

# **Kettering University Retirement Plan**

## **Summary Plan Description**

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
ELIGIBILITY .....	2
Am I eligible to participate in the Plan? .....	2
What requirements do I have to meet before I am eligible to participate in the Plan? .....	2
When can I enter the Plan? .....	2
What happens to my Plan eligibility if I terminate my employment and am later rehired? .....	2
CONTRIBUTIONS & VESTING .....	3
What amount can I contribute to the Plan? .....	3
How do I start making contributions? .....	4
What if I don't make a specific election to contribute some of my Compensation into the Plan? .....	4
Can I change my contribution rate or stop making Deferrals after I start participating in the Plan? .....	4
What if I contribute too much to the Plan? .....	4
If I make Deferrals to the Plan, will the University match any of those contributions? .....	5
If I have money in other retirement plans, can I combine them with my accumulation under this Plan? .....	5
Are there any limits on how much can be contributed for me? .....	6
Will contributions be made for me if I am called to military service? .....	6
Will I be able to keep my Employer contributions if I terminate employment or am no longer eligible to participate in the Plan? .....	6
WITHDRAWING MONEY FROM THE PLAN.....	7
When can I take a distribution from the Plan? .....	7
How do I request a payout? .....	7
If I am married, does my spouse have to approve my distributions from the Plan? .....	8
How will my money be distributed to me if I request a payout from the Plan? .....	8
Do any penalties or restrictions apply to my payouts? .....	8
Can I take a loan from the Plan?.....	9
What if I die before receiving all of my money from the Plan? .....	9
How long can I leave the money in my Plan? .....	10
What if the Plan is terminated? .....	10
INVESTING YOUR PLAN ACCOUNT.....	10
What investments are permitted? .....	10
Who is responsible for selecting the investments for my contributions under the Plan? .....	10

Can I Obtain Other Information About the Investment Funds? .....	11
How frequently can I change my investment elections? .....	11
<b>ADMINISTRATION INFORMATION.....</b>	<b>12</b>
Who established the Plan? .....	12
When did the Plan become effective?.....	12
Who is the Plan Administrator and what responsibilities does it have?.....	12
Who pays the expenses associated with operating the Plan? .....	12
Does the University have the right to change the Plan? .....	13
Does participation in the Plan provide any legal rights regarding my employment? .....	13
Does the Plan provide benefits to employees who are covered by a collective bargaining agreement?.....	13
Can creditors or other individuals request a payout from my Plan balance? .....	13
How do I file a claim?.....	14
What if my claim is denied? .....	14
May I appeal the decision of the Plan Administrator? .....	15
If I need to take legal action with respect to the Plan, who is the agent for service of legal process? .....	15
If the Plan terminates, does the federal government insure my benefits under the plan?.....	16
<b>YOUR RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA).....</b>	<b>16</b>
What are my legal rights and protections with respect to the Plan?.....	16
<b>DEFINITIONS .....</b>	<b>17</b>

# INTRODUCTION

Kettering University adopted the Kettering University Retirement Plan (the "Plan") to help you and other Employees save for retirement. To become a Participant in the Plan, you must meet the Plan's eligibility requirements. Once you become a Participant, your Deferrals and the University's Matching Contribution will be credited to an individual account for you. Each Plan Year, your account will be adjusted to reflect contributions, gains, losses, etc. You direct how your account will be invested. These features are explained further in the following pages.

The Plan is a complex legal agreement which contains all of the provisions that the Internal Revenue Service ("IRS") requires. The Plan document must follow certain federal laws and regulations that apply to retirement plans. The Plan document may change as new or revised laws or regulations take effect. The University also has the right to modify certain features of the Plan from time to time. You will be notified about changes affecting your rights under the Plan.

This Summary Plan Description ("SPD") summarizes the important features of the Plan document, including your benefits and obligations under the Plan. If you want more detailed information regarding certain plan features or have questions about the information contained in this SPD, you may contact the Plan Administrator, or the Plan's recordkeeper, TIAA-CREF. You may also examine a copy of the plan document by making arrangements with the Plan Administrator.

Certain terms in the SPD have a special meaning when used in the Plan. These terms are capitalized throughout the SPD and are defined in more detail in the DEFINITIONS section of the SPD. If any information in this SPD conflicts with the terms of the Plan document adopted by the University, the terms of the Plan document – not this SPD - will govern.

All dollars contributed to the Plan will be invested at your direction either in annuity contracts or in mutual funds held in custodial accounts. The agreements constituting or governing the annuity contracts and custodial accounts (the "Individual Agreements") explain your rights under the contracts and accounts and the unique rules that apply to each Plan investment which may, in some cases, limit your options under the Plan. You should review the Individual Agreements along with this SPD to gain a full understanding of your rights and obligations under the Plan. Contact TIAA-CREF to obtain copies of the Individual Agreements or to receive more information regarding the investment options available under the Plan. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org).

# **ELIGIBILITY**

## **Am I eligible to participate in the Plan?**

You will be eligible to participate in the Plan and receive contributions made by the University after meeting the age and service requirements described below, unless you fall into one of the following categories of excluded employees.

- You are a nonresident alien and you received no earned income from within the U.S.
- You are primarily a student enrolled in and attending classes offered by the University.

## **What requirements do I have to meet before I am eligible to participate in the Plan?**

Unless you fall into one of the categories of excluded employees, you will be eligible to defer a portion of your pay as a pre-tax Deferral into the Plan, and receive Matching Contributions made by the University once you reach age 26 and have completed one year of eligibility service or have participated in a vested retirement program with your most recent employer. You earn a year of eligibility service by completing 1,000 hours of service in the 12-consecutive month period commencing on your date of hire. If you do not complete 1,000 hours during that period then the measuring period will be each successive 12-consecutive month period commencing with the anniversary of your date of hire.

## **When can I enter the Plan?**

Once you have met the age and service requirements listed above, you may enter the Plan on the first day of the next month. You are then eligible to receive Matching Contributions from the University based on the portion of your pay that you elect to contribute into the Plan as a pre-tax Deferral.

## **What happens to my Plan eligibility if I terminate my employment and am later rehired?**

Once you satisfy the eligibility requirements and enter the Plan, you will continue to participate while you are still employed by the University, even if you have a break in service. A break in service occurs when you do not work more than 500 hours. If you had not yet satisfied the eligibility requirements and had a break in eligibility service, periods before your break in service will not be taken into account in determining your eligibility for the Plan and you will have to satisfy the eligibility requirements following your break in service. Periods during which you have a break in eligibility service will not count against you if you were absent because you were pregnant, had a child or adopted a child, were serving in the military, or provided service during a national

emergency and re-employment is protected under federal or state law, and you return to employment within the time required by law.

If you terminate employment and are later rehired, and you had met the Plan's eligibility requirements and were a Participant in the Plan before terminating employment or having a break in eligibility service, you may again enter the Plan on the first day of the month following your date of rehire. If you were not a Participant before the break in eligibility service, and are rehired, you will need to again satisfy the Plan's eligibility requirements.

## **CONTRIBUTIONS & VESTING**

### **What amount can I contribute to the Plan?**

#### Deferrals

Once you are a Participant, you will be able to contribute a portion of your Compensation as a pre-tax Deferral. The maximum dollar amount that you can contribute to the Plan in 2009 is \$16,500 and includes contributions you make to certain other deferral plans (e.g., other 401(k) plans, salary deferral SEP plans, and 403(b) tax-sheltered annuity plans, including the Kettering University Supplemental Tax Deferred Annuity Plan). This annual limit may increase based on IRS guidance. Deferrals (and the related earnings) are always fully vested and cannot be forfeited. So if you were to leave the University, you would be entitled to the full Deferral balance (plus earnings).

The amount of your Compensation that you decide to defer into the Plan will be contributed on a pre-tax basis. That means that, unlike the compensation that you actually receive, the pre-tax contribution (and all of the earnings accumulated while it is invested in the Plan) will not be taxed at the time it is paid by the University. Instead, it will be taxable to you when you take a payout from the Plan. These contributions will reduce your taxable income each year that you make a contribution but must be treated as compensation for Social Security taxes.

**EXAMPLE:** Assume your Compensation is \$25,000 per year. You decide to contribute five percent of your Compensation into the Plan. The University will pay you \$23,750 as gross taxable income and will deposit \$1,250 (five percent) into the Plan. You will not pay federal or state income taxes on the \$1,250 (plus earnings on the \$1,250) until you withdraw it from the Plan.

#### Catch-up Contributions

**Age 50 Catch-up Contributions** - If you are eligible to make Deferrals and you turn age 50 before the end of any calendar year, you may defer up to an extra \$5,500 each year (for 2009) into the Plan as a pre-tax contribution once you meet certain Plan limits. The maximum annual catch-up amount may increase as the cost of living increases.

Special 403(b) Catch-up Contributions – If you have worked at least 15 years for the University, and the University is a qualified organization, you may make a special catch-up contribution equal to the smallest of the three amounts listed below:

1. \$3,000
2. \$15,000 minus the amount of Special 403(b) Catch-Up Contributions made in prior years
3. (\$5,000 times the number of years you have worked for the University) minus (the total amount of Deferrals made while you worked for the University)

If you qualify for both the age 50 catch-up contributions and the special 403(b) catch-up contributions, your catch-up contributions will be allocated first as special 403(b) catch-up contributions. Catch-up contributions (and the related earnings) are considered Deferrals and are always fully vested. So if you were to leave the University, you would be entitled to the full catch-up balance (plus earnings).

### **How do I start making contributions?**

To begin deferring a portion of your Compensation into the Plan, you must complete an enrollment form and a salary reduction agreement which are available from the Plan Administrator.

### **What if I don't make a specific election to contribute some of my Compensation into the Plan?**

You are not required to defer a portion of your Compensation into the Plan. If you elect 0% or you simply fail to follow the procedures established by the Plan Administrator for making a Deferral election, you will not be enrolled in the Plan as a deferring Participant (i.e., 0% of your Compensation will be deferred into the Plan).

### **Can I change my contribution rate or stop making Deferrals after I start participating in the Plan?**

You may change the amount you are deferring into the Plan or stop making Deferrals altogether at any time by completing a new salary reduction agreement which is available from the Plan Administrator.

### **What if I contribute too much to the Plan?**

If you contribute too much to the Plan as a Deferral, you must take the excess amount (plus any earnings on the excess) out of the Plan by April 15 of the year following the year the money was contributed to the Plan. You must notify the Plan Administrator, in writing, of the excess amount by March 1 and request that it be removed. The excess amount is taxable to you in the year you contributed it to the Plan. If you do not remove it by the deadline, additional taxes will apply.

**If I make Deferrals to the Plan, will the University match any of those contributions?**

Each year that you contribute a portion of your Compensation into the Plan as a pre-tax Deferral, the University will make a contribution to the Plan as a Matching Contribution on your behalf based on the following formula.

For Employees hired or rehired on or after January 1, 2006, the University will make the following matching contribution:

Participant Deferral as a percentage of Compensation	University Contribution as a percentage of Compensation
1%	1%
2%	2%
3%	9%

For Employees hired prior to January 1, 2006, the University will make the following contribution:

Participant Deferral as a percentage of Compensation	University Contribution as a percentage of Compensation
0%	9%
1%	10%
2%	11%
3%	12%

For an Employee who became totally disabled before January 1, 2002, and is covered by long-term disability policy purchased by the University which obligated the carrier to provide contributions to the Plan for such disabled employee, the disabled employee shall be entitled to such contribution as may be provided for by the carrier under the policy. The University has no obligation to make any contributions for any disabled employee.

**If I have money in other retirement plans, can I combine them with my accumulation under this Plan?**

The Plan Administrator may allow you to roll over dollars you have saved in other retirement arrangements into this Plan after you become eligible to participate in the Plan. Contact the Plan's recordkeeper, TIAA-CREF, to determine whether your prior plan balance is qualified to be rolled into this Plan. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org).

The Plan will accept amounts rolled over from the prior plan to this Plan if the prior plan was a:

- qualified retirement plan (e.g., 401(k) plan, profit sharing plan, money purchase pension plan, target benefit plan)
- 403(b) tax-sheltered annuity plan
- government 457(b) plan
- Traditional IRA

### Plan to Plan Transfers

The Plan Administrator may allow you to transfer dollars you have saved in other 403(b) retirement arrangements into this Plan if you are currently working for the University. The Plan Administrator will establish certain procedures that you must follow if you are making a plan to plan transfer. Limits on the timing of distribution that existed in the prior plan will continue to apply to the assets that you transfer to this Plan.

Rollover and Transfer contributions are always 100 percent vested and nonforfeitable.

### **Are there any limits on how much can be contributed for me?**

In addition to the Deferral limit described previously, you may not have total contributions (including Deferrals) of more than \$49,000, plus any age 50 catch-up contributions, in 2009 or an amount equal to 100% of your Compensation, whichever is less, allocated to the Plan for your benefit each year. The \$49,000 limit will be increased as the cost of living increases, and is the total amount that can be contributed across all retirement plans sponsored by the University.

### **Will contributions be made for me if I am called to military service?**

If you are reemployed by the University after completing military service, you may have the option of making up missed employee Deferral contributions and receiving a Matching Contribution on these contributions.

If you are reemployed after military service, contact your Plan Administrator for more information about your options under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

### **Will I be able to keep my Employer contributions if I terminate employment or am no longer eligible to participate in the Plan?**

Contributions that you receive from the University will always be fully vested and cannot be forfeited, even if you terminate employment or become ineligible to participate in the Plan.

# **WITHDRAWING MONEY FROM THE PLAN**

## **When can I take a distribution from the Plan?**

You may always request a distribution of Deferrals and contributions you have received from the University after reaching age 65, even if you have not terminated employment.

In addition, you may request a distribution of Deferrals and contributions you received from the University when you terminate employment.

In spite of the distribution events listed above, contributions that you receive from the University that are held in annuity contracts issued after 2008 will generally not be available to you while you are still employed unless you have participated in the Plan for at least five years.

You may elect a distribution of your transfer contributions and/or rollover contributions at any time subject to the restrictions in the Individual Agreements.

With regard to transfer contributions, distribution restrictions that applied in the plan that held the transferred amount before you moved it to this Plan may limit your payout options. If the distribution options were more limited under the prior plan, the transferred amount will remain subject to those more restrictive distribution rules.

You may be able to take a penalty-free distribution from your Deferrals if you were called to active military duty after September 11, 2001. In order to qualify for these penalty-free distributions, you must have been ordered or called to active duty for a period of at least 180 days or an indefinite period and your distribution must have been taken after you were called to duty and before your active duty ended.

The Individual Agreements governing the investment options that you selected for your Plan contributions may contain additional limits on when you can take a distribution, the form of distribution that may be available as well as your right to transfer among approved investment options. Please review both the following information in this Summary Plan Description and the terms of your annuity contracts or custodial agreements before requesting a distribution. Contact the Plan's recordkeeper, TIAA-CREF, if you have questions regarding your distribution options. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org).

## **How do I request a payout?**

You must complete a payout request form provided by the Plan's recordkeeper, TIAA-CREF. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org).

### **If I am married, does my spouse have to approve my distributions from the Plan?**

If you are married, you must get written consent from your spouse to take a distribution from the Plan in any form other than a qualified joint and survivor annuity. Your spouse's written consent is also needed if you want to name someone other than your spouse as your beneficiary. The annuity would need to be structured to provide a benefit while you are both alive and then to provide a survivor benefit that is equal to 50 percent of the amount you received while you were both living. You can designate a different survivor percentage subject to certain limits under the qualified optional survivor annuity regulations. The Plan's recordkeeper, TIAA-CREF, will provide you with more information regarding your annuity options when it comes time for you to make a decision. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org). The law requires that your spouse's written consent be witnessed by a notary or the Plan Administrator.

### **How will my money be distributed to me if I request a payout from the Plan?**

If you obtain the proper consents, you may choose from the following options for your payout.

- Lump sum
- Partial payments
- Installment payments
- Annuity contract (if assets are held in a custodial account) or converted to an income option (if your assets are invested in an annuity contract)

The Individual Agreements governing the investment options that you selected for your contributions may further restrict your payout options. Please review the annuity contracts or custodial agreements before requesting a distribution and contact TIAA-CREF if you have questions regarding your distribution options. TIAA-CREF can be reached at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org).

If your distribution is eligible to be rolled over, you may choose to have your distribution paid to another eligible retirement arrangement. Contact TIAA-CREF for information regarding rollover procedures.

### **Do any penalties or restrictions apply to my payouts?**

Generally, if you take a payout from the Plan before you are age 59½, a 10 percent early distribution penalty will apply to the taxable portion of your payout. There are some exceptions to the 10 percent penalty. Your tax adviser can assist you in determining whether you qualify for a penalty exception.

If your payout is eligible to be rolled over, 20 percent of the taxable portion of your payout will be withheld and remitted to the IRS as a credit toward the taxes you will owe on the payout amount unless you do a direct rollover.

EXAMPLE: You request a \$10,000 payout from the pre-tax portion of your Plan balance. If the amount is eligible to be rolled over to another plan, but you choose not to roll it over directly, you will receive \$8,000 and \$2,000 will be remitted to the IRS.

### **Can I take a loan from the Plan?**

Your Plan is designed to help you save for retirement and does not allow you to take a loan from the Plan.

### **What if I die before receiving all of my money from the Plan?**

If you die before taking all of your assets from the Plan, the remaining balance will be paid to your designated beneficiary. When you initially enroll in the Plan, you must designate your beneficiary on the enrollment form. If you are married and decide to name someone other than your spouse as your beneficiary, your spouse must consent in writing to your designation. It is important to review your designation from time to time and update it if your circumstances change (e.g., a divorce, death of a named beneficiary). If you want to change your beneficiary, contact TIAA-CREF at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org).

If your named beneficiary does not survive you, 50% of your balance will be paid to your spouse and 50% will be paid to your estate. If your named beneficiary does not survive you, and you have no surviving spouse, your remaining balance in the Plan will be paid to your estate, unless a different alternative is provided in the Individual Agreement.

If your Plan balance is \$5,000 or less at the time of your death, your beneficiary will generally have the same options regarding the form of the distribution that are available to you as a Participant. If the balance is greater than \$5,000, your beneficiary may be required to take the payouts in the form of a life annuity, unless the annuity has been properly waived by you and your spouse during your lifetime. Your beneficiary may also have the option of rolling their distribution into an IRA. The Individual Agreements governing the investment options that you selected for your contributions may further restrict your beneficiary's options regarding the manner in which the accumulation will be distributed.

If you die after beginning age 70½ distributions, as described in the answer to the following question, your beneficiary must continue taking distributions from the Plan at least annually. If you die before beginning age 70½ payments, your beneficiary may have the option of (1) taking annual payments beginning the year following your death (or the year you would have reached age 70½, if your spouse is your beneficiary), or (2) delaying their distribution until the year containing the fifth anniversary of your death, provided they take the entire amount remaining during that fifth year.

## **How long can I leave the money in my Plan?**

When you terminate from employment, your balance will generally not be paid out of the Plan until you request a payout.

### Age 70½ Required Distributions

When you reach age 70½ you will generally need to begin taking a distribution each year based on your balance in the Plan. However, you can delay required distributions until you actually separate from service. Contributions for periods before 1987 (excluding earnings on those contributions) will generally not be subject to the required distribution rules until you reach age 75. You may also have the option to satisfy your required minimum distribution from the Plan by aggregating all your 403(b) plans and taking the required minimum distribution from any one or more the individual 403(b) plans.

## **What if the Plan is terminated?**

If the Plan is terminated, your entire account balance will be distributed from the Plan. To the extent you are invested in an annuity contract, you will receive a distribution of the contract. If your distribution is eligible to be rolled over, you may choose to have your distribution paid to another eligible retirement arrangement.

# **INVESTING YOUR PLAN ACCOUNT**

## **What investments are permitted?**

The Plan Administrator will select the investment vendors and investment options that will be available under the Plan. The investment options will be limited to annuity contracts and mutual funds purchased through a custodial account. The list of approved investment options and vendors may change from time to time as the Plan Administrator considers appropriate. To obtain a current list of the approved investment options, contact TIAA-CREF at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org). The Plan Administrator may restrict the list of vendors who may accept new contributions to the Plan and it may be different from the list of vendors and investment options available once the contributions have been made to the Plan through a contract exchange. You should carefully review the Individual Agreements governing the annuity contracts and custodial accounts, the prospectus, or other available information before making investment decisions.

## **Who is responsible for selecting the investments for my contributions under the Plan?**

You decide how your Plan balance will be invested among the vendors and investment options approved by the Plan Administrator. To select your investments, contact TIAA-CREF at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9

a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org). You may transfer your Plan balance among the approved vendors and investment options, to the extent permitted by the Individual Agreements. Contact TIAA-CREF at 1-800-842-2776 (Monday - Friday 8 a.m. - 11 p.m., Saturday and Sunday 9 a.m. - 6 p.m.) or via the internet at [www.tiaa-cref.org](http://www.tiaa-cref.org) to ascertain if a particular vendor or investment option is permitted under the Plan.

The University intends to operate this Plan in compliance with Section 404(c) of the Employee Retirement Income Security Act ("ERISA"), and Title 29 of the Code of Federal Regulations Section 2550.404c-1. This means that the University, the Plan Administrator and others in charge of the Plan will not be responsible for any losses that result from investment instructions given by you or your beneficiary.

### **Can I Obtain Other Information About the Investment Funds?**

Yes, upon your request, the Plan's recordkeeper, TIAA-CREF, will provide to you any of the following:

- A description of the annual operating expense of each investment fund if these expenses will reduce your rate of return, and the aggregate amount of such expenses expressed as a percentage of average net investments of the investment fund.
- Copies of any mutual fund profiles, prospectuses, financial statements and reports, and any other materials relating to the investment funds available under the Plans.
- A list of the assets comprising the portfolio of each investment fund, the value of each such asset (or the portion of the investment fund which it comprises), and, with respect to each asset which is a fixed rate investment contract issued by a bank, savings and loan association, or insurance company, the name of the issuer of the contract, the term of the contract, and the rate of return of the contract.
- Information concerning the value and current investment performance of shares or units in the available investment funds (or those funds in which you have invested) as well as the past and current investment performance of the available alternatives, net of expenses.

### **How frequently can I change my investment elections?**

You may change your initial investment selections as frequently as permitted under the Individual Agreements.

# **ADMINISTRATION INFORMATION**

## **Who established the Plan?**

The entity which adopted the Plan is:

Kettering University  
1700 West University Ave., Attn: Human Resources  
Flint, MI 48504  
810-762-9891  
Federal Tax Identification Number: 38-2410852  
Fiscal Year End: 06/30

The official name of the Plan is Kettering University Retirement Plan.

The University has assigned number 001 to the Plan.

The Plan is a 403(b) defined contribution plan, which means that contributions to the Plan made on your behalf (and earnings) will be separately accounted for within the Plan.

## **When did the Plan become effective?**

The Plan was originally adopted as of January 1, 1982. The University has amended and restated the Kettering University Retirement Plan, effective as of January 1, 2009.

## **Who is the Plan Administrator and what responsibilities does it have?**

The Board of Trustees of the University has appointed as Plan Administrator an Employee Benefits Committee which consists of the three individuals who from time to time hold the positions of President, Vice President for Administration and Finance, and Vice President for Human Resources. The Plan Administrator has discretionary authority to determine eligibility for benefits and to interpret the terms of the Plan.

The Plan Administrator has delegated responsible for the day-to-day administration of the Plan to the University's Human Resources Department, which can be reached at the following address: 1700 West University Avenue, Flint, MI 48504. To assist in operating the Plan efficiently and accurately, the Plan Administrator may appoint others to act on its behalf or to perform certain functions.

## **Who pays the expenses associated with operating the Plan?**

All reasonable Plan administration expenses including those involved in retaining necessary professional assistance, may be paid from the assets of the Plan, to the extent permitted by the Individual Agreements. These expenses may be allocated among you and all other Plan participants or, for expenses directly related to you,

charged against your account balance. Examples of expenses that may be directly related to you include, general recordkeeping fees and expenses related to processing your distributions or loans (if applicable), qualified domestic relations orders, and your ability to direct the investment of your Plan balance, if applicable. Finally, the University may, in its discretion, pay any or all of these expenses. For example, the University may pay expenses for current employees, but may deduct the expenses of former employees directly from their accounts.

### **Does the University have the right to change the Plan?**

The Plan will be amended from time to time to incorporate changes required by the law and regulations governing retirement plans. The University also has the right to amend the Plan to add new features or to change or eliminate various provisions. The University cannot amend the Plan to take away or reduce your vested account balance.

### **Does participation in the Plan provide any legal rights regarding my employment?**

The Plan does not intend to, and does not provide, any additional rights to employment or constitute a contract for employment. The purpose of the Summary Plan Description is to help you understand how the Plan operates and the benefits available to you under the Plan. The Plan document is the controlling legal document with respect to the operation of and rights granted under the Plan and if there are any inconsistencies between this Summary Plan Description and the Plan document, the Plan document will be followed.

### **Does the Plan provide benefits to employees who are covered by a collective bargaining agreement?**

Employees covered by Local 1811, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and Local 118, International Union, Security, Police and Fire Professionals of America (IUSPFPA) are eligible to participate in the Plan. A union participant may obtain a copy of the applicable bargaining agreement from his or her bargaining unit representative, supervisor, or the Human Resources office.

### **Can creditors or other individuals request a payout from my Plan balance?**

Creditors (other than the IRS) and others generally may not request a distribution from your Plan balance. One major exception to this rule is that the Plan Administrator may distribute or reallocate your benefits in response to a qualified domestic relations order. A qualified domestic relations order is an order or decree issued by a court that requires you to pay child support or alimony or to give a portion of your Plan account to an ex-spouse or legally separated spouse. The Plan Administrator will review the order to ensure that it meets certain criteria before any money is paid from your account. You (or your beneficiary) may obtain, at no charge, a copy of the procedures the Plan Administrator will use for reviewing and qualifying domestic relations orders.

## **How do I file a claim?**

To claim a benefit that you are entitled to under the Plan, you must file a written request with the Plan Administrator. The claim must set forth the reasons you believe you are eligible to receive benefits and you must authorize the Plan Administrator to conduct any necessary examinations and take the steps to evaluate the claim.

## **What if my claim is denied?**

If your claim is denied, the Plan Administrator will provide you (or your beneficiary) with a written notice of the denial within 90 days of the date your claim was filed. This notice will give you the specific reasons for the denial, the specific provisions of the Plan upon which the denial is based, and an explanation of the procedures for appeal.

If, before the end of the 90-day Period, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision regarding your claim cannot be made within the 90-day Period, the period for making the decision may be extended for an additional 90 days, provided that the Plan Administrator notifies you, before the end of the 90-day Period, of the circumstances requiring the extension and the date as of which the Plan expects to make a decision. The notice will specifically explain the standards on which the approval of your claim will be based, the unresolved issues that prevent a decision on your claim, and the additional information needed to resolve those issues. You will have at least 45 days within which to provide the specified information.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your claim is filed. If the period of time is extended because you fail to submit information necessary to decide your claim, the period for approving or denying your claim will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

The Plan Administrator will provide you with written or electronic notification if your claim is denied. The notification will provide the following:

- i. The specific reason or reasons for the denial;
- ii. Reference to the specific section of the Plan on which the denial is based;
- iii. A description of any additional information that you must provide before the claim may continue to be processed and an explanation of why such information is necessary;
- iv. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) following a claim denial on review.

## **May I appeal the decision of the Plan Administrator?**

You or your beneficiary will have 60 days from the date you receive the notice of claim denial in which to appeal the Plan Administrator's decision. You may request that the review be in the nature of a hearing and an attorney may represent you.

You may submit written comments, documents, records, and other information relating to your claim. In addition, you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information pertaining to your claim.

Your appeal will take into account all comments, documents, records, and other information submitted by you relating to the claim, even if the information was not included originally.

You will be notified of the outcome of your appeal no later than 60 days after receipt of your request for the appeal, unless the Plan Administrator determines that special circumstances require an extension of time for processing the claim. If The Plan Administrator determines that an extension is required, written notice of the extension will be provided to you before the end of the initial 60-day period. The notice will identify the special circumstances requiring an extension and the date by which the Plan expects to make a decision regarding your claim.

The Plan Administrator will provide you with written or electronic notification of the final outcome of your claim. The notification will include:

- i. 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 relevant to your claim;
- ii. A statement describing any additional voluntary appeal procedures offered by the Plan, your right to obtain the information about such procedures, and a statement of your right to bring an action under Section 502(a) of ERISA; and
- iii. If the Plan Administrator used an internal rule or guideline in denying your claim, either 1) the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim, and 2) that a copy of the rule or guideline will be provided free of charge to you upon request.

## **If I need to take legal action with respect to the Plan, who is the agent for service of legal process?**

Legal papers regarding the Plan may be served on the University's Vice President for Administration and Finance or the Plan Administrator.

## **If the Plan terminates, does the federal government insure my benefits under the plan?**

If the Plan terminates, you will be entitled to take your entire balance from the Plan following termination.

The type of plan in which you participate is not insured by the Pension Benefit Guarantee Corporate, the government agency that insures certain pension plan benefits upon plan termination.

## **YOUR RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA)**

### **What are my legal rights and protections with respect to the Plan?**

As a Participant in this Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants shall be entitled to do the following.

#### *Receive Information About Your Plan and Benefits*

1. Examine, without charge, at the University's office and at other specified locations, such as worksites and union halls, all Plan 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.
2. Obtain, upon request to the University, copies of documents governing the operations 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 (SPD). The University may charge a reasonable fee for the copies.
3. Receive a summary of the Plan's annual financial report. The University is required by law to furnish each Participant with a copy of this Summary Annual Report.
4. Obtain, once a year, a statement of the total pension benefits accrued and the vested pension benefits (if any) or the earliest date on which benefits will become vested. The Plan may require a written request for this statement, but it 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 the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest

of you and other Plan Participants and beneficiaries. No one, including your employer, 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 may take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the University 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 University. If you have a claim for benefits which is denied, or ignored, in whole or in part, you may file suit in Federal court. In addition, if you disagree with the Plan'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 the costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if the court finds your claim is frivolous.

### Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area 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.

## **DEFINITIONS**

**Compensation** - For faculty, compensation means base annual salary stated in the academic year contract plus any salary earned for teaching or administrative services performed at the request of the University during a non-teaching term. For all other employees, compensation means the base annual salary or wages of the employee, excluding overtime. For each employee, base annual salary or wages shall not be reduced by amounts not currently included in income because of the application of

Code Section 125, 132(f)(4), 457(b) or 403(b) nor increased by payments made by the University which are not intended to increase an employee's base annual salary or wages.

The definition of Compensation used under the Plan has been further adjusted to exclude the following amounts.

- Bonuses that you receive will not be considered Compensation.
- Overtime pay will not be included in the Compensation.
- Amounts deemed to be compensation that relate to an automatic enrollment cafeteria plan where you fail to provide proof of insurance will be excluded when determining your Compensation.
- Amounts earned prior to the date you are eligible to become a Participant.

If you receive payments from the University within 2 ½ months after severing your employment, any regular pay for services you performed prior to severance will be included in Compensation. Other post-severance payments will affect your Compensation as described below.

- Unused accrued sick, vacation or other leave that you are entitled to cash out will be excluded from Compensation.
- Amounts received under a nonqualified unfunded deferred compensation program will be excluded from Compensation.

The measuring period for Compensation will be the Plan Year (January 1 through December 31).

The maximum amount of Compensation that will be taken into account under the Plan is \$245,000 (for 2009). This annual limit may increase based on IRS guidance.

**Deferrals** – Deferrals are the dollars you choose to contribute to the Plan through payroll deduction on pre-tax basis.

**Highly Compensated Employee** – A Highly Compensation Employee is any employee who for the previous year had Compensation from the University greater than \$110,000 (for 2009). The \$110,000 threshold is increased as the cost of living rises.

**Hour of Service** – An Hour of Service, for purposes of determining Plan eligibility, vesting and eligibility to receive Employer contributions will be based on actual hours for which you are entitled to pay.

**Individual Agreements** - All contributions to the Plan will be invested either in annuity contracts or in mutual funds held in custodial accounts. The agreements between the vendor and the University or you that constitute or govern the annuity contracts and custodial accounts are referred to as Individual Agreements. The Individual Agreements explain the unique rules that apply to each Plan investment and may, in some cases, limit your options under the Plan, including your transfer and distribution rights.

**Matching Contribution** – The University may make Matching Contributions to the Plan based on the amount of Deferrals you contribute to the Plan.

**Normal Retirement Age** – Age 65 is the Normal Retirement Age under the Plan.

**Participant** – An employee of the University who has satisfied the eligibility requirements and entered the Plan is referred to as a Participant.

**Plan** – The Kettering University Retirement Plan is the Plan described in this Summary Plan Description.

**Plan Administrator** – The University has appointed the Employee Benefits Committee as the Plan Administrator. The Plan Administrator has delegated responsible for the day-to-day administration of the Plan to the University's Human Resources Department. To assist in operating the Plan efficiently and accurately, the Plan Administrator may appoint others to act on its behalf or to perform certain functions.

**Plan Year** – The calendar year will serve as the Plan Year.

**Qualified Nonelective Contribution** – The University may make Qualified Nonelective Contributions to satisfy certain nondiscrimination tests that apply to the Plan. These contributions are discretionary and are 100 percent vested when made.

**University** – The University is Kettering University.