

Adelphi University

DEFINED CONTRIBUTION RETIREMENT PLAN

Garden City, New York 11530

August 2001



This document was prepared for the employees of the University. If there is any ambiguity or inconsistency between the terms of the Plan Document or the fund sponsor contracts and certificates and those of this Summary Plan Description, the terms of the Plan Document or fund sponsor contracts or certificates control.

PART 1 - INFORMATION ABOUT THE PLAN

1. What Is Adelphi University's Retirement Plan?

The Adelphi University Retirement Plan (the "Plan") is a Defined Contribution Plan established by the Board of Trustees as of January 1, 1922. The Plan operates under Section 403(b) of the Internal Revenue Code and the Administrator of the Plan is Adelphi University (the "University"). The Plan year extends from January 1 to December 31. Benefits are provided through the various funding vehicles that have been approved by the University for use under the Plan. The funding vehicles that are currently being used to provide Plan benefits are listed in Part II of this booklet.

Important information concerning the rules and features of the funding vehicles under the Plan is set forth in the literature provided by each fund's sponsor. This literature is an integral part of the summary plan description of the Plan. Copies of the literature for the available funding vehicles should be obtained from the University's Office of Human Resources.

2. Who Is Eligible To Participate In The Plan?

All eligible employees are able to participate in the Plan. You are an eligible employee if you are employed by the University and your employment is not incidental to your educational program. Additionally, employees who are covered under a collective bargaining agreement are eligible employees only if the collective bargaining agreement provides for participation in the Plan. Leased employees, independent contractors, non-resident aliens, and individuals not in active service with the University are not eligible employees. You are eligible to receive the University's contribution once you have completed two years of active employment and you elect to participate in the plan. Non-faculty part-time employees who are eligible employees will receive the University contribution only during a plan year in which they complete 1,000 hours of service.

3. When Do I Begin Participating In The Plan?

If you are an eligible employee, you may begin participation in this Plan on the first day of the month following your date of hire. The appropriate enrollment forms must be completed and returned to the University's Office of Human Resources before your participation may commence. If you are a former employee who is reemployed by the University, you may begin participation in the Plan the first of the month following your reemployment, provided you are an eligible employee.

4. *How Are Years Of Participation Counted?*

You are credited with a year of participation for each 12-month period starting with your date of employment (or anniversary date of employment) during which you complete 1,000 or more hours of service.

5. *Can I Participate During An Approved Leave Of Absence?*

You may continue to contribute to the Plan while you are on an approved leave with pay. During a paid leave of absence, the University will continue its University Contributions on your behalf provided your contributions are not discontinued. Your contributions and the University's Contributions will be based on the salary you receive from the University during your leave.

6. *Do Contributions Continue If I Become Disabled?*

If you are eligible for short-term disability (STD), contributions will not continue on that pay; however, if your STD pay is being supplemented by accrued vacation, sick, etc., pay, contributions will be made on that portion. The University will continue its University Contributions on that portion if you are eligible for a contribution prior to becoming disabled. If you become eligible for long term disability and were receiving a University Contribution prior to your disability, contributions will be made into a TIAA Retirement Annuity Contract and/or a CREF Retirement Unit-Annuity Certificate to the extent permitted by Code Section 403(b) or 415.

7. *When Do My Benefits Become Vested (i.e., owned)?*

You are fully and immediately vested in the benefits arising from contributions under this Plan. Such amounts are nonforfeitable.

8. *How Do I Make Contributions to the Plan?*

When you begin participation in the Plan, you choose the percentage or the amount of your "pay" you would like to contribute to the Plan. These contributions will be made automatically to the funding vehicle(s) you have designated. You may change this contribution percentage two times in each calendar year but no more than one time per calendar quarter by completing a salary reduction agreement. You may terminate your salary reduction agreement but it will be considered a change subject to the conditions above. The change is effective as of the first payroll period occurring in the month following the election and shall be retroactive to the first day of the payroll period. For this purpose, your "pay" is the amount of your regular salary from the University.

You may contribute to the Plan only on a tax-deferred basis, which means that your contributions are deducted from your pay before federal income taxes are taken out.

9. How Does the University Contribute to the Plan?

If you have completed at least two years of service and you contribute at least 4.5% of your regular salary on the first day of any month following the completion of two years of service, you will receive a University Contribution of 7.5% of regular salary for that month. As discussed in Question 2 above, non-faculty part-time employees who do not work 1,000 hours and part-time and full-time employees who have not completed two years of service do not receive University Contributions.

Once you have received the 7.5% University Contribution for two years, you will be eligible to receive future University Contributions, provided you continue contributing the required minimum percentage, in accordance with the following schedule:

<u>Completing Years Receiving University Match</u>	<u>Minimum Contribution By You</u>	<u>University Contribution</u>
2 but less than 6 years	3.5%	8.5%
6 but less than 21 years	2.5%	9.5%
21 years or more	3.5%	11.5%

The University Contributions and the Minimum Participant Contributions are a percentage of your regular salary for the payroll period. For faculty, regular salary means the salary stated in the academic year contract or appointment letter. For all other employees, regular salary means the basic annual earnings excluding overtime pay, bonuses, stipends, terminal vacation pay, and any other forms of supplemental remuneration. In no event will the salary taken into account under the Plan exceed the limits of Internal Revenue Code Section 401(a)(17) (\$170,000 for 2001).

10. May The Two Years of Participation Period For University Contributions Be Waived?

If you are an employee who has been employed by an eligible employer (a university or college of higher education) and **participating** in another Section 403(b) or State retirement plan **immediately** prior to your employment with the University and you otherwise meet the eligibility requirements for this Plan, all years of service from the university or college which was your last employer shall be counted as years of participation. Employees who do not come to the University **directly** from a university

or college will not be eligible for the University's Contribution until they have completed two years of employment with the University.

11. Is There A Limitation On Contributions?

Yes. The total amount of contributions made on your behalf for any year may not exceed the limits imposed by Sections 402, 403, and 415 of the Internal Revenue Code. These limits may be adjusted from time to time. The amount of University Contributions will also be subject to the limitations of Section 401(m) of the Internal Revenue Code. For more information on these limits, contact your applicable fund sponsor.

12. What Is The Normal Retirement Age Under The Plan?

The normal retirement age under the Plan is age 65. Annuity income usually begins on the first of the month following that date. Early retirement is defined as termination of employment on or after the attainment of age 55.

13. When Do My Benefits Begin?

Benefits under the Plan will be payable to you as described in the literature provided by the sponsors of the funding vehicles in which you invest. The Plan permits withdrawals prior to separation from service at age 59-1/2, for hardship, or for permanent and total disability. Contact the Office of Human Resources for procedures and rules.

Benefits must normally begin no later than April 1 of the calendar year following the year in which you attain age 70 1/2, or April 1 following the calendar year in which you retire, if later.

If you die before the distribution of benefits has begun, your entire interest must normally be distributed by December 31 of the fifth calendar year after your death. Under a special rule, death benefits may be payable over the life or a period not exceeding the life expectancy of a designated beneficiary if the distribution of benefits begins not later than December 31 of the calendar year immediately following the calendar year of your death. If the designated beneficiary is your spouse, the commencement of benefits may be deferred until December 31 of the calendar year that you would have attained age 70 1/2 had you continued to live.

If you die after the distribution of benefits has begun, the amount and timing of any benefits payable to your designated beneficiary after your death will be determined in accordance with the payment option you elected with the fund sponsor.

The payment of benefits according to the above rules is extremely important. Under federal tax law you may be subject to a 50 percent excise tax on the difference

between the amount of benefits required by law to be distributed and the amount actually distributed if it is less than the required minimum amount.

You should contact the applicable fund sponsor(s) for additional information.

14. What Payment Options Are Available For Receiving Plan Benefits?

You may choose from among several types of payment options when you retire. If you are married at the time you elect to begin income, your right to choose a payment option will be subject to your spouse's right (under federal pension law) to survivor benefits as discussed in the next question, unless this right is waived by you and your spouse. The available options and the procedures for electing an option and for making any necessary beneficiary designations are described in the literature provided by the fund sponsors.

15. What Are My Spouse's Rights Under This Retirement Plan?

If you are married, your spouse has certain rights regarding your benefits under the Plan. Your spouse's rights with respect to benefits due from each funding vehicle (and the procedures for waiving those rights) are described in the literature provided by the fund sponsor.

In general, benefits are paid to married participants in the Plan as described below, unless a written waiver of the benefits by the participant and a written consent to the waiver by the spouse is filed with the applicable fund sponsor(s). This provision applies to both retirement benefits and pre-retirement death benefits.

Generally, if benefits commenced before your death, your surviving spouse at your death will continue to receive income that is at least half of the annuity income payable during the joint lives of you and your spouse (joint and survivor annuity). If you die before annuity income begins, your surviving spouse shall receive a benefit that is at least half of the full current value of your annuity accumulation (pre-retirement death benefit), payable in a single sum or under one of the options offered by the applicable funding vehicle(s).

Married participants and their spouses may waive the spousal entitlement to a joint and survivor annuity or a pre-retirement death benefit described above only if a written waiver of the benefit signed by the participant and the spouse (notarized) is filed with the applicable fund sponsor(s). The necessary forms will be provided to the participant by the fund sponsor(s).

For post-retirement survivor benefits (joint and survivor annuity), the waiver may be made only during the 90-day period before the commencement of benefits. The

waiver also may be revoked during the same period. It may not be revoked after benefit payments begin.

The period during which you and your spouse may elect to waive the pre-retirement survivor death benefit described above begins on the first day of the plan year in which you attain age 35. The period continues until the earlier of your death or the date you start receiving annuity income. If you die before attaining age 35 -- that is, before you've had the option to make a waiver -- at least half of the full current value of the annuity accumulation is payable automatically to your surviving spouse in a single sum, or under one of the options offered by the applicable funding vehicle(s). If you terminate employment before age 35, the period for waiving the pre-retirement death benefit begins no later than the date of termination. The waiver also may be revoked during the same period.

If a judgment, decree or order made following a state domestic relations law establishes the rights of another person (the "alternate payee") to your benefits under this Plan, and if such an order (hereafter called a "qualified domestic relations order") is for providing child support, alimony or other marital property payments, then payments will be made according to that order.

If a court issues a qualified domestic relations order, the order may preempt the usual requirements that your spouse be considered your primary beneficiary for a portion of the accumulation.

16. May I Borrow Money From The Plan?

Yes, you may borrow money from your account if the funding vehicle in which your contributions have been invested has a loan provision. There are limitations on the amounts that you can borrow as well as how long you may take to pay back the loan. For more information on how to go about applying for a loan, you should consult the literature provided by the fund sponsor(s) or contact the Office of Human Resources for the latest procedures and rules.

17. May I Receive A Cash Withdrawal From The Plan While Still Employed?

You may receive a withdrawal if you are age 59 1/2 or older, become totally disabled or for financial hardship. Contact the Office of Human Resources for the procedures and rules.

PART II - INFORMATION ABOUT THE AVAILABLE FUNDING VEHICLES

1. What Funding Vehicles Are Available Under The Plan?

Contributions may be invested in one or more funding vehicles. The funding vehicles currently available under this Plan are maintained by the fund sponsors listed below.

- A. Teachers Insurance and Annuity Association (TIAA)/College Retirement Equities Fund (CREF)
- B. Fidelity
- C. Lord, Abbett & Co.
- D. Union Central Life Insurance Co. (Only for participants employed prior to 1996.)

The University's current selection of fund sponsors and funding vehicles is not intended to limit future additions or deletions of fund sponsors and funding vehicles. You will be notified of any additions or deletions.

The literature provided by each of the above fund sponsors describes the investment account(s) maintained by the sponsor that are available under the Plan. You should review the fund sponsor literature for information concerning investment allocation of contributions and transfers of funds between accounts maintained by the same sponsor.

2. How Do I Allocate Contributions Among The Available Funding Vehicles?

You may allocate contributions to one available funding vehicle or among the available funding vehicles in any whole-number percentage. You specify the percentage of contributions to be directed to a funding vehicle by filing the appropriate form with the University when you begin participation in the Plan. You may change your allocation of future contributions at any time after participation begins by filing a new form with the University.

3. May I Transfer Accumulations Between Funding Vehicles?

In general, you may transfer accumulations between funding vehicles at any time before your benefits begin. However, restrictions may apply to transfers into or out of

certain funding vehicles. You should consult the literature provided by the applicable fund sponsors for any transfer restrictions that may apply.

4. *May I Rollover My Accumulations?*

If you are entitled to receive a distribution from your contract which is an "eligible rollover distribution," you may rollover all or a portion of it either directly or within 60 days after receipt into another 403(b) retirement plan or into an IRA. An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment or a payment which is part of a fixed period payment over ten or more years. The distribution will be subject to a 20 percent federal withholding tax *unless* it's rolled over directly into another 403(b) retirement plan or into an IRA - this process is called a "direct" rollover.

If you have the distribution paid to you, under Federal tax law, 20 percent of the distribution must be withheld, even if you intend to roll over the money into another 403(b) retirement plan or into an IRA within 60 days. To avoid withholding, instruct the fund sponsor to directly roll over the money for you.

PART III - ADDITIONAL INFORMATION

1. *How Is The Plan Administered?*

The Plan is available through the University. The benefits are provided by annuity contracts and mutual fund custodial accounts issued to participants by fund sponsors listed in Part II above. The University, located in Garden City, New York 11530, is the Administrator of this Plan. The Administrator is responsible for enrolling participants, forwarding Plan contributions for participants to the applicable funding vehicle, and performing other duties required for operating the Plan.

2. *May The Terms Of The Retirement Plan Be Changed?*

While it's expected that the Plan will continue indefinitely, the Board of Trustees of Adelphi University reserves the right to amend, modify or discontinue the Plan at any time. The University, by action of its Board, also may delegate any of its power and duties with respect to the Plan or its amendments to one or more officers or other employees of the University.

3. *How May I Get More Information About The Plan?*

Requests for information concerning eligibility, participation, contributions, or other aspects of operating the Plan, or concerning the Plan terms, conditions and interpretations should be in writing and directed to the Plan Administrator of the University at the following address:

Plan Administrator
Defined Contribution Retirement Plan
Adelphi University - Office of Human Resources
Garden City, New York 11530

Requests for information concerning the amount, timing and form of benefits should be directed to the applicable fund sponsor.

This Summary Plan Description and other important Plan information may be delivered to you through electronic means. This Summary Plan Description contains important information concerning the rights and benefits of your Plan. If you receive this Summary Plan Description (or any other Plan information) through electronic means you are entitled to request a paper copy of this document, free of charge, from the Plan Administrator. The electronic version of this document contains substantially the same style, format and content as the paper version.

4. *What Is The Plan's Claims Procedure?*

The following describes certain general rules concerning claims under the Plan:

- **Filing a claim for benefits** - A claim or request for plan benefits is filed when the requirements of a reasonable claim-filing procedure have been met.
- **Processing the claim** - A claim must be processed within 90 days after the claim is filed. If an extension of time for processing is required, written notice must be given to you before the end of the initial 90-day period. The extension notice must indicate the special circumstances requiring an extension of time and the date by which the final decision will be rendered. In no event can the extension period exceed a period of 90 days from the end of the initial 90-day period.
- **Denial of claim** - If a claim is wholly or partially denied, then you must be notified within 90 days following receipt of the claim (or 180 days in the case of an extension for special circumstances). The notification must state the specific reason or reasons for the denial, specific references to pertinent plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim, and appropriate information about the steps to be taken if you wish to submit the claim for review. If notice of the denial of a claim is not furnished within the 90/180-day period, the claim is considered denied and you must be permitted to proceed to the review stage.
- **Review procedure** - You or your duly authorized representative has at least 60 days after receipt of a claim denial to appeal the denied claim to an appropriate named fiduciary or individual designated by the fiduciary and to receive a full and fair review of the claim. As part of the review, you must be allowed to see all plan documents and other papers that affect the claim and must be allowed to submit issues and comments and argue against the denial in writing.
- **Decision on review** - A review must be conducted and the appeal decided within 60 days after the request for review is made. If special circumstances require an extension of time for processing (such as the need to hold a hearing if the plan procedure provides for such a hearing), you must be furnished with written notice of the extension, which can be no later than 120 days after receipt of a request for review. The decision on review must be written in clear and understandable language and must include specific reasons for the decision as well as specific references to the pertinent plan provisions on which the decision is based. For a funding vehicle with a committee or board of trustees designated as the appropriate named fiduciary, a decision does not

have to be made within the 60-day limit if the committee or board meets at least four times a year (about every 90 days.) Instead, it must be made at the first meeting after the request is filed, except that when a request is made less than 30 days before a meeting, the decision can wait until the date of the second meeting following the plan's receipt of request for review. If a hearing must be held the committee can wait to decide until the first meeting after the hearing. However, it must notify you and explain the delay, which can be no later than the third meeting of the committee or board following the plan's receipt of the request for review. If the decision on review is not made within the time limits specified above, the appeal will be considered denied. If appeal is denied, in whole or in part, you have a right to file suit in a state or federal court.

5. *What Are My Rights Under The Law?*

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

1. Examine, without charge, at the Plan Administrator's office all documents, including insurance contracts, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions.
2. Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.
3. Obtain a statement telling whether you have a right to receive a benefit at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for operating 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. If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file a suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. 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.

If the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Pension and Welfare Benefits Administration, Department of Labor.

6. *Is The Plan Insured By The Pension Benefit Guaranty Corporation (PBGC)?*

No. Since the Plan is a defined contribution plan, it is not insured by the PBGC. The PBGC is the government agency that guarantees certain types of benefits under covered plans.

7. *Who Is The Agent For Service Of Legal Process?*

The agent for service of legal process is the Plan Administrator, Adelphi University.

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