
Mental Health and Substance abuse	
<b>Inpatient care</b>	80% of covered cost after deductible; up to 30 days a year per person; up to 30 inpatient visits a year
<b>Outpatient care</b>	Mental health: 80% of covered cost after deductible; up to 30 visits a year per person
<b>Emergency Room</b>	Substance abuse: 80% of covered cost after deductible; up to 60 visits a year per person
Other Medical Services	
<b>Skilled nursing facility</b>	80% after deductible; up to 120 days a year
<b>Home Health care</b>	With participating agency: 100% of covered cost, no deductible; up to 200 visits a year per person With non-participating agency: 100% of covered cost after \$50 deductible; up to 40 visits a year per person
<b>Hospice</b>	80% of covered cost after deductible; up to 210 days a year
<b>Prescription Drugs</b>	80% of covered cost after deductible Note: You pay for your prescription at the pharmacy and need to submit a claim form for reimbursement to Empire BlueCross BlueShield (see page 16). You cannot use your Plan ID card to pay for your prescription.

## Claiming Your Medical Benefits

You or your provider must file a completed health insurance claim form with Empire BlueCross BlueShield within 18 months of receiving a covered service or buying a prescription drug.

Generally, your provider will file the claim for you, and Empire BlueCross BlueShield will pay the provider any benefit that is due. When the claim is processed, you will receive an Explanation of Benefits (EOB) from the Program explaining the terms of the payment. The provider will bill you for any outstanding balance.

In some cases, you may have to file a claim yourself. For example, when you buy a prescription drug, you must pay for the prescription first and then file a claim for your benefit. The Program will pay any benefit to you and provide an EOB.

If you need to file a claim yourself, you can visit [www.empire.com](http://www.empire.com) to get a claim form, or contact the HR Benefits Service Center at (212) 851-7000. You may need to have the provider complete some of the form. When the form is complete, submit it with the original itemized bill or receipt and any other required information. Be sure to keep copies of the documents you send. Please mail the itemized bill (and receipt, if you paid the bill) to:

Empire BlueCross BlueShield  
P.O. Box 1407  
Church Street Station  
New York, NY 10008-1407

## **If a Claim is Denied**

If all or part of a claim is denied, you will be notified in writing. You have the right to appeal the denial. For information about your rights and the procedure for appealing a denied claim, please refer to the Summary Plan Description.

## **Medicare – What it is and How it Works**

Medicare is the federal health program for people over age 65, and including some disabled people under age 65. Traditional Medicare has two parts: Part A covers hospital services, and Part B covers physician services and many outpatient services. In 2006, Medicare Part D was added to provide a prescription drug benefit.

If you are age 65 or older, your retiree medical coverage continues. However, Medicare is your primary coverage and pays benefits first. Please see the Summary Plan Description for more information about coordination of benefits and other features relating to Medicare-eligible participants.

- **Traditional Medicare.** Traditional Medicare consists of Parts A and B. You automatically have coverage under Part A when you reach age 65. If you want Part B coverage, you must enroll for it and pay the premium.
- **Medicare Part D – Prescription Drug Coverage.** Prescription drug coverage under Part D is available to anyone who is eligible for Medicare. Part D coverage is provided by private insurance companies that contract with the federal government. If you want this coverage, you must actively enroll with the plan of your choice and pay a monthly premium. The prescription drug coverage under the University's Retiree Medical Plan is equal to or better

than the standard Medicare Part D plan. It is what is referred to as “creditable coverage.” This means that you do not need to enroll in Part D as long as you are covered by the University’s Retiree Medical Plan. Empire BlueCross BlueShield will send you a notice of creditable coverage. Keep that notice with your records.

## Retiree Life Insurance Program

In addition to helping you plan for a financially secure retirement, Columbia University helps you protect your family’s financial security after you retire. The Retiree Life Insurance Plan for Columbia University (the “Plan”) provides you with a set amount of life insurance after you retire. The amount of your coverage depends on when you retired, as explained below. The coverage is provided through The Standard Life Insurance Company (The Standard).

This document summarizes the key features and terms of the Plan’s benefits as they exist today. It is not intended as a substitute for the plan document. If there is any ambiguity or discrepancy between the terms of the Plan and this summary, the terms of the Plan document will control and be final.

For more information or claims assistance, contact The Standard Life Insurance Company and refer to Policy Number 645510.

### Eligibility

You are eligible for this coverage if you retired under the Columbia University Retirement Plan – Local 241, Transport Workers Union of America after attaining age 55 and completing at least 10 years of continuous service after the age of 45 prior to your retirement.

### Cost of Coverage

This coverage is available to you at no cost. The University reserves the right to amend or revise the basis for determining contributions, which may result in your paying part or all of the cost of this coverage in the future.

### How Your Retiree Life Insurance Coverage Works

The Plan pays a lump sum benefit to your beneficiary when you die. The benefit will equal the amount of your coverage, which depends on when you retired, as shown below.

<b>If You Retired</b>	<b>Your Retiree Life Insurance Coverage Is</b>
<b>On or after October 1, 1997</b>	\$6,000
<b>On or after October 1, 1992 and before October 1, 1997</b>	\$5,000
<b>On or after October 1, 1989 and before October 1, 1992</b>	\$3,500

<b>On or after October 1, 1987 and before October 1, 1989</b>	\$2,500
<b>Before October 1, 1987</b>	\$2,000

**Your Beneficiary**

Your beneficiary is the person you name to receive the life insurance benefit after your death. Be sure to keep your beneficiary designation up to date. Please contact The Standard to update your beneficiary information.

**Claiming Your Life Insurance Benefit**

Your designated beneficiary will receive a lump sum payment of the Retiree Life Insurance benefit after your death. He or she can contact The Standard for a form and assistance, citing the policy number noted above.

If all or part of a claim is denied, you will be notified in writing. You have the right to appeal the denial. For information about your rights and the procedure for appealing a denied claim, please refer to the Summary Plan Description.

**STATEMENT OF ERISA RIGHTS**

As a participant in the Columbia University Retirement Plan – Local 241, Transport Workers Union of America and the Columbia University Retiree Medical and Life Insurance Benefits Plan (together, the “Plan”), you are entitled to certain rights and protections under ERISA, which provides that all Plan participants shall be entitled to:

**Receive Information About Your Plan and Benefits**

- Examine, without charge, at the Administrator’s office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan’s annual financial report. The 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 to receive a pension at your normal retirement date (in most cases, age 65) and if so, what your benefits would be at your normal

retirement date if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

- Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the Retiree Medical Program as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review the Program's summary plan description and the documents governing the plan on the rules governing your COBRA continuation coverage rights.
- Reduction or elimination of exclusionary periods of coverage for preexisting conditions under a group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from the Retiree Medical Program or health insurance issuer when you lose coverage under the Retiree Medical Program, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

## **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for participants of the Plan, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other participants of the Plan and their beneficiaries. No one, including the University, the Administrator, the Retirement Committee, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

## **Enforce Your Rights**

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the HR Benefits Service Center 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 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 HR Benefits Service Center. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Administrator's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should

pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **Assistance with Your Questions**

If you have any questions about the Plan, you should contact the HR Benefits Service Center. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the University, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## PLAN INFORMATION

Plan Names: Columbia University Retirement Plan - Local 241, Transport Workers Union of America (the “TWU Plan”)

Plan Numbers: Columbia University Retiree Medical and Life Insurance Benefits Plan (the “Retiree Medical and Life Plan”)  
TWU Plan: 005

Retiree Medical and Life Plan: 517

When requesting additional information about the Plans from the Department of Labor, refer to the appropriate plan number.

Plan Sponsor: Columbia University  
615 West 131st Street, MC 8703  
Studebaker Floor 4  
New York, NY 10027  
Phone: (212) 851-7000

Employer Identification Number: 13-5598093

Plan Administrator: Columbia University Human Resources  
Office of the Vice President  
615 West 131<sup>st</sup> Street, MC 8703  
Studebaker Floor 4  
New York, NY 10027  
Phone: (212) 851-7000

Plan Trustees for the TWU Plan:

- Roxie Smith, Vice Provost, Office of the Provost, Columbia University, 205 Low Library, New York, NY 10027
- Anne Rollow Sullivan, Executive Vice President for Finance, 314 Low Library, New York, NY 10027
- Joanne Quan, Senior Vice President and Chief Financial Officer of Columbia University Medical Center, 630 W. 168<sup>th</sup> Street, P & S 2-430, New York, NY 10032

Insurance Carriers for the Retiree Medical and Life Plan: Empire BlueCross BlueShield  
P.O. Box 1407  
Church Street Station  
New York, NY 10008  
Phone: (800) 435-1385  
The Standard Life Insurance Company  
590 Madison Ave # 29  
New York, NY 10022-2524  
Phone: (888) 221-2987

Agent for the Service of Legal  
Process:

Columbia University Office of the General Counsel  
412 Low Memorial Library, MC 4308  
535 West 116<sup>th</sup> Street  
New York, NY 10027  
Phone: (212) 870-2286

Legal process may also be served on the Plan Trustees and  
Insurance Carriers, as applicable.

Plan Year for the TWU Plan and  
Retiree Medical and Life Plan:

July 1 through June 30

The Plans' accounting records are maintained on the basis of  
the Plan Year.

## FINAL NOTE

**If you have any benefits-related questions, please contact:**

Columbia University HR Benefits Service Center  
615 West 131<sup>st</sup> Street, MC 8703  
Studebaker Floor 4  
New York, NY 10027  
Phone: (212) 851-7000  
Secure fax: (212) 851-7025  
Email: [hrbenefits@columbia.edu](mailto:hrbenefits@columbia.edu) or [hr-retirement@columbia.edu](mailto:hr-retirement@columbia.edu)

**For updates, forms, tuition exemption and information about other HR programs:**

[www.hr.columbia.edu](http://www.hr.columbia.edu)