

**SAINT MICHAEL'S COLLEGE 403(b) TRANSFER PLAN**

**SUMMARY PLAN DESCRIPTION**

**April 1, 2007**

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# **SAINT MICHAEL'S COLLEGE 403(b) TRANSFER PLAN**

## **SUMMARY PLAN DESCRIPTION**

### **INTRODUCTION TO YOUR PLAN**

Saint Michael's College 403(b) Transfer Plan ("Plan") was created to accept 403(b) account balances as IRS regulations do not allow 403(b) transfers into a 401(k) plan. This Summary Plan Description ("SPD") contains valuable information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this SPD to get a better understanding of your rights and obligations under the Plan.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator. The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About The Plan."

This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language under this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan, as designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as ERISA (the Employee Retirement Income Security Act), the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or Department of Labor (DOL). We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

## **ARTICLE I PARTICIPATION IN THE PLAN**

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

You are eligible to participate in the Plan beginning April 1, 2007 by transferring a balance in a current 403(b) arrangement from your employment with Saint Michael's College to the Plan.

### **What happens if I'm a participant, terminate employment and then I'm rehired?**

If you are no longer a participant because you terminated employment, and you are rehired, then you will continue to participate in the Plan in the same manner as if your termination had not occurred.

## **ARTICLE II CONTRIBUTIONS**

### **What kind of Plan is this?**

This Plan is a type of retirement plan commonly referred to as a 403(b) plan or TSA (Tax Sheltered Annuity). This Article explains that only transfer contributions are permitted to the Plan. You are not taxed on the amounts transferred to the Plan on your behalf generally until you withdraw those amounts from the Plan.

### **What contributions can be made to the Plan?**

Only transfer contributions can be made to the Plan. If you have a balance in a current 403(b) arrangement from your employment with Saint Michael's College, you can transfer that money to the Plan.

### **How is the money in the Plan invested?**

You will be able to direct the investment of your entire interest in the Plan. Your Employer has established procedures to permit you to direct the investment of contributions made by you or on your behalf to the Plan. These are called the "Participant Direction Procedures." You should request a copy of these Procedures from the Administrator. You need to follow these Procedures when you direct investments by giving instructions to the Administrator. You should review the information in these Procedures carefully before you give investment directions. In addition, the Procedures indicate how you can obtain other important information available from the Administrator on directed investments.

The Plan is intended to comply with Section 404(c) of ERISA (the Employee Retirement Income Security Act). If the Plan complies with this Section, then the fiduciaries of the Plan, including the Employer and the Administrator, will be relieved of any legal liability for any losses which are the direct and necessary result of the investment directions that you give. Procedures must be followed in giving investment directions. If you fail to do so, then your investment directions need not be followed. You are not required to direct investments. To the extent you do not direct the investment of your applicable Plan accounts, then your accounts will be invested in accordance with the default investment alternatives as established under the Plan.

When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance for other participants who have directed their own investments.

You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur. There are no guarantees of performance. The Employer and the Administrator will not provide investment advice or guarantee the performance of any investment you choose.

## **ARTICLE III RETIREMENT BENEFITS**

### **What benefits will I receive at normal retirement?**

You will be entitled to all your accounts under the Plan when you reach your Normal Retirement Age. However, actual payment of your benefits will, at your election, occur as soon as administratively feasible following your Normal Retirement Date. If you continue working after your Normal Retirement Age, your benefits will be deferred until your Late Retirement Date.

Your Normal Retirement Date is the Anniversary Date coinciding with or next following your Normal Retirement Age.

You will attain your Normal Retirement Age when you reach your 55th birthday, or your 5th anniversary of joining the Plan, if later, but in no event later than your 65th birthday.

### **What is my Late Retirement Date?**

You may remain employed past your Plan's Normal Retirement Date and retire instead on your Late Retirement Date. Your Late Retirement Date is the Anniversary Date coinciding with or next following the date you choose to retire after first having reached your Normal Retirement Date. On your Late Retirement Date, you will be entitled to all your accounts under the Plan. However, actual payment of your benefits will, at your election, occur as soon as administratively feasible following your Late Retirement Date.

### **What happens if I leave the Employer's workforce before I retire?**

The Plan is designed to encourage you to stay with us until retirement. Payment of your account balance under your Plan is available upon your death, disability or retirement.

You may elect to have your vested benefit distributed to you as soon as administratively feasible following your termination of employment. However, if the value of your vested benefit does not exceed \$1,000, then a distribution will be made to you in a lump-sum payment regardless of whether you elect to receive it.

### **What is my vested interest in my account?**

You are 100% vested (your ownership rights) in your account immediately upon your Entry Date. (See the question in Article I "When is my Entry Date?" for an explanation of your Entry Date.)

Your vested benefit will normally be distributed to you or your beneficiary upon your death, disability or retirement.

## **ARTICLE IV DISABILITY BENEFITS**

### **How is disability defined?**

Under your Plan, disability is defined as a physical or mental condition resulting from bodily injury, disease, or mental disorder which renders you incapable of continuing your usual and customary employment with your Employer. Your disability shall be determined by a licensed physician chosen by the Administrator.

### **What happens if I become disabled?**

If you become disabled while a participant, you will be entitled to 100% of your account balance. Payment of your disability benefits will be made to you as if you had retired. However, if the value of your vested benefit does not exceed \$1,000, then a distribution will be made to you as soon as administratively feasible following your termination of employment.

## **ARTICLE V FORM OF BENEFIT PAYMENT**

### **How will my benefits be paid?**

If your vested benefit under the Plan does not exceed \$1,000, then your benefit must be distributed to you in a single lump-sum payment. If your vested benefit under the Plan exceeds \$1,000, then you must consent to the distribution before it may be made. You may elect to receive a distribution under one of the following methods:

- a single lump-sum payment.
- installments, but only for purposes of minimum required distributions, over a period of not more than your assumed life expectancy (or you and your beneficiary's assumed life expectancies).

### **May I delay the receipt of benefits?**

Yes, you may delay the receipt of benefits unless a distribution is required to be made, as explained earlier, because your vested benefit under the Plan does not exceed \$1,000. However, if you elect to delay the receipt of benefits, there are rules which generally require minimum payments to begin not later than the later of the April 1st following the end of the year in which you reach age 70 1/2 or retire. You should see the Administrator if you feel you may be affected by these rules.

## **ARTICLE VI DEATH BENEFITS**

### **What happens if I die while working for the Employer?**

If you die while working for us, then your entire account balance will be used to provide your beneficiary with a death benefit.

## **Who is the beneficiary of my death benefit?**

If you are married at the time of your death, your spouse will be the beneficiary of the death benefit, unless an election is made to change the beneficiary. **IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NON-SPOUSE BENEFICIARY.**

If you are married and you change your designation, then your spouse must again consent to the change. In addition, you may elect a beneficiary other than your spouse without your spouse's consent if your spouse cannot be located.

If you are not married you may designate the beneficiary on a form to be supplied to you by the Administrator.

In the event no valid designation of beneficiary exists, or if the beneficiary is not alive at the time of your death, the death benefit will be paid in the following order of priority to:

- (a) Your surviving spouse;
- (b) Your children, including adopted children, per stirpes;
- (c) Your surviving parents, in equal shares; or
- (d) Your estate.

## **How will the death benefit be paid to my beneficiary?**

The death benefit will be paid to your beneficiary in one of the following methods as elected by the beneficiary (unless you elected one of the following forms of distribution for the death benefit prior to your death):

- a single lump-sum payment in cash.
- installments, but only for purposes of minimum required distributions, over a period of not more than your beneficiary's assumed life expectancy. The Administrator will advise you if you are entitled to elect installment payments.

## **When must the last payment be made to my beneficiary?**

If your designated beneficiary is a person (rather than your estate or most trusts) then minimum distributions of your death benefit must generally begin within one year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, the start of payments may be delayed until the year in which you would have attained age 70 1/2. Generally, if your beneficiary is not a person, then your entire death benefit must be paid within five years after your death.

Since your spouse has certain rights in the death benefit, you should immediately report any change in your marital status to the Administrator.

**What happens if I'm a participant, terminate employment and die before receiving all my benefits?**

If you terminate employment with us and subsequently die, your beneficiary will be entitled to the vested percentage of your remaining account balance at the time of your death.

**ARTICLE VII  
IN-SERVICE DISTRIBUTIONS**

**Can I withdraw money from my account while working?**

You may request a pre-retirement distribution if you have reached the age of 59 1/2. However, any distribution will reduce the value of the benefits you will receive at normal retirement. This distribution is made at your election.

**ARTICLE VIII  
TAX TREATMENT OF DISTRIBUTIONS**

**What are my tax consequences when I receive a distribution from the Plan?**

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution.

**Can I reduce or defer tax on my distribution?**

You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

- (a) The rollover of all or a portion of the distribution to a traditional Individual Retirement Account (IRA) or another qualified employer plan. This will result in no tax being due until you begin withdrawing funds from the traditional IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, the direct transfer option described in paragraph (b) below would be the better choice.
- (b) For most distributions, you may request that a direct transfer of all or a portion of a distribution be made to either a traditional Individual Retirement Account (IRA) or another qualified employer plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the traditional IRA or other qualified employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer, e.g., a distribution of less

than \$200 will not be eligible for a direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

WHENEVER YOU RECEIVE A DISTRIBUTION, THE ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

## **ARTICLE IX LOANS**

### **May I borrow money from the Plan?**

Yes. You may request a participant loan using an application form provided by the Administrator. Your ability to obtain a participant loan depends on several factors. The Administrator will determine whether you satisfy these factors.

### **What are the loan rules and requirements?**

There are various rules and requirements that apply for any loan which are outlined in this question. In addition, we have established a written loan program which explains these requirements in more detail. You can request a copy of the loan program from the Administrator. Generally, the rules for loans include the following:

- Loans are available to participants on a reasonably equivalent basis. Loans will be made to participants who are creditworthy. The Administrator may request that you provide additional information, such as financial statements, tax returns and credit reports to make this determination.
- All loans must be adequately secured. You must sign a promissory note along with a loan pledge. Generally, you must use your vested account balance as security for the loan, provided the outstanding balance of all your loans does not exceed 50% of your vested account balance. In certain cases, the Administrator may require you to provide additional collateral to receive a loan.
- You will be charged a reasonable rate of interest for any loan received from the Plan. The Administrator will determine a reasonable interest rate by reviewing the interest rates charged for similar types of loans by other lenders.
- If approved, your loan will provide for level amortization with payments to be made not less frequently than quarterly. The term of the loan may not exceed five (5) years. Generally, the Administrator will require that you repay your loan by agreeing to either a payroll deduction or ACH (automated clearing house system for electronic funds transfer). If you have an unpaid leave of absence or go on military leave while you have an outstanding loan, please contact the Administrator to find out your repayment options.

- All loans will be considered a directed investment from your account under the Plan. All payments of principal and interest by you on a loan will be credited to your account.
- The amount the Plan may loan to you is limited by rules under the Internal Revenue Code. All loans, when added to the outstanding balance of all other loans from the Plan, will be limited to the lesser of:
  - (a) \$50,000 reduced by the excess, if any, of your highest outstanding balance of loans from the Plan during the one-year period prior to the date of the loan over your current outstanding balance of loans; or
  - (b) one-half (1/2) of your vested account balance.

Also, no loan in an amount less than \$1,000 will be made nor will a loan be made if a prior loan is currently outstanding.

- If you fail to make payments when they are due under the loan, you will be considered to be "in default." The Plan will consider your loan to be in default if any scheduled loan repayment is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due. The Plan would then have authority to take all reasonable actions to collect the balance owing on the loan. This could include filing a lawsuit or foreclosing on the security for the loan. Under certain circumstances, a loan that is in default may be considered a distribution from the Plan, and could result in taxable income to you. In any event, your failure to repay a loan will reduce the benefit you would otherwise be entitled to from the Plan.

## **ARTICLE X PROTECTED BENEFITS AND CLAIMS PROCEDURES**

### **Is my benefit protected?**

As a general rule, your interest in your account, including your vested interest, may not be alienated. This means your interest may not be sold, used as collateral for a loan (other than a Plan loan), given away or otherwise transferred. In addition, your creditors may not attach, garnish or otherwise interfere with your account.

### **Are there any exceptions to the general rule?**

There are two exceptions to the general rule. The Administrator must honor a "qualified domestic relations order." A "qualified domestic relations order" is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by the Administrator, all or a portion of your benefits may be used to satisfy the obligation. The Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain, without charge, a copy of the QUALIFIED DOMESTIC RELATIONS ORDER PROCEDURE from the Administrator.

The second exception applies if you are involved with the Plan's administration. If you are found liable for any action that adversely affects the Plan, the Administrator can offset your benefits by the amount you are ordered or required by a court to pay the Plan. All or a portion of your benefits will be used to satisfy any such obligation to the Plan.

### **Can the Plan be amended?**

Yes. We have the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

### **What happens if the Plan is discontinued or terminated?**

Although we intend to maintain the Plan indefinitely, we reserve the right to terminate our involvement in the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will continue to be 100% vested. We will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. (See the question "How will my benefits be paid?" found in Article V entitled "Form of Benefit Payment.") You will be notified of any modification or termination of the Plan.

### **How do I submit a claim for Plan benefits?**

Benefits will be paid to you and your beneficiaries without the necessity of formal claims. However, if you think an error has been made in determining your benefits, then you or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Administrator.

If the Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

### **What if my benefits are denied?**

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Administrator, unless the Administrator determines that special circumstances require an extension of time for processing your claim. If the Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90 day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the case of a claim for disability benefits, the Administrator will provide you with written or electronic notification of the Plan's adverse benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, provided that the Administrator both determines that

such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 45 day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first 30-day extension period, the Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Administrator notifies you, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.

The Administrator's written or electronic notification of any adverse benefit determination must contain the following information:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the determination is based.
- (c) A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary.
- (d) Appropriate information as to the steps to be taken if you or your beneficiary want to submit your claim for review.
- (e) In the case of disability benefits:
  - (1) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided to you free of charge upon request.
  - (2) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If your claim has been denied, and you want to submit your claim for review, you must follow the Claims Review Procedure in the next question.

## **What is the Claims Review Procedure?**

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Administrator.

(a) YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN OR ELECTRONIC NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION.

HOWEVER, IF YOUR CLAIM IS FOR DISABILITY BENEFITS, YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 180 DAYS FOLLOWING RECEIPT OF NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION.

(b) You may submit written comments, documents, records, and other information relating to your claim for benefits.

(c) You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

(d) Your claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

In addition to the Claims Review Procedure above, if your claim is for disability benefits, then the Claims Review Procedure provides that:

(a) Your claim will be reviewed without deference to the initial adverse benefit determination and the review will be conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual.

(b) In deciding an appeal of any adverse benefit determination that is based in whole or part on medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.

(c) Any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your adverse benefit determination will be identified, without regard to whether the advice was relied upon in making the benefit determination.

(d) The health care professional engaged for purposes of a consultation under (b) above will be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

The Administrator will provide you with written or electronic notification of the Plan's benefit determination on review. The Administrator must provide you with notification of this denial within 60 days after the Administrator's receipt of your written claim for review, unless

the Administrator determines that special circumstances require an extension of time for processing your claim. If the Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 60 day period. In no event will such extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review. However, if your claim relates to disability benefits, then 45 days will apply instead of 60 days in the preceding sentences. In the case of an adverse benefit determination, the notification will set forth:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the benefit determination is based.
- (c) 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 for benefits.
- (d) In the case of disability benefits:
  - (1) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided to you free of charge upon request.
  - (2) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the specific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If benefits are provided or administered by an insurance company, insurance service, or other similar organization which is subject to regulation under the insurance laws, the claims procedure relating to those benefits may provide for review. If so, that company, service, or organization will be the entity to which claims are addressed. Ask the Administrator if you have any questions regarding the proper person or entity to address claims.

If you have a claim for benefits which is denied upon review, in whole or in part, you may file suit in a state or Federal court.

## What are my rights as a Plan participant?

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 shall be entitled to:

- (a) Examine, without charge, at the Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- (b) Obtain, upon written request to the Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.
- (c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- (d) Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension benefit, the statement will tell you how many years you have to work to get a right to a pension. **THIS STATEMENT MUST BE REQUESTED IN WRITING AND IS NOT REQUIRED TO BE GIVEN MORE THAN ONCE EVERY TWELVE (12) MONTHS.** The Plan will provide this statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the 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 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 or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the 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 Administrator to provide the materials and pay you up to \$110.00 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 which 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 Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support

order, you may file suit in Federal court. You and your beneficiaries can obtain, without charge, a copy of the qualified domestic relations order ("QDRO") procedures from the Administrator.

If it should happen that the Plan's 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 if, for example, it finds your claim is frivolous.

### **What can I do if I have questions or my rights are violated?**

If you have any questions about the Plan, you should contact the 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 Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the 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.

## **ARTICLE XI PLAN EXPENSES**

The Plan permits the payment of Plan expenses to be made from the Plan assets. We generally pay these expenses from our own assets. However, if we do not pay these expenses from our own assets, then the expenses paid using the Plan's assets will generally be allocated among the accounts of all participants in the Plan. These expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. The method of allocating the expenses depends on the nature of the expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated proportionately to each participant. If the Plan pays \$1,000 in expenses and there are 100 participants, your account balance would be charged \$10 (\$1,000/100) of the expense.

After you terminate employment with us, we reserve the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether we pay some of these expenses on behalf of current employees.

There are certain other expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses may be paid directly from your account (and not the accounts of other participants) because they are directly attributable to you under the Plan. The Administrator will inform you when there will be a charge (or charges) directly to your account.

The Employer may, from time to time, change the manner in which expenses are allocated.

**ARTICLE XII**  
**GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

**General Plan Information**

Saint Michael's College 403(b) Transfer Plan is the name of the Plan.

We have assigned Plan Number 002 to the Plan.

The provisions of the Plan become effective on April 1, 2007, which is called the Effective Date of the Plan.

The Plan's records are maintained on the basis of a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1 and ends on December 31, except for the first Plan Year which commenced April 1.

Certain valuations and distributions are made on the Anniversary Date of the Plan. This date is the last day of the Plan Year.

Amounts contributed to the Plan may only be invested in a Funding Vehicle, or investment arrangement, authorized for 403(b) plans.

The Funding Vehicle used to hold contributions made to the Plan is a custodial account held by a bank or an approved non-bank trustee.

The Plan will be governed by the laws of the State of Vermont.

Benefits provided by the Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC) because the insurance provisions under the Employee Retirement Income Security Act (ERISA) are not applicable to the Plan.

**Employer Information**

Your Employer's name, address and identification number are:

Saint Michael's College  
Winooski Park  
Colchester, Vermont 05439  
03-0179403

The Plan allows other employers to adopt its provisions. You or your beneficiaries may examine or obtain a complete list of employers, if any, who have adopted the Plan by making a written request to the Administrator.

## **Administrator Information**

The Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation and directs the payment of your account at the appropriate time. The Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan and your participation, you should contact the Administrator. The Administrator may designate another person or persons to perform some duties of the Administrator.

The Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

The name, address and business telephone number of the Administrator are:

Saint Michael's College  
Winooski Park  
Colchester, Vermont 05439

802-654-2524

## **Service of Legal Process**

The name and address of the Plan's agent for service of legal process are:

Saint Michael's College  
Winooski Park  
Colchester, Vermont 05439

Service of legal process may also be made upon the Administrator.

**APPENDIX  
PLAN EXPENSE ALLOCATIONS**

The Plan will assess against an individual participant's account the following Plan expenses which are incurred by, or are attributable to, a particular participant based on use of a particular Plan feature, listed by type and the amount charged (*check all that apply, and fill in the charge or method of determining the charge*):

- [ ] **Lump sum distribution following termination.** Distribution of account in a single sum upon termination of employment, including preparation of required notices and elections, distribution check or transfer of funds by direct rollover, as appropriate, and tax reporting forms.  
Amount: \$ \_\_\_\_\_
- [ ] **Limitation on small account distributions.** Notwithstanding the foregoing charge, the Plan will not charge any fee for processing a single sum distribution if the participant's vested account balance, before the imposition of any administrative charge, does not exceed \$ \_\_\_\_\_.
- [ ] **Administrative processing fee to eliminate certain small account distributions.** If the participant's account is distributable (for example, upon termination of employment) and the distribution process fee equals or exceeds the participant's account balance, the Plan will charge the processing fee against the vested account balance, resulting in the elimination of the account balance without any distribution to the participant.
- [X] **Participant loan.** Participant loan application fee (includes processing and document preparation) and annual maintenance fee.  
Amount of application fee: \$ 75  
Amount of annual maintenance fee: \$ 0
- [ ] **Installment distribution.** Installment distributions, including preparation of periodic required notices and elections, distribution checks and additional calculation of distribution amounts if necessary, and tax reporting forms.  
Amount: \$ \_\_\_\_\_
- [ ] **QDRO.** Qualified domestic relations order ("QDRO") review and processing, including notices to parties and preparation of QDRO distribution check. In addition to the amount indicated below, the Plan will charge the participant's account for actual legal expenses and costs if the Plan consults with legal counsel regarding the qualified status of the order.  
Amount: \$ \_\_\_\_\_
- [ ] **In-service distribution.** Non-hardship in-service distribution, including application processing and preparation of required notices, elections and distribution check.  
Amount: \$ \_\_\_\_\_

[ ] **RMD.** Required minimum distributions, including annual calculation of required minimum distribution and preparation of required notices, elections and distribution check.  
Amount: \$\_\_\_\_\_

[ ] **Participant direction of investment: brokerage account option.** Annual fee for use of brokerage account option. Note: This fee is in addition to any costs associated with the participant's investment decisions, which automatically will be charged against a participant's account (e.g., broker's fees, other transactional charges, valuation or appraisal fees).  
Amount: \$\_\_\_\_\_

[ ] **Benefit calculation.** Calculation of benefits, including determination of substantially equal payments.  
Amount: \$\_\_\_\_\_

[ ] **Other (describe)**

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[ ] **Other (describe)**

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[ ] **Other (describe)**

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*Note:* The Plan will charge on a pro rata basis to all participants all other plan related expenses (not described above) that the plan pays.