The University of Chicago

Retirement Income Plan for Employees (“ERIP”)

Defined Benefit Plan Provisions in effect as of November 1, 2018 (for participants in the Plan before January 1, 2009)

Summary Plan Description

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About This Summary Plan Description

This document summarizes the main provisions of the Retirement Income Plan for Employees ("ERIP") Defined Benefit portion as of July 1, 2016, and serves as the ERISA-required Summary Plan Description (SPD) for this benefit. It describes the provisions solely as they pertain to current and former University employees and their beneficiaries who were Participants in the plan prior to January 1, 2009.

For the ERIP Defined Contribution portion, see the separate Summary Plan Description for the ERIP Defined Contribution plan effective July 1, 2016.

We encourage you to read this SPD carefully and share it with your family.

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

About Your ERIP Benefits

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

Participation in the defined benefit portion of ERIP was frozen effective December 31, 2008. The University was required to cease the accrual of benefits under the ERIP Defined Benefit Plan due to a change in the tax law. Because of the **Plan Freeze**, additional benefits are not accrued under the ERIP Defined Benefit Plan after December 31, 2008. This means that your benefit is based on your **Years of Participation** and **Final Average Pay** earned through December 31, 2008.

ERIP is a plan described in Section 403(b) of the Internal Revenue Code that provides lifetime retirement income. Under the Defined Benefit portion of ERIP, you are eligible to receive lifetime monthly benefit payments beginning at retirement. After January 1, 1994, the University pays the full cost of this benefit. If you participated in the Plan before then, you would have made employee contributions to the Plan to help pay for a portion of the benefits. This is referred to as the Defined Benefit portion because the benefit you are eligible to receive at retirement is defined by a preset formula.

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

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

ERIP Highlights

Highlights	
Eligibility	Generally, you were eligible to participate in ERIP Defined Benefit portion if you were a regular nonacademic employee of the University and are classified as “ERIP-eligible” as determined by the personnel records maintained by the University before January 1, 2008. See **Eligibility** for exceptions.
Participation	You became a Participant in ERIP Defined Benefit portion on the first day of the month in which you satisfied the **Participation Requirements** on or before December 31, 2008 (the **Plan Freeze** date).
Funding	Since January 1, 1994, the University pays the full cost of this benefit by making contributions to a pension fund that are actuarially determined. If you participated in ERIP Defined Benefit portion prior to January 1, 1994, you also contributed to this benefit. No employee contributions were required or permitted to this Defined Benefit portion after December 31, 1993.
Vesting	You became fully vested once you attained age 65 or die while employed by the University, or once you completed three (3) **Vesting Years** (whichever occurs first).
Benefit amount	ERIP Defined Benefit is a tax-qualified pension plan. ERIP provides eligible participants with a retirement benefit based on **Final Average Pay** and **Years of Participation**. When you begin ERIP Defined Benefit, if you choose one of the annuity options, the amount of your monthly benefit depends on the payment option you choose. Because ERIP is a tax-deferred pension plan, your benefit is subject to income taxes when you begin to receive payments.
Loans	Loans are not permitted under the ERIP Defined Benefit portion of the plan.
Payment options	If you are vested, you can receive payment of your pension benefit at any time following your termination of employment with the University (including the Medical Center and any other University affiliate). You have several options for receiving your benefit: • Annuity • Lump sum payment (subject to spousal consent) • Direct rollover If you choose to begin receiving your benefit before age 65, your benefit amount will be reduced.

Eligibility

ERIP-Eligible Employees

You were eligible to participate in ERIP if you were a nonacademic employee of the University hired before January 1, 2008, who, at that time, was a United States-based payroll employee and who was not an Excluded Employee, as described below:

You are not eligible to participate in the Plan if you are a / an:

- Student worker who, at any time during the calendar year, performs services to satisfy course and degree requirements or is compensated through financial aid or other similar assistance programs
- Post-doctorate fellow
- Patient actor employed by the Biological Sciences Division
- Member of the University police who works concurrently for the Chicago Police Department and who is classified as non-benefits eligible
- Substitute teacher for the Laboratory Schools
- Teacher or instructor without an academic appointment at the Graham School of General Studies
- Individual whose employment is covered by a collective bargaining agreement that does not provide for coverage under the Plan, including but not limited to the collective bargaining agreements between the University and Service Employees International Union, Local No. 1, International Union of Operating Engineers of Chicago, Illinois and Vicinity, Local No. 399, and Local 829, United Scenic Artists
- Individual employed by the Court Theatre for specific productions of the theater
- Individual participating or eligible to participate in The University of Chicago Contributory Retirement Plan (CRP)
- Employee of an Affiliated Employer who has not adopted ERIP

Employment Classification

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

Participation Requirements

If you were an **ERIP-Eligible Employee**, you were automatically enrolled in ERIP once you had **both**:

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

If you did not meet these requirements before January 1, 2009 (the **Plan Freeze** date), you are unable to participate in the Defined Benefit portion of ERIP.

If you transferred employment from the Medical Center to the University or were rehired by the University following a termination of employment with the Medical Center, the mandatory participation requirements may be different. See **For Employees Transferring from the Medical Center to the University** for more information.

Mandatory contributions required to participate in ERIP were eliminated January 1, 1994.

Year of Service Requirement

General Rule

A Year of Service is a 365-day period that generally begins on your hire date. All employment with the University is taken into account, regardless of whether your employment is in an ERIP-eligible position. For example, if you were hired by the University to work as a non-ERIP-eligible employee (e.g., as a “temporary” employee), your non-ERIP-eligible employment would count toward the one Year of Service requirement if subsequently you became an **ERIP-Eligible Employee**. In addition, all employment with the Medical Center or any other University affiliate is also taken into account.

Aggregation of Periods of Employment

If you did not complete a Year of Service (1000 **Hours of Service**) during your initial 365-day period that began on your hire date, you may have become eligible to participate by completing at least 1000 Hours of Service during any subsequent 365-day period ending before December 31, 2008 (the **Plan Freeze** date).

Participating in ERIP

When Participation Began

Once you satisfied the **Participation Requirements** on or before December 31, 2008 (the **Plan Freeze** date), you became a Participant in ERIP on the first day of that month.

If you were hired by the University prior to July 1, 2005, Participation Requirements may have been different.

For Employees Transferring from the Medical Center to the University

If you transferred employment from the Medical Center to the University or were rehired by the University following a termination of employment with the Medical Center and you had completed at least one **Year of Service**, you continued or commenced participation in ERIP as of your:

- Transfer date if you transferred employment from the Medical Center to the University, provided you were transferred to the University as an **ERIP-eligible employee** before January 1, 2009.
- Rehire date if you were rehired by the University following a termination of employment with the Medical Center, provided you were hired by the University as an ERIP-eligible employee before January 1, 2009.

If you transferred employment from the Medical Center to the University or were rehired by the University following a termination of employment with the Medical Center **prior** to completing one Year of Service, you would be eligible to participate in ERIP once you satisfied the **Participation Requirements**. In other words, you would be treated like any other new hire of the University except that your periods of employment with the Medical Center will be taken into account for purposes of determining Years of Service and **Breaks in Service**.

If you transferred from the Medical Center to the University on January 1, 2009 or later, whether or not you were a participant in ERIP while employed by the Medical Center, you did not earn any benefits under the Defined Benefit portion of ERIP after your transfer date.

Participation Upon Reclassification

If you were not hired as an **ERIP-Eligible Employee** (or you ceased to be an ERIP-Eligible Employee and you were subsequently reclassified as an ERIP-Eligible Employee), you became a Participant in the Plan (or resumed participation in ERIP) as follows:

- If you completed at least one **Year of Service** during your first or any subsequent **Eligibility Computation Period** ***prior to your reclassification***, you became a Participant or resumed participation in the Defined Benefit portion of ERIP on the first day of the month in which you were reclassified (or, if later, on the first day of the month in which you attain age 21), if your reclassification date was prior to December 31, 2008 (the **Plan Freeze** date).
- If you did not complete at least one Year of Service during your first or any subsequent Eligibility Computation Period prior to your reclassification, you became a Participant in the Defined Benefit portion of ERIP on your Participation Date once you satisfied the **Participation Requirements** as described above, if you satisfied the requirements prior to December 31, 2008 (the plan freeze date).

If your reclassification date is on or after January 1, 2009, you would not have participated in the Defined Benefit portion of ERIP after your reclassification date.

Participation Upon Reemployment

If you terminated employment with the University or the Medical Center and you were rehired by the University as an **ERIP-Eligible Employee** before January 1, 2009, your participation in the Defined Benefit portion of ERIP commenced or recommenced as follows:

- **ERIP Participant.** If you were a Participant in ERIP on your termination date, your participation in ERIP recommenced on the first day of the month that included the first payroll processed after your rehire date as long as it was before January 1, 2009.
- **Former Medical Center Employee.** If you were not a Participant in ERIP when you terminated employment with the Medical Center but you completed at least one **Year of Service** with the Medical Center, you became a Participant in ERIP on the first day of the month that included the first payroll processed after your rehire date with the University or, if later, as of your Participation Date (described above in **When Participation Began**) upon attainment of age 21. You will not participate in the Defined Benefit portion of ERIP if your rehire date was on or after January 1, 2009.

If you terminated employment with the University or the Medical Center **prior** to completing one Year of Service, you became a Participant in ERIP on your Participation Date once you satisfied the **Participation Requirements** as each are described above. In other words, you were treated like any other **ERIP-Eligible Employee** hired by the University except that your prior **Hours of Service** with the University and, if applicable, the Medical Center, were taken into account for purposes of determining when you completed one Year of Service. In this case, you cannot become a participant in the Defined Benefit portion of ERIP if you were rehired on or after January 1, 2009.

Participation Beyond Normal Retirement Age

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

When Participation Ends

Generally, you continued to earn (accrue) benefits under the Defined Benefit portion of ERIP through December 31, 2008 so long as you were an **ERIP-Eligible Employee**. Your active participation in the Defined Benefit portion of ERIP terminated on January 1, 2009 (the **Plan Freeze** date) or, if earlier, the date:

- You retired or otherwise stopped working for the University.
- Your position changed to a non-ERIP-eligible position.
- You began active participation in another basic retirement plan maintained by the University. For example, if you were a staff employee who was enrolled in ERIP and later transferred to the University's Contributory Retirement Plan ("CRP") because you became compensated at or above a certain annual salary level.
- ERIP was amended to exclude from participation a classification of employees of which you were a member.

Before January 1, 2009, if your participation ended because you no longer met ERIP's **Eligibility** requirements, you no longer were credited with **Years of Participation** and, unless you transferred to CRP directly from ERIP, your pay was no longer taken into account in calculating you **Final Average Pay** under ERIP's Defined Benefit portion. See **Calculating Your Pension Benefit** for further information regarding Years of Participation and Final Average Pay.

However, you continued to accrue Vesting Years under ERIP after January 1, 2009 as long as you remained employed by the University, Medical Center, or a University affiliate after that date. See Vesting in ERIP below for further information regarding ERIP's vesting schedule.

Vesting in ERIP

Vesting Requirements

Vesting means your entitlement to receive a pension benefit from ERIP at a future date. Although you are a Participant in ERIP, you are not entitled to a pension benefit until you are vested or become a "Vested Participant." You became 100% vested in your benefit from ERIP's Defined Benefit portion upon your:

- Attainment of age 65 while employed by the University or on the date you became a Participant if you were hired by the University at or after age 65,
- Death while employed by the University or while performing qualified military service, or
- Completion of three (3) **Vesting Years**.

For Employees Transferring from the Medical Center to the University

If you transferred employment from the Medical Center directly to the University or were rehired by the University following a termination of employment with the Medical Center **after** completing at least one **Vesting Year** and attaining age 21, you became 100% vested in your benefit from ERIP's Defined Benefit portion upon your participation date.

If you transferred employment from the Medical Center to the University or were rehired by the University following a termination of employment with the Medical Center **prior** to completing one Vesting Year, you became 100% vested in your benefit from ERIP's Defined Benefit portion once you satisfied the **Vesting Requirements** described above. In other words, you would be treated like any other new hire of the University except that your periods of employment with the Medical Center would be taken into account for purposes of determining Vesting Years and **Breaks in Service**.

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

If you were hired by the University prior to July 1, 2005, Vesting Requirements may have been different.

Vesting Years

General Rule

A Vesting Year is a 365-day period that generally begins on your hire date. All employment with the University is taken into account regardless of whether your employment is in an ERIP-eligible position. For example, if you were hired by the University to work as a non-ERIP-eligible employee (e.g., as a "temporary" employee), your non-ERIP-eligible employment would be taken into account in determining your Vesting Years. In addition, all employment with the Medical Center would also be taken into account.

Keep in mind that Vesting Years are credited in whole periods only. For example, if you terminated employment after working 321 days in your third year of employment, the number of your Vesting Years is two because 1,051 days divided by 365 is equal to 2.88. When rounded down to the nearest whole year, that is equal to two Vesting Years. Because you did not complete at least three Vesting Years, you were not a Vested Participant on your termination date.

Bridging Rule

If you terminated employment but you were rehired by the University within 12 months of your termination date, the number of days included in your period of separation is treated as days of employment. For example, if you were hired by the University on March 1, 2005 and terminated employment on July 31, 2005, but were rehired on November 1, 2005, your first period of employment (March 1, 2005 through July 31, 2005) would be aggregated with your period of separation (August 1, 2005 through October 31, 2005), and if you continued to work through February 28, 2006, you would be credited with a Vesting Year on March 1, 2006.

Leave of Absence

The number of days included in an authorized leave of absence or a qualified military service period is treated as days of employment, provided you timely returned to work with the University, Medical Center or any other University affiliate following the end of such leave of absence or qualified military service.

If you were absent from work on the account of qualified military service (i.e., following military service you can return to work with the University with full reemployment rights as prescribed by the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA")), the number of days treated as days of employment during such absence will be no less than the number required under USERRA.

Breaks in Service

You will incur a "1-Year Break in Service" for each 365-day period that begins on your termination date and on each anniversary thereof during which you did not complete an hour of employment.

For purposes of determining whether you have incurred a 1-Year Break in Service, a special rule applies to a maternity or paternity leave. Under the special rule, if you terminated employment for maternity or paternity reasons, you cannot incur a 1-Year Break in Service for the 365-day period that began on your termination date and for the following 365-day period that began on the first anniversary of your termination date. A maternity or paternity leave is a period during which you were initially absent from work on account of:

- Your pregnancy
- Birth of your child
- Placement of a child in connection with your adoption of such child
- Care of a child described above immediately after such birth or placement

You must have timely provided the University with sufficient information prior to your maternity or paternity leave to establish that your termination from work was on account of maternity or paternity reasons.

Forfeiture of ERIP Benefits

If you left the University before you were vested in your benefit (without regard to your contributions made prior to January 1, 1994, in which you are always vested), your benefit was forfeited following your termination date.

If you were rehired by the University before you incurred five (5) consecutive 1-Year **Breaks in Service** as defined above, the benefit forfeited under ERIP's Defined Benefit portion would be restored upon your rehire date, and you would be vested in this benefit after you satisfied the **Vesting Requirements** set forth above.

Calculating Your Pension Benefit

Benefit Formula

Your benefit under ERIP's Defined Benefit portion is calculated based on the formula shown below, taking into account your **Final Average Pay** and **Years of Participation**.

(**1%** of your *Final Average Pay* + **0.5%** of your *Final Average Pay* that exceeds your *Social Security Covered Compensation*) x *Years of Participation* (up to 35) = **Annual Accrued Benefit**

If you were hired by the University prior to July 1, 1992 and you have periods of employment with the University prior to January 1, 1989, your pension benefit may be greater (but not less) than your pension benefit calculated under the above benefit formula.

Final Average Pay

Your Final Average Pay is the average of your five highest consecutive calendar years of **Compensation** during your final 10 calendar years of ERIP participation ending December 31, 2008. Compensation means your total gross wages paid by the University *excluding* amounts paid on account of termination, such as final accrued vacation and sick pay but *including* periodic salary continuation payments. Your contributions to ERIP's Defined Contribution portion and salary reduction contributions to the University's Supplemental Retirement Program ("SRP"), Flexible Spending Plan and Qualified Transportation Program were also included.

Your Compensation for the calendar year in which you commenced or recommenced participation in ERIP is your Compensation paid for the entire calendar year determined without regard to when your participation date occurred. Your Compensation for the calendar year in which you terminate employment or cease to be an **ERIP-Eligible Employee** is your Compensation paid during that year unless the use of an annualized amount based on your base annual salary or rate of pay in effect at the time of termination or reclassification would result in greater Compensation for that year. **In no case will Compensation after December 31, 2008 be used in calculating your Final Average Pay.**

Your Compensation for a calendar year in which you are on an authorized leave of absence is your Compensation paid during the calendar year. Your Compensation for a calendar year in which you are permanently and totally disabled is the better of an annualized amount based on your base annual salary or rate of pay in effect at the time your permanent and total disability began.

If you transferred directly from ERIP to the University's Contributory Retirement Plan ("CRP") or The University of Chicago Medical Center Contributory Retirement Plan, your Compensation for calendar years during which you were participating in the University's CRP or The University of Chicago Medical Center Contributory Retirement Plan through December 31, 2008 is taken into account for purposes of calculating your Final Average Pay so long as you remained employed by the University or Medical Center. If you terminated employment and you were rehired and are again eligible to participate in the University's CRP or The University of Chicago Medical Center

Contributory Retirement Plan, Compensation paid to you after your rehire date is not taken into account for purposes of calculating your Final Average Pay.

If you have fewer than five consecutive calendar years during which you were credited with a Year of Participation or a fraction thereof, your Final Average Pay shall be 12 times the monthly average of your actual Compensation paid during that period. Compensation on or after December 31, 2008 is not taken into account in the calculation of your Final Average Pay.

Social Security Covered Compensation

During your working career, you and your employers (including the University) pay Social Security ("FICA") taxes on your wages, up to a maximum wage each year called the Taxable Wage Base. **Social Security Covered Compensation** is the average of those Taxable Wage Bases over the 35-year period ending with the last day of the calendar year in which you reach your Social Security Retirement Age. Your Social Security Covered Compensation is fixed and will not be adjusted for future years once:

- Your reach your Social Security Retirement Age,
- Your terminate your employment with the University, or
- On December 31, 2008.

You do not have to calculate Social Security Covered Compensation—it is provided in special Covered Compensation tables. Keep in mind, if your **Final Average Pay** is less than your Social Security Covered Compensation, this portion of the Defined Benefit formula will equal zero.

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

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

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

Year of Birth	Year You Reach SSRA	2016 Social Security Covered Compensation
1937	2002	$39,444
1947	2013	$67,008
1957	2024	$93,000
1967	2034	$109,464
1977	2044	$117,408
1987	2054	$118,500

Years of Participation

Your **Years of Participation** is the number of years and fractions of years (measured in months) during which you actively participated in ERIP. If you took an approved leave of absence, including a qualified military leave, or you terminated employment and were rehired by the University within 12 months of your termination date, your leave or period of separation counted toward your Years of Participation if you returned from your leave or were rehired as an **ERIP-Eligible Employee**.

In addition, you continued to be credited with Years of Participation while you were receiving payments under the University's long-term disability program. Your period of disability will cease when you are no longer disabled, or, if earlier, when you are no longer eligible to receive benefit payments from the long-term disability program maintained by the University or the Medical Center.

If you transferred from ERIP to the University's Contributory Retirement Plan ("CRP") or The University of Chicago Medical Center Contributory Retirement Plan, you would no longer be credited with Years of Participation upon transfer.

Years of Participation after December 31, 2008 or in excess of 35 are not taken into account.

Participation During a Leave of Absence

For purposes of determining your **Years of Participation** under the Defined Benefit portion of ERIP, the following rules apply:

- **Leave of Absence.** If you were out on a paid leave of absence (including short-term disability leave) or an approved leave of absence without pay (including an unpaid leave under the Family Medical Leave Act), you continued to be credited with Years of Participation under ERIP's Defined Benefit portion.
- **Disability.** If you became totally disabled or partially disabled, you continued to be credited with Years of Participation and with **Compensation** equal to your pre-disability salary under ERIP's Defined Benefit portion.
- **Military Leave.** If you left the University to perform uniformed service for a period generally not to exceed five years, special provisions may apply to you if you returned to employment with the University. You must have provided advance notice to the University of your military leave and satisfy certain other requirements, including timely return to employment with the University when your military leave ended. You received credit for Years of Participation and compensation equal to an estimated amount of pay you would have received if you had not been on military leave under ERIP**'s** Defined Benefit portion.

Your Normal Retirement Benefit

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

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

Normal Retirement Benefit Examples

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

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

Your **Final Average Pay** is calculated by adding these five highest years and dividing by five to get the average. Based on the amounts above, the sum equals $212,365, and the average is $42,473 ($212,365 ÷ 5).

The three factors used to calculate your benefit are:

- Final Average Pay: $42,473
- Social Security Covered Compensation: $43,968
- Years of Participation**:** 30

Your annual normal retirement benefit is calculated as follows:

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

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

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

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

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

Limitations on Retirement Benefits

Federal tax laws limit the amount of **Compensation** that can be used to calculate your retirement benefit and the maximum benefit you can receive from ERIP's Defined Benefit portion. However, as a practical matter, your benefits will not be adversely affected as the limits are very high and increased periodically.

Receiving Your Pension Benefit

While You Are Employed by the University

You cannot commence the payment of your pension benefit from ERIP while employed by the University, the Medical Center or any other University affiliate. In-service withdrawals (including hardship withdrawals) and participant loans are not permitted.

After You Leave the University

If you are vested in your benefit, you can start receiving benefit payments at any time following termination of your University employment. The following pages contain a more detailed explanation of the types of benefits and **Types of Benefit Payments** available under ERIP.

Types of Benefit Payments

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

- **Normal Retirement Benefit.** If you elect to have your pension benefit paid on the first day of the month coincident with or next following the date you attain age 65 (your **"Normal Retirement Date"**), you are entitled to an annual Normal Retirement Benefit (i.e., an unreduced benefit) that is calculated using your **Final Average Pay** and **Years of Participation** determined as of the earlier of December 31, 2008 or your termination date. (See **Calculating Your Pension Benefit** for an explanation of the Normal Retirement Benefit calculation.)
- **Early Retirement Benefit.** If you elect to have your pension benefit paid as early as the first day of the month coincident with or next following the date you attain age 55 (your **"Early Retirement Date"**) but not later than your Normal Retirement Date, you are entitled to an **"Early Retirement Benefit."**

  Your Early Retirement Benefit is calculated in the same way as your Normal Retirement Benefit, based on your Final Average Pay and Years of Participation as of the date you terminate employment (or December 31, 2008 if earlier), but is reduced because your annuity payments begin early and are expected to be paid for a longer period of time. The amount of the reduction is 5% for each year (or fraction thereof) that you begin receiving payments before age 65. If you elect to postpone your annuity payments until you reach age 65, you will receive an unreduced Normal Retirement Benefit as described above.

  Example

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

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

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

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

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

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

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

- **Pre-Retirement Benefit.** If you elect to commence annuity payments prior to your Early Retirement Date, you are eligible to receive a **"Pre-Retirement Benefit."** Your Pre-Retirement Benefit is calculated in the same way as your Normal Retirement Benefit, based on your Final Average Pay and Years of Participation as of the date you terminate employment (or December 31, 2008 if earlier), but is reduced because your annuity payments begin early and are expected to be paid for a longer period of time. The amount of the reduction is actuarially determined (and the more favorable 5% reduction used in calculating the Early Retirement Benefit does not apply) for each year (or fraction thereof) that you begin receiving payments before age 65. If you elect to postpone your annuity payments until you reach age 65 or age 55, you will receive the unreduced Normal Retirement Benefit or the Early Retirement Benefit, respectively.
- **Late Retirement Benefit.** If you continue to work beyond age 65 and elect to have your pension benefit paid on the first day of the month coincident with or next following the date you terminate employment (your **"Late Retirement Date"**), you are eligible to receive a Late Retirement Benefit. It will be calculated in the same way as your Normal Retirement Benefit, based on your Final Average Pay and Years of Participation as of the date you terminate employment (or December 31, 2008 if earlier). Your Late Retirement Benefit is then compared to the actuarial equivalent of your Normal Retirement Benefit beginning at age 65. You will receive the greater of your Late Retirement Benefit or the actuarial equivalent of your Normal Retirement Benefit, reduced in each case for any benefit payments you previously received.

Required Minimum Distributions

Distributions from your accrued benefit must commence no later than your “Required Beginning Date,” *i.e.*, April 1 of the calendar year following the year in which you attain age 70½, or, if later, April 1 following the calendar year in which you terminate employment from the University. The amount of your required minimum distribution depends on the value of your accrued benefit. <u>The payment of your required minimum distributions is extremely important because the IRS can impose a 50% excise tax on the difference between your required minimum distribution amount due for the calendar year and the amount that is actually distributed to you if it is less than the required minimum distribution amount</u>.

It is your responsibility to keep the Plan’s Recordkeeper informed of your current mailing address. The University is not responsible for any excise taxes that may be imposed if you cannot be located at the time a required minimum distribution is due.

Benefit Payments

ERIP is designed to provide you with income during your retirement. Benefits under the Defined Benefit portion ordinarily are paid in the form of an annuity—that is, regular monthly payments for your lifetime (continuing for your beneficiary's lifetime if you want, subject to spousal consent).

Lump Sum Form of Payment

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

- **Full Lump Sum Option.** You may cash out the entire value of the benefit you have accrued under the Defined Benefit portion. This payment option will leave no future benefits under the Defined Benefit portion payable to you or your beneficiaries. The amount of your full lump sum distribution is equal to the larger of:
    - Your contributions plus accrued interest as determined under the terms of ERIP (if you participated in ERIP prior to 1994), and
    - The lump sum actuarial equivalent of your normal retirement benefit.
- **Partial Lump Sum (Contributions Plus Interest) and Annuity Option.** If you participated in ERIP prior to 1994, you may cash out the entire value of your own contributions plus accrued interest. If a residual benefit remains after you withdraw your contributions, this represents the portion of your benefit that is funded by the University. You may elect that any residual benefit be paid to you as a normal, early, pre-retirement or late retirement annuity benefit.

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

Annuity (Lifetime) Form of Payment

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

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

- **Half Benefit to Co-Annuitant.** At your death, your co-annuitant will receive annuity payments for his or her lifetime equal to one-half of the amount you were receiving before your death.
- **Two-Thirds Benefit to Co-Annuitant.** At your death, your co-annuitant will receive annuity payments for his or her lifetime equal to two-thirds of the amount you were receiving before your death.
- **Full Benefit to Co-Annuitant.** At your death, your co-annuitant will receive annuity payments for his or her lifetime equal to the amount you were receiving before your death.

Pre-1994 Participants

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

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

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

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

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

Direct Rollovers

If you elect a benefit payment that is an "eligible rollover distribution," you may roll over all or a portion of it either directly or within 60 days after receipt into:

- An individual retirement account or annuity ("IRA") described in Section 408(a) or 408(b) of the Internal Revenue Code
- A qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code
- A tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, or
- An eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts your eligible rollover distribution and, to the extent required, separately accounts for your eligible rollover distribution.

An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment or a payment that is part of a fixed period payment over ten or more years.

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

Reemployment After Benefit Payments Commence

If you are rehired by the University after commencing benefit payments, you will continue to receive annuity payments in the event you elected to receive your benefit in the form of an annuity instead of a lump sum. If you were rehired into a benefits-eligible position before December 31, 2008, your benefit under ERIP's Defined Benefit portion were recalculated based on your **Final Average Pay** and **Years of Participation** as of the date you again terminate employment (or December 31, 2008 if earlier), and will be reduced for any annuity payments or lump sum distribution you previously received.

Starting Benefit Payments

To commence the payment of your pension benefit upon your retirement or other termination of employment, you must complete the appropriate benefit application. The type of application depends on how you want to receive your benefit (i.e., in the form of an annuity, lump sum or rollover distribution).

To obtain the application, please e-mail the Benefits Office at benefits@uchicago.edu or call 773-702-9634. You should obtain the necessary forms at least three months prior to the date on which you wish to begin receiving benefit payments. If your application is received too late, your payments cannot begin immediately after termination of employment. However, once payments are in place, you will get back payments from your actual retirement date.

Spousal Rights to ERIP Benefits

Your spouse has special rights to your pension benefit. If you are married when your benefit payments begin, those payments must be made in the form of a survivor annuity providing a monthly benefit to your surviving spouse of at least 100% of your monthly benefit (i.e., the Full Benefit to Co-Annuitant Survivor Annuity Option or if you terminated before January 1, 2008, 50% of your monthly benefit; e.g., the **Half Benefit to Co-Annuitant Option**).

- If you want to elect a form of payment that does not provide at least the required percentage of your annuity benefit to your surviving spouse, federal law requires that you waive the survivor annuity in writing and that your spouse consent to your waiver. Your spouse's written consent must be notarized.
- If you want to designate a co-annuitant or beneficiary other than your spouse (as applicable, depending on the form of payment you select), federal law requires that your spouse consent to that designation. Your spouse's written consent must be notarized.

Your waiver of the survivor annuity and/or designation of a co-annuitant or beneficiary other than your spouse must be made during the 180-day period before your benefit payments begin. The waiver, designation and spousal consent forms are included with the benefit application that must be completed when you request a payment.

Things You Need to Know Before Choosing a Payment Option

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

- If you cash out the entire value of your vested benefits, no future benefits will be payable to you, your spouse or beneficiaries upon your death.
- If you elect a lump sum distribution, the amount of your lump sum will be the actuarial equivalent of your normal retirement benefit. If you elect a lump sum after your Early Retirement Date but prior to your Normal Retirement Date, your payment will be the greater of :
    - The actuarial equivalent of your Normal Retirement Benefit determined using a deferred-to-Normal-Retirement-Date lump sum factor, or
    - The actuarial equivalent of the Early Retirement Benefit determined using an immediate lump factor and taking into account the early retirement reduction factor.
- If you elect an annuity option, your annuity payment will be determined under the Defined Benefit portion's benefit formula. Federal tax laws may limit the length of a guaranteed period or the amount of a survivor annuity if you name a co-annuitant who is not your spouse.
- A single life annuity pays a benefit for your lifetime with no benefits continuing after your death. In contrast, a survivor annuity pays a reduced benefit for your lifetime with benefits continuing to your co-annuitant upon your death. Payments are reduced during your lifetime because benefits are expected to be paid for a longer period of time (i.e., your lifetime plus your co-annuitant's lifetime). Note, however, that all survivor annuities are calculated in a way that makes them equal in value to the single life annuity.
- If you participated in ERIP's Defined Benefit portion prior to 1994, the total payments made to you, your co-annuitant or beneficiary, and your co-annuitant's beneficiary will be at least equal to the value of your contributions plus interest under the Defined Benefit portion at the time you elect an annuity option (see **Types of Benefit Payments** for more information).
    - Different payment options have different tax consequences. Be sure to read **Paying Taxes** and consult your professional financial advisor before deciding when and how to take a payment from ERIP.

Deferring Payment of Your Pension Benefit

Once you terminate employment, you may leave your benefit in ERIP's Defined Benefit portion until you reach age 65. Once you reach age 65, benefit payments must commence on the first day of the month coincident with or next following your 65th birthday.

If you terminate employment after age 65, you may elect to have your benefit paid on the first day of the month coincident with or next following the date you terminate employment. If for any reason you do not elect to commence benefits upon termination, payments will be deferred, but not beyond April 1 of the calendar year following the year in which you attain age 70 ½, your Required Beginning Date as described under **Required Minimum Distributions**.

Qualified Domestic Relations Orders

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

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

An Alternate Payee may request a distribution (to the extent permitted under the qualified domestic relations order as soon as administratively practicable following the date the domestic relations order is determined to be a qualified domestic relations order and prior to the Participant's termination date.

Qualified domestic relations order review will be administered by the Willis Towers Watson QDRO Service Center, which can be contacted using the information below:

Willis Towers Watson QDRO Service Center
P.O. Box 712728
Los Angeles, CA 90071

Phone: 855-481-2661

Fax: 213-337-6017

E-mail: WTWQDRO@willistowerswatson.com

Paying Taxes

The taxable portion of your benefit is subject to federal income taxation when you receive it. This section describes some of the rules that affect the taxation of your benefit.

This section is not intended to give specific tax advice to you or your beneficiaries. A more detailed summary, "*Special IRS Tax Notice Regarding Plan Payments*" is available on the Benefits Website.

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

Lump Sum Distributions

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

Annuity Payments

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

Early Distribution Penalty

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

- You retire or leave the University at age 55 or older
- You die or become disabled
- The distribution is received pursuant to a **Qualified Domestic Relations Order**

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

Death Benefits

If You Die *After* ERIP Benefits Begin

If you die after benefit payments have begun, the benefit payable to your beneficiary will depend on the form of payment you elected when payments first began.

For example, if you elected a lump sum distribution, no benefit will be paid following your death. If you elected a survivor annuity, the amount payable to your co-annuitant will depend on the kind of annuity you elected (for example, if you elected the Half Benefit to Co-Annuitant Option, your co-annuitant will receive half of your monthly benefit amount for the remainder of his or her life).

If You Die *Before* ERIP Benefits Begin

If you die before benefit payments have begun, the death benefit payable depends on your age and **Vesting** status at your date of death, and whether or not you have a surviving spouse. If you are a:

- **Non-Vested Participant.** No death benefit is payable from ERIP's Defined Benefit portion. However, if you contributed to ERIP's Defined Benefit portion before January 1, 1994, your contributions plus interest will be paid in the form of a lump sum distribution or, if your beneficiary is your surviving spouse, in the form of a lifetime survivor annuity unless you and your spouse elected to waive the survivor annuity or your surviving spouse waives the survivor annuity and elects a lump sum distribution instead.
- **Vested Participant – Beneficiary is Surviving Spouse.** A death benefit in the form of a lifetime survivor annuity commencing as soon as administratively feasible following your death will be paid to your surviving spouse unless you and your spouse elected to waive the survivor annuity or your surviving spouse waives the survivor annuity and elects a lump sum distribution instead.

  The survivor annuity is the actuarial equivalent of the lump sum value of the benefit that would have been paid to you from the Defined Benefit portion (taking into account any contributions you made to ERIP's Defined Benefit portion before January 1, 1994) had you terminated employment on the date of your death, survived to age 65 (if death occurs prior to age 65) and then commenced benefit payments in the form of a single life annuity. The amount of the monthly annuity payment will depend on your surviving spouse's age at the time annuity payments commence. Your surviving spouse may elect that the death benefit be paid or commence as soon as administratively feasible following your death or he or she may defer payment, but in no event may payment be deferred beyond your Normal Retirement Date. If the death benefit is paid in a single lump sum, your surviving spouse may elect a direct rollover as described in **Direct Rollovers**.
- **Vested Participant Hired Prior to January 1, 2005 – Beneficiary is Surviving Spouse.** If you were hired prior to January 1, 2005 and you die after attaining age 55 but prior to attaining age 65 while you are employed by the University, instead of the survivor annuity described above, your surviving spouse may elect that the annuity payment for the first five years following your death be equal to the benefit that would have been paid to you from the Defined Benefit portion (taking into account any contributions you made to ERIP's Defined Benefit portion before January 1, 1994) had you terminated employment on the date of your death, survived to age 65, and commenced benefit payments in the form of a single life annuity. After five years, the annuity payments to your spouse will be reduced to the monthly amount that would have been payable to your surviving spouse had you terminated employment on the date of your death, commenced benefit payments in the form of a Half Benefit to Co-Annuitant and then died on the following day.

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

  A non-spouse beneficiary may elect that the death benefit be paid as soon as administratively feasible following your death or he or she may defer payment, but in no event may payment be deferred beyond December 31st of the calendar year immediately following the calendar year in which you died. A non-spouse beneficiary may elect a direct rollover as described in **Direct Rollovers** but only to an Individual Retirement Account or an Individual Retirement Annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code, respectively, that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) of the Internal Revenue Code.

Designating Your Beneficiary

Spousal Rights to ERIP Death Benefits

Your spouse has special rights under ERIP. Your spouse automatically is your sole beneficiary unless you complete a valid beneficiary designation naming another or other beneficiaries. If you want to designate a beneficiary other than your spouse, your spouse must consent to that designation in writing. Your spouse's written consent must be notarized. You generally must be at least 35 years old or have terminated employment before you can waive spousal death benefits under ERIP.

Beneficiary Designation Form

You must name a beneficiary who will receive death benefits, if any, from ERIP by completing a Beneficiary Designation Form. Your beneficiary is the person who will receive your death benefit, if any. Keep in mind:

- If you are not married, you can name anyone as your beneficiary.
- If you are married at the time of your death, your spouse automatically is your beneficiary unless your spouse gives his or her written and notarized consent for you to name someone else. Also, you may not name multiple beneficiaries unless your spouse gives his or her written and notarized consent for you to waive any spousal death benefits. For additional information regarding the designation of a non-spouse beneficiary, see Designation of Non-spouse Beneficiary below.
- If you do not name a beneficiary, your beneficiary will be your spouse if you are married. If you are not married, your beneficiary will be your estate unless you named a beneficiary for the Defined Contribution portion of ERIP, in which case your Defined Contribution beneficiary automatically will be your Defined Benefit beneficiary.

You may request a Beneficiary Designation Form from the Benefits Office at benefits@uchicago.edu or 773-702-9634.

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

Designation of Non-Spouse Beneficiary

If you are married and you wish to designate a beneficiary other than your spouse for any death benefit, the following rules apply:

- **Designation Prior to Age 35.** You may designate a non-spouse Beneficiary with spousal consent at any time, but if you designate a non-spouse Beneficiary prior to the calendar year in which you attain age 35, such designation will not be treated as effective designation beginning on the first day of the calendar year in which you attain age 35. If you want a non-spouse Beneficiary to continue to receive your death benefits, you must again designate a non-spouse Beneficiary on or after the first day of the calendar year in which you attain age 35. Otherwise, the designation shall only be effective with respect to amounts that are not required to be paid to your spouse. If you terminate employment with the University prior to the first day of the calendar year in which you will attain age 35, a designation of non-spouse Beneficiary with spousal consent on or after your termination date will remain effective unless you change your Beneficiary. Also, consent by a former spouse is not effective with respect to a subsequent spouse.

- **Spousal Consent.** Your spouse must waive the lifetime survivor annuity described above and consent to your beneficiary or beneficiaries. Your spouse's waiver and consent must be in writing and witnessed by a notary public and must contain your spouse's acknowledgment as to the effect of the waiver and consent and that it is irrevocable. Your spouse may provide a general consent that expressly permits you to designate a beneficiary without any further consent by your spouse. If a designated beneficiary dies, a new consent is necessary unless your spouse gave his or her express consent of your right to designate a new one without further spousal consent. Unless a **Qualified Domestic Relations Order** requires otherwise, your spouse's consent is not required if you are legally separated 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 Benefits Office's satisfaction that you have no spouse or that he or she cannot be located.

Administrative Information

Your ERISA Rights

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

Receive Information About ERIP and Benefits

- Examine, without charge, at the Benefits Office, all documents governing ERIP, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by ERIP with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Benefits Office, copies of documents governing the operation of ERIP, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Benefits Office may make a reasonable charge for the copies.
- Receive a summary of ERIP's annual financial report. The Benefits Office is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under ERIP now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Benefits Office must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

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

If Your Benefit Application is Denied

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

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

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

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

- You may submit appropriate issues, comments and reasons why you think your application should not have been denied.
- You may review all pertinent documents and submit issues and comments in writing in connection with the review and request reasonable access to, and copies of, all documents, records and other information relating to your application free of charge.
- Your request for review will be given full and fair review taking into account all claim-related comments, documents, records and other information you have submitted without regard to whether such information was submitted or considered under the initial decision.

Normally, you will receive a written or electronic explanation of the University's final decision within 60 days. If more time is needed (up to another 60 days), you will be notified, in writing or electronically, of the reasons for the delay and the date you can expect to receive a final decision about your application. If upon final review your application is denied, a written or electronic explanation of the denial will be provided by the University and will state:

- The specific reasons for the denial.
- The specific references to ERIP's provisions on which the denial is based.
- A statement that you are entitled to receive (upon request and free of charge) reasonable access to, and copies of, all documents, records and other information relating to your application.
- A statement of your right to bring a civil action under Section 502(a) of ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time limits.

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

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the University's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court.

If it should happen that plan fiduciaries misuse ERIP's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about ERIP, you should contact the Benefits Office at 773-702-9634 or benefits@uchicago.edu. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the University, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

You also can obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Plan Administrator

The University has all discretionary power and authority necessary to administer ERIP including, but not limited to, the power and authority to:

- Interpret the provisions of ERIP.
- Compute the amount and kind of benefits payable to participants and beneficiaries.
- Direct the payment of plan expenses from ERIP.
- Resolve any questions relating to eligibility to participate in ERIP.

Any action taken in good faith by the University in the exercise of the discretionary power and authority conferred upon it, including a final decision made under the review and appeal process described herein, shall be conclusive and binding upon participants and their beneficiaries.

Plan Amendment and Termination

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

Creditor Claims

As a general rule, your interest in your ERIP pension benefit may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away, or otherwise transferred. In addition, your creditors may not attach, garnish, or otherwise interfere with your ERIP benefit. ERIP will comply with a Qualified Domestic Relations Order ("QDRO") that directs the Plan to pay a specified portion of your ERIP pension benefit to a spouse, former spouse, and/or for child support. See **Qualified Domestic Relations Order** for further information.

Glossary

Term	Definition
Compensation	Compensation means your total gross wages paid by the University of Chicago ***excluding*** amounts paid on account of severance such as final accrued vacation and sick pay but ***including*** salary reduction contributions to the University's Supplemental Retirement Program ("SRP"), Flexible Spending Plan and Qualified Transportation Program. Compensation is limited to the IRS Qualified Plan Limit.
Defined Benefit Plan	The plan that is funded by the University of Chicago. Benefits payable are based on a formula that takes into consideration your Final Average Pay, Social Security Covered Compensation and Years of Participation.
Eligibility Computation Period	The 12-consecutive month period that begins on your hire date and each anniversary of that date.
Final Average Pay	The average of your five highest consecutive years of pay during your final 10 years of participation ending on December 31, 2008.
Hours of Service	Generally, you will be credited with an "Hour of Service" for each hour that you are directly or indirectly paid or entitled to pay or granted back pay for the performance of services for the University, the Medical Center or any affiliate of both.
Plan Freeze	Effective January 1, 2009, the Defined Benefit portion of ERIP was frozen and benefits were no longer earned under the Plan after December 31, 2008. Vested benefits remain in the Plan and are yours until you retire from or leave the University. Service with the University after this date counted for vesting purposes.
Social Security Covered Compensation	An average of the Social Security taxable wage bases, changing annually. The plans provide an additional benefit if your final average pay exceeds your Social Security Covered Compensation to ensure that your total retirement income (including Social Security) is comparable at all pay levels.
Vesting	An ownership right to your benefit that cannot be forfeited. You are always 100% vested in your ERIP Defined Benefit when you complete three vesting years, reach age 65, or die while employed by the University of Chicago (whichever occurs first).
Vesting Years	A 365-day period that generally begins on your hire date. Vesting years include all employment with the University of Chicago, including time worked in a position that is not ERIP-eligible.
Years of Participation	Your Years of Participation is the number of years and fractions of years (measured in months) during which you actively participate in ERIP before December 31, 2008.

Plan References

Please keep this information for future reference:

Plan Name	The University of Chicago Retirement Income Plan for Employees
Plan Number	002 When requesting additional information about ERIP from the U.S. Department of Labor, refer to the above Plan number.
Plan Effective Date	January 1, 1953
Plan Sponsor & Administrator	The University of Chicago c/o Benefits Office 6054 S. Drexel Avenue Chicago, IL 60637 Phone: 773-702-9634 Fax: 773-834-0996 E-mail: benefits@uchicago.edu A complete list of the employers participating in ERIP is available upon written request to the Plan Administrator.
Employer Identification Number	36-2177139
Agent for Service of Legal Process	The University of Chicago Benefits Office 6054 S. Drexel Avenue Chicago, IL 60637 Phone: 773-702-9634 Fax: 773-834-0996 E-mail: benefits@uchicago.edu Legal process also may be served on the Plan trustee if applicable.
Plan Trustee	Northern Trust Company Corporate & Institutional Services 50 S. La Salle Street Chicago, IL 60603
Plan Year	January 1 to December 31
Type of Plan	Internal Revenue Code Section 403(b) plan with defined benefit and defined contribution components.

A Final Note

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