

# Summary Plan Description (SPD)

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Allegheny College

Tax Deferred Annuity Plan  
(Supplemental Retirement Annuity – SRA)

July 1, 2009

To become a Participant in the Plan, you must meet the Plan's eligibility requirements. Once you become a Participant, the Allegheny College Tax Deferred Annuity Plan will maintain an Individual Account for you. Each Plan Year, your account will be adjusted to reflect contributions, gains, losses, etc. These features are explained further in the following pages.

The actual Plan is a complex legal document that has been written in the manner required by the Internal Revenue Service (IRS) and is referred to as the Basic Plan Document. This document is called a Summary Plan Description (SPD) and explains and summarizes the important features of the Basic Plan Document. You may be able to elect to reduce your annual taxable income by deferring a portion of your Compensation into the Plan as Elective Deferrals. You should consult the Basic Plan Document for technical and detailed Plan provisions. The Basic Plan Document, and not this SPD, controls the legal operation of the Plan.

If at any time you have specific questions about the Plan as it applies to you, please bring them to the attention of the Plan Administrator whose address and telephone number appears on Page 15 of this SPD. You may also examine the Basic Plan Document itself at a reasonable time by making arrangements with the Plan Administrator.

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# INTRODUCTION

Allegheny College has restated the Allegheny College Tax Deferred Annuity Plan (the "Plan") to help you and other Employees save for retirement.

Your Employer restated the Plan by signing a complex legal agreement – the Plan document - 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. Your Employer 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 should contact your Employer. You may also examine a copy of the plan document by making arrangements with your Employer. 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 your Employer, the terms of the Plan document – not this SPD - will govern.

All dollars contributed to the Plan will be invested 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. For example, the Individual Agreement may contain a provision which prohibit loans, even if the Plan generally allows loans. If this is the case, you would not be able to take a loan from the accumulation in an investment option governed by that Individual Agreement. You should review the Individual Agreements along with this SPD to gain a full understanding of your rights and obligations under the Plan. Contact your Employer or the investment vendor to obtain copies of the Individual Agreements or to receive more information regarding the investment options available under the Plan.

You can view Plan balances, contributions and transaction history, rebalance your portfolio, change your contributions allocation, make transfers between funds, obtain information on investments options and investment performance, and obtain online help by logging on to the participant website at <http://www.tiaa-cref.org>.

Many of your questions concerning the Plan can be answered by TIAA-CREF by calling 1-800-842-2776 to speak to a representative or by calling the Automated Telephone Service at 1-800-842-2252.

# ELIGIBILITY

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

You will be eligible to contribute a portion of your pay to the Plan as a pre-tax Deferral or as an after-tax Roth Deferral, unless you fall into one of the following categories of excluded employees.

- You are a student enrolled and attending classes offered by your Employer and your Employer is a school, college or 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 immediately eligible to participate in the Plan. There are no special age or service requirements that you need to satisfy.

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

Unless you fall into one of the categories of excluded employees, you will be immediately eligible to participate in the Plan.

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

If you terminate employment and are later rehired, you will be able to defer a portion of your Compensation as a Deferral as soon as administratively feasible after being rehired.

# CONTRIBUTIONS & VESTING

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

### Deferrals

You will be able to contribute a portion of your Compensation as a pre-tax Deferral or as an after-tax Roth Deferral unless you are a member of one of the excluded classes listed previously. The maximum dollar amount that you can contribute to the Plan each year is \$16,500 for 2009 and 2010, 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). This amount will increase as the cost of living increases. Deferrals (and the related earnings) are always fully vested and cannot be forfeited. So if you were to leave your Employer, you would be entitled to the full Deferral balance (plus earnings).

The amount of your Compensation that you decide to defer into the Plan generally 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 your Employer. 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 will 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. Your Employer will pay you \$23,750 as gross taxable income and will deposit \$1,250 (five percent) into the Plan. You will not pay federal income taxes on the \$1,250 (plus earnings on the \$1,250) until you withdraw it from the Plan.

You also have the choice of treating your Deferrals as after-tax Roth Deferrals rather than pre-tax Deferrals. Roth Deferrals are contributed to the Plan from amounts that have already been treated as taxable income. Roth Deferrals will not reduce your taxable income in the year in which you contribute a portion of your Compensation into the Plan. The benefit of making Roth contributions comes when you take a payout from the Plan - when both the original contributions and your earnings on those contributions are paid out tax-free so long as you meet certain requirements for a qualified payout.

EXAMPLE: Your Compensation is \$25,000 per year. You decide to contribute five percent of your Compensation into the Plan. Your Employer will pay you \$23,750 as income and will deposit \$1,250 (five percent) into the Plan. You will include the entire \$25,000 in your taxable income for the year it was earned even though you only received \$23,750. However, when you withdraw the \$1,250 contribution from the Plan, it will be tax free (along with all of the earnings that have accumulated on that contribution) if you take a qualified payout. The earnings will never be taxed if you take a qualified distribution.

#### 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 and 2010) into the Plan as a pre-tax Deferral or after-tax Roth contribution once you meet certain Plan limits. The maximum 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 Employer, and the Employer 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; or
3. (\$5,000 times the number of years you have worked for the Employer) minus (the total amount of Deferrals made while you worked for the Employer).

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 your Employer, 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 follow the procedures established by your Employer.

**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 your Employer 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 the times determined by your Employer. Generally, once you stop your Deferrals, you will not be able to reenroll in the Plan and begin making Deferrals again until the first day of the next Plan Year, or the first day of the seventh month of the Plan Year, unless your Employer decides to allow more frequent re-entry.

Example: Assume the Plan Year is the calendar year and you are enrolled in the Plan and deferring 6% of your Compensation into the Plan as a pre-tax Deferral. On October 1 you decide to stop making Deferrals. You will not be able to re-enter and begin making Deferrals again until January 1.

You may also change the amount of your Deferrals that are characterized as pre-tax versus Roth Deferrals at the times specified by your Employer. This change will apply only to new Deferrals and will not apply to Deferrals already contributed to the Plan.

**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 your Employer, 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 have money in other retirement plans, can I combine them with my accumulation under this Plan?** Your Employer 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. Your Employer will provide you with the documents or other

information you need to determine whether your prior plan balance is qualified to be rolled into this Plan.

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; or Traditional IRA.

#### Plan to Plan Transfers

Your Employer may allow you to transfer dollars you have saved in other 403(b) retirement arrangements into this Plan if you are a current or former Employee of the Employer. Your Employer 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 and 2010 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 your Employer.

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

If you are reemployed by your Employer after completing military service, you may be entitled to receive certain make-up contributions from your Employer. If your Plan permits Deferrals or Nondeductible Employee Contributions, you may also have the option of making up missed employee contributions and receiving a Matching Contribution, if applicable, 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).

## **WITHDRAWING MONEY FROM THE PLAN (AND LOANS)**

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

You may request a distribution of Deferrals at the times listed below.

- You terminate employment
- You become Disabled
- When you reach age 59½
- On account of hardship
- At any time with respect to pre-1989 Deferrals invested in an annuity contract

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.

### **Hardship**

If you experience a financial hardship, you may take a distribution from the Deferrals you have contributed to the Plan, unless restricted under the terms of the Individual Agreements.

The following events qualify as a hardship distribution under the Plan:

- medical expenses for you, your spouse or your dependents, or your beneficiary,
- payment to purchase your principal residence,
- tuition and education-related expenses for you, your spouse or your dependents, or your beneficiary,
- payments to prevent eviction from your principal residence,
- funeral expenses for you, your spouse or your dependents, or your beneficiary, or
- payments to repair your principal residence that would qualify for a casualty loss deduction.

Before you take a hardship distribution, you must take all other distributions and all nontaxable loans available to you under the Plan. If you take a hardship distribution of Deferrals, you may not be eligible to make Deferrals for the next six months. If you are under age 59½, the amount you take out of the Plan as a hardship distribution may be subject to a 10 percent penalty tax.

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 your Employer or the investment vendor if you have questions regarding your distribution options.**

**How do I request a payout?**

You must complete a payout request form provided or approved by your Employer or follow other procedures established by your Employer for processing distributions.

If you are taking a hardship distribution, you must provide documents to verify that you have a hardship event that qualifies for a Plan distribution.

**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 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. Your Employer will provide you with more information regarding your annuity options when it comes time for you to make a decision. Follow the procedures established by your Employer to document your spouse's consent to waive the annuity and take the payment in some other form permitted by the Plan. Your spouse must also consent to any Plan loans that you request.

**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 your Employer or the investment vendor if you have questions regarding your distribution options. To learn more about TIAA-CREF retirement plan income options visit [http://www.tiaa-cref.org/products/retirement/employer\\_sponsored/options/index.html](http://www.tiaa-cref.org/products/retirement/employer_sponsored/options/index.html) or call a TIAA-CREF retirement specialist at 1-800-842-2776.

If your distribution is eligible to be rolled over, you may choose to have your distribution paid to another eligible retirement arrangement. Contact your Employer 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?**

Although the Plan is designed primarily to help you save for retirement, you may take a loan from the Plan as outlined below, subject to the terms and restrictions in the Individual Agreements. Please review your annuity contracts or custodial agreements before requesting a loan.

The Individual Agreements governing the investment options that you selected for your Plan contributions may contain additional limits on when you can take a loan. Please review both the following information in this Summary Plan Description and your annuity contracts or custodial agreements before requesting a loan. Contact your Employer or the investment vendor if you have questions regarding your loan options.

Generally the minimum loan amount that you may take is \$1,000 and the maximum loan amount is \$50,000. The maximum amount you can borrow may be less, however, depending on two factors: 1) the amount of your GSRA accumulation, and 2) whether you have taken other loans from any of this Employer's plans within the last year.

If you have not had a plan loan in the previous year, your maximum loan cannot be greater than one-half of your vested account balance or \$50,000, whichever is less. If you have had another loan, the \$50,000 maximum will be reduced by the highest outstanding loan balance in the 12 month period prior to the new loan.

If your loan is being taken from a TIAA-CREF Annuity, your maximum loan amount is further limited to:

- 1) 45% of your combined TIAA and CREF GSRA accumulation attributable to participation under this Plan; or
- 2) 90% or your TIAA GSRA Traditional Annuity accumulation attributable to participation under this Plan.

If you default on a loan, your right to a future loan may be restricted. Further, the maximum amount that you can borrow from the Plan will be reduced by the amount in default (plus interest) until the defaulted amount can be deducted from your Plan accumulation. If more than one employer contributed to your TIAA-CREF Annuities,

you can only take loans based on the amount you accumulated under this Employer's plan. You should check with your other employers for the rules that apply to loans from the amounts you accumulated while working for the other employers.

If your loan is based on amounts invested in your TIAA-CREF mutual funds, you may not have more than three loans at any one time (from all plans of all employers).

If your loan is used to purchase a primary residence, you must repay it within ten years. Other loans must be repaid within one to five years.

**How do I apply for a loan?**

To apply for a loan you must complete the loan application provided (or approved) by your Employer and pay any applicable loan fees.

To apply for a loan, get answers to any questions you may have about loans, learn about any additional limits on when you can take a loan under your Individual Agreements, or manage an outstanding loan, call TIAA-CREF's Telephone Counseling Center toll-free at 1-800-842-2776 or log on to the participant website at <http://www.tiaa-cref.org>.

**What is the interest rate for my loan?**

The interest rate for your loan is variable and can increase or decrease every three months. The interest rate you pay initially will be the higher of 1) the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued; or 2) the interest rate credited before your annuity starting date, as stated in the applicable rate schedule, plus 1 percent. Thereafter, the rate may change quarterly, but only if the new rate differs from your current rate by at least ½ percent.

**What if I don't repay my loan?**

If TIAA does not receive your loan repayment by the last day of the month it is due, you will be in default. If this happens, the entire balance will be reported as income if you miss a single payment.

To the extent permitted by federal tax law, TIAA will deduct the amount in default from the collateral held in the TIAA GSRA Traditional Annuity and apply it toward repaying the loan. It is very important to keep in mind, however, that the IRS requires TIAA to report the default amount as income you actually received. That means defaults are taxable as ordinary income in the year they occur. If you are under age 59 1/2, your default may also be subject to an additional 10% federal tax penalty.

Tax law may prohibit TIAA from deducting the default amount from your accumulation until you reach age 59 1/2, terminate employment, become disabled, or die, whichever occurs first. In these cases, you will be taxed on the default amount as if you received it as income in the year the default occurred. Currently, interest accrues on the total amount in default and you are taxed on this interest each year until TIAA is able to deduct the defaulted amount from your accumulation to repay the loan.

**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. To designate your beneficiary, you must follow the procedures established by your Employer. 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 do not name a beneficiary, 50% of your balance will be paid to your spouse and 50% will be paid to your estate. If you do not name a beneficiary and 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 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 amount 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 from your Employer.

**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.

## **INVESTING YOUR PLAN ACCOUNT**

**What investments are permitted?**

Your Employer (or someone appointed by your Employer) 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 your Employer considers appropriate. Your Employer 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 have the right to decide how your Plan balance will be invested. Your Employer will establish administrative procedures that you must follow to select your investments. Your Employer will designate a list of vendors and investment options that you may select for new contributions to the Plan. You will have the ability to transfer your Plan balance among these vendors and investment options, to the extent permitted by the Individual Agreements. Contact your Employer if you are not certain whether a particular vendor or investment option is permitted under the Plan. If you do not select investments for your Plan account, the Employer will determine how your account will be invested.

Your Employer 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 your Employer 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.

**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 AND RIGHTS UNDER ERISA

## **Who established the Plan?**

The official name of the Plan is Allegheny College Tax Deferred Annuity Plan. Your Employer has assigned Number 002 to the Plan. The Employer who adopted the Plan is:

Allegheny College  
520 N Main St  
Meadville, PA 16335-3902  
814-332-2312  
Federal Tax Identification Number: 25-0965212  
Fiscal Year End: 12/31

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?**

Your Employer has amended and restated the Allegheny College Tax Deferred Annuity Plan which was originally adopted 07/01/1961. The effective date of this amended Plan is 07/01/2009.

## **Who is responsible for the day-to-day operations of the Plan?**

Your Employer is responsible for the day-to-day administration of the Plan. To assist in operating the Plan efficiently and accurately, your Employer 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 Employer may, in its discretion, pay any or all of these expenses. For example, the employer may pay expenses for current employees, but may deduct the expenses of former employees directly from their accounts. Your Employer will provide you with a summary of all Plan expenses and the method of payment of the expenses upon request. Please note that at the present time the only Plan administration expenses allocated to Plan participants are those that may be charged by TIAA-CREF under your annuity contracts and/or custodial accounts.

**Does the Employer 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. Your Employer also has the right to amend the Plan to add new features or to change or eliminate various provisions. An Employer cannot amend the Plan to take away or reduce protected benefits under the Plan (e.g., the Employer cannot reduce the vesting percentage that applies to your current balance in the Plan).

**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.

**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 your Employer 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. Your Employer 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 your Employer 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 your Employer. The claim must set forth the reasons you believe you are eligible to receive benefits and you must authorize the Employer to conduct any necessary examinations and take the steps to evaluate the claim.

**What if my claim is denied?**

Except as described below, if your claim is denied, your Employer 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.

In the case of a claim for disability benefits, if the Employer is making a determination of whether you are Disabled, you will be notified of a denial of your claim within a reasonable amount of time, but not later than 45 days after the Plan receives your claim. The 45-day time period may be extended by the Plan for up to 30 days if the Employer determines that an extension is necessary due to matters beyond the control of the Plan. The Employer will notify you, before the end of the 45-day period, of the reason(s) for

the extension and the date by which the Plan expects to make a decision regarding your claim.

If, before the end of the 30-day extension, your Employer determines that, due to matters beyond the control of the Plan, a decision regarding your claim cannot be made within the 30-day extension, the period for making the decision may be extended for an additional 30 days, provided that your Employer notifies you, before the end of the first 30-day extension, of the circumstances requiring the additional 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.

Your Employer 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; and
- v. In the case of a Plan providing disability benefits, if your Employer 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 that 2) a copy of the rule or guideline will be provided free of charge to you upon request.

If the claim denial is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

**May I appeal the decision of the Employer?**

You or your beneficiary will have 60 days from the date you receive the notice of claim

denial in which to appeal your Employer's decision. You may request that the review be in the nature of a hearing and an attorney may represent you.

However, in the case of a claim for disability benefits, if your Employer is deciding whether you are Disabled under the terms of the Plan, you will have at least 180 days following receipt of notification of a claim denial within which to appeal your Employer's decision.

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.

If the claim is for disability benefits:

i. Your claim will be reviewed independent of your original claim and will be conducted by a named fiduciary of the Plan other than the individual who denied your original claim or any of his or her employees.

ii. In deciding an appeal of a claim denial that is based in whole or in part on a 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.

iii. Your Employer will provide you with the name(s) of the health care professional(s) who was consulted in connection with your original claim, even if the claim denial was not based on his or her advice. The health care professional consulted for purposes of your appeal will not be the same person or any of his or her employees.

iv. You will be notified of the outcome of your appeal no later than 45 days after receipt of your request for the appeal, unless the Employer determines that special circumstances require an extension of time for processing the claim. If your Employer determines that an extension is required, written notice of the extension will be provided to you before the end of the initial 45-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.

Your Employer 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 Employer 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 the claim denial is based on a medical necessity, experimental treatment, or similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

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

Your Employer is the agent to be served with legal papers regarding the Plan.

**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.

**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 Employer'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 Employer, 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 Employer may charge a reasonable fee for the copies.

3. Receive a summary of the Plan's annual financial report. The Employer is required by law to furnish each Participant with a copy of the 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 Employer 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 Employer. 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. 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 Employer. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Employer, 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.

Further, if this Plan is maintained by more than one Employer, you may obtain a complete list of all such Employers by making a written request to your Employer.

## DEFINITIONS

**Compensation** – The definition of Compensation under the Plan can vary depending upon the purpose (e.g., allocations, nondiscrimination testing, tax deductions).

In general, the amount of your earnings from your Employer taken into account under the Plan is all earnings reported to you on Form W-2. Compensation will include amounts that are not included in your taxable income that were deferred under a cafeteria plan, a 401(k) plan, a salary deferral SEP plan, a 403(b) tax-sheltered annuity plan, a 457(b) deferred compensation plan of a state or local government or tax-exempt employer, or transportation fringe benefits that you receive.

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 Compensation.
- Any compensation beyond regular base salary will not be considered Compensation.

If you receive payments from your Employer 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.

The maximum amount of Compensation that will be taken into account under the Plan is \$245,000 (for 2009 and 2010). This amount increases as the cost of living rises.

**Deferrals** – Deferrals are the dollars you choose to contribute to the Plan through payroll deduction on a pre-tax basis or as a Roth after-tax Deferral.

**Disabled** – You will be considered Disabled if you cannot engage in any substantial,

gainful activity because of a medically determined physical or mental impairment that is expected to last at least 12 months.

**Early Retirement Age** – There is no Early Retirement Age designated under the Plan.

**Employer** – The Employer is Allegheny College. Your Employer will also serve as the Plan Administrator, as defined in ERISA, who is responsible for the day to day operations and decisions regarding the Plan, unless a separate Plan Administrator is appointed for all or some of the plan responsibilities. The term Employer, as used in this Summary Plan Description, will also mean Plan Administrator, as that term is used in ERISA.

**Highly Compensated Employee** – A Highly Compensation Employee is any employee who 1) was a five percent owner at any time during the year or the previous year, or 2) for the previous year had Compensation from the Employer greater than \$110,000 (for 2009 and 2010).

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.

If your Employer continues a plan from a prior employer, you will receive credit for time that you worked for the predecessor employer.

**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 your Employer 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.

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

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

**Plan** – The Allegheny College Tax Deferred Annuity Plan is the Plan described in this Summary Plan Description.

**Plan Administrator** – Your Employer is responsible for the day-to-day administration of the Plan. To assist in operating the Plan efficiently and accurately, your Employer 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** – Your Employer 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.

**Taxable Wage Base** – The Social Security Administration sets a contribution and benefit base level each year which is referred to as the Taxable Wage Base.

# **HEART ACT ADOPTION AGREEMENT, AMENDMENT, AND SUMMARY OF MATERIAL MODIFICATIONS**

For use with TIAA-CREF's ERISA Specimen  
403(b) Plans for Section 501(c)(3) Tax Exempt  
Employees Basic Plan Document



**FINANCIAL SERVICES  
FOR THE GREATER GOOD®**

# Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART) Adoption Agreement Amendment

This amendment of the Plan (hereinafter referred to as "the Amendment") is comprised of this Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART) Adoption Agreement Amendment (the "Adoption Agreement Amendment") and the corresponding Basic Plan Document Amendment. The Amendment is adopted to reflect the provisions of the Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART). The Amendment is intended to provide good faith compliance with HEART and related guidance until the Plan is formally restated to incorporate such guidance. The Amendment is effective as specified in this Adoption Agreement Amendment except as otherwise provided in the Basic Plan Document Amendment. The Amendment supersedes the existing provisions of the Plan to the extent that those provisions are inconsistent with the provisions of the Amendment.

## EMPLOYER INFORMATION

Name of Plan ALLEGHENY COLLEGE TAX DEFERRED ANNUITY PLAN

Plan Sequence Number \_\_\_\_\_ Account Number 151012

## CONTRIBUTIONS

Complete Part A

### Part A. Benefit Accrual in the Case of Death or Disability Resulting from Qualified Military Service

Will the benefit accrual provisions under Code Section 414(u)(9) apply to individuals who are unable to be reemployed on account of death or Disability while performing qualified military service as defined in Code Section 414(u) (select one)?

Option 1:  Yes, effective \_\_\_\_\_ (Specify a date that is on or after January 1, 2007, or, if later, the Effective Date of the Plan.)

Option 2:  No.

NOTE: If no option is selected, Option 2 will apply.

## VESTING AND FORFEITURES

Complete Part A

### Part A. Vesting in the Case of Disability Resulting from Qualified Military Service

Will Years of Vesting Service be credited to individuals who are unable to be reemployed on account of Disability while performing qualified military service as defined in Code Section 414(u) (select one)?

Option 1:  Yes, effective \_\_\_\_\_ (Specify a date that is on or after January 1, 2007, or, if later, the Effective Date of the Plan.)

Option 2:  No.

Option 3:  Not applicable. Individuals become 100% Vested upon Disability under the terms of the Plan.

NOTE: If no option is selected, Option 2 will apply. Regardless of which option is selected, individuals who are unable to be reemployed on account of death while performing qualified military service must be credited with Years of Vesting Service.

## DISTRIBUTIONS

Complete Part A

### Part A. Deemed Severance from Employment

May a Participant request a distribution of their Elective Deferrals and earnings on account of Deemed Severance from Employment while performing military service as defined in Code Section 3401(h)(2)(A) (select one)?

Option 1:  Yes, effective \_\_\_\_\_ (Specify a date that is on or after January 1, 2009, or, if later, the Effective Date of the Plan.)

Option 2:  No.

NOTE: If no option is selected, Option 1 will apply.

## DEFINITIONS

Complete Part A

### Part A. Differential Wage Payments

Unless a different definition of Compensation is required by either the Code or ERISA, will Differential Wage Payments be included in Compensation for contribution, allocation and other general Plan purposes (select one)?

Option 1:  Yes, effective \_\_\_\_\_ (Specify a date that is on or after January 1, 2009, or, if later, the Effective Date of the Plan.)

Option 2:  No.

NOTE: If no option is selected, Option 1 will apply and the effective date will be the later of January 1, 2009, or the Effective Date of the Plan.

**EMPLOYER SIGNATURE**

**Signature of Employer**

- 1. I acknowledge that I have relied upon my own advisers regarding the completion of the Amendment and the legal and tax implications of amending this Plan;
- 2. I understand that my failure to properly complete the Amendment may result in disqualification of the Plan; and
- 3. I have received a copy of the Amendment.

Signature of Adopting Employer David Mully Date Signed 4-11-10  
Type Name David McInally Title Executive Vice President / Treasurer

# Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART) Basic Plan Document Amendment

This amendment of the Plan (hereinafter referred to as "the Amendment") is comprised of this Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART) Basic Plan Document Amendment (the "Basic Plan Document Amendment") and the corresponding Adoption Agreement Amendment. The Amendment is adopted to reflect the provisions of the Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART). The Amendment is intended to provide good faith compliance with HEART and related guidance until the Plan is formally restated to incorporate such guidance. The Amendment is effective as specified in this Basic Plan Document Amendment except as otherwise provided in the Adoption Agreement Amendment. The Amendment supersedes the existing provisions of the Plan to the extent that those provisions are inconsistent with the provisions of the Amendment.

## DEFINITIONS

### DIFFERENTIAL WAGE PAYMENT

*Differential Wage Payment is added to the Plan as a new defined term with the following definition:*

Means a payment defined in Code Section 3401(h)(2) that is made by the Employer to an individual performing service in the uniformed services.

### COMPENSATION

*The Plan's definition of Compensation is modified by adding the following, as the next alphabetically ordered paragraph, to the end:*

#### Differential Wage Payments

Notwithstanding anything in this Plan to the contrary, for years beginning on or after January 1, 2009, (or, if later, the Effective Date of the Plan) if the Employer chooses to provide Differential Wage Payments to individuals who are active duty members of the uniformed services, such individuals will be treated as Employees of the Employer making the Differential Wage Payment, the Differential Wage Payment will be treated as Compensation for purposes of applying the Code. Accordingly, Differential Wage Payments must be treated as Compensation under Code Section 415(c)(3) and Treasury Regulation 1.415-2(d). Differential Wage Payments will also be treated as Compensation for contribution, allocation and other general Plan purposes unless excluded from the Plan's definition of Compensation on the Adoption Agreement Amendment. In addition, the Plan will not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit that is based on Differential Wage Payments only if all Employees of the Employer (as determined under Code Sections 414(b), (c), (m), and (o)) performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive Differential Wage Payments on reasonably equivalent terms and, if eligible to participate in the Plan, to make contributions based on the payments on reasonably equivalent terms. Such contributions or benefits may be taken into account for purposes of nondiscrimination testing as long as they do not cause the Plan to fail the nondiscrimination requirements.

### DEEMED SEVERANCE FROM EMPLOYMENT

*Deemed Severance from Employment is added to the Plan as a new defined term with the following definition:*

Means, effective for years beginning on or after January 1, 2009, (or, if later, the Effective Date of the Plan) and notwithstanding the definition of Differential Wage Payment, an individual is deemed to cease to be an Employee for purposes of Code Section 414(u)(12)(B) during any period the individual is performing service in the uniformed services as defined in Code Section 3401(h)(2)(A).

### EMPLOYEE

*The Plan's definition of Employee is modified by adding the following to the end:*

The term Employee will also include individuals providing qualified military service who are treated as reemployed for purposes of applying the rules under Code Sections 403(b)(14) and 414(u).

## DISTRIBUTIONS

*The Basic Plan Document section titled Miscellaneous Distribution Issues is modified by adding as the next numbered paragraph, to the end:*

Distribution Due to a Deemed Severance from Employment – Except as otherwise elected in the Adoption Agreement Amendment, effective for years beginning on or after January 1, 2009, (or such later date as specified in the Adoption Agreement Amendment), individuals who have a Deemed Severance from Employment under Code Section 414(u)(12)(B) during a period of uniformed services as defined in Code Section 3401(h)(2)(A) may elect to receive a distribution of Elective Deferrals, Qualified Nonelective Contributions and income allocable to each. If an individual receives a distribution due to a Deemed Severance from Employment, the individual may not make an Elective Deferral or Nondeductible Employee Contribution during the six-month period beginning on the date of the distribution.

## MISCELLANEOUS

*The Basic Plan Document section MISCELLANEOUS is modified by adding as the next numbered section to the end:*

### MILITARY SERVICE

Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u), including, but not limited to the following:

#### Part A. Benefit Accrual in the Case of Death or Disability Resulting From Active Military Service.

1. Benefit Accrual – If elected in the Adoption Agreement Amendment, for benefit accrual purposes, an individual who dies or becomes disabled on or after January 1, 2007, (or such later date as specified in the Adoption Agreement Amendment), while performing qualified military service (as defined in Code Section 414(u)) will be treated as if the individual resumed employment in accordance with the individual's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), on the day preceding death or Disability (as applicable) and terminated employment on the actual date of death or Disability. If the Employer elects to treat an individual as having resumed employment as described above, subject to items (2) and (3) below, any full or partial compliance by the Plan with respect to the benefit accrual requirements will be treated for purposes of Code Section 414(u)(1) as if such compliance were required under USERRA.

2. **Nondiscrimination Requirement** – Part A, item (1) above will only apply if all individuals performing qualified military service with respect to the Employer (as determined under Code Sections 414(b), (c), (m) and (o)) who die or became disabled as a result of performing qualified military service (as defined in Code Section 414(u)) prior to reemployment by the Employer are credited with service and benefits on reasonably equivalent terms.
3. **Determination of Benefits** – The amount of Nondeductible Employee Contributions and the amount of Elective Deferrals of an Employee treated as reemployed under Part A, item (1) for purposes of applying Code Section 414(u)(8)(C) will be determined on the basis of the individual's average actual Nondeductible Employee Contributions or Elective Deferrals for the lesser of:
  - a. the 12-month period of service with the Employer immediately prior to qualified military service (as defined in Code Section 414(u)), or
  - b. if service with the Employer is less than such 12 month period, the actual length of continuous service with the Employer.

**Part B. Vesting in the Case of Disability Resulting From Active Military Service**

1. **Years of Vesting Service** – If elected in the Adoption Agreement Amendment, for vesting purposes, an individual who becomes disabled on or after January 1, 2007, (or such later date as specified in the Adoption Agreement Amendment), while performing qualified military service (as defined in Code Section 414(u)) will be treated as if the individual resumed employment in accordance with the individual's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), on the day preceding Disability and terminated employment on the actual date of Disability. If the Employer elects to treat an individual as having resumed employment as described above, subject to item (2) below, compliance by the Plan with respect to the vesting requirements will be treated for purposes of Code Section 414(u)(1) as if such compliance were required under USERRA.
2. **Nondiscrimination Requirements** – Part B, item (1) above will apply to the extent permitted under other applicable rules, including the rules provided in Treasury Regulation Section 1.401(a)(4)-11(d)(3), which provides nondiscrimination rules for crediting imputed service. Under Treasury Regulation Section 1.401(a)(4)-11(d)(3), the provisions crediting Years of Vesting Service to any Highly Compensated Employee must apply on the same terms to all similarly situated non-Highly Compensated Employees.

**Part C. Death Benefits**

In the case of an individual Participant who dies on or after January 1, 2007, while performing qualified military service (as defined in Code Section 414(u)), the Participant's survivors are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment with the Employer and then terminated employment on account of death.

# Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART) Summary of Material Modifications

Name of Plan ALLEGHENY COLLEGE TAX DEFERRED ANNUITY PLAN

Name of Adopting Employer Allegheny College

Plan Sequence Number 151012

Plan Year End December 31

The purpose of this document is to update your Summary Plan Description (SPD). This document is very important and should be kept with your SPD. If any provisions in this Summary of Material Modifications (SMM) conflict with your SPD, the terms of this SMM will apply. To the extent addressed below, your SPD is amended to read as follows.

## CONTRIBUTIONS AND VESTING

**Q1. If I die or become Disabled during military service, will the time I was providing military service be considered for determining whether I will receive employer contributions?**

Yes  No *Employer contributions*

If "Yes" is selected, your Employer will treat you as if you had been reemployed on the day before your death or disability and terminated on the day of death or disability to determine your Plan contributions. No matter which box is selected above, if you die, your Employer will treat you as if you had been reemployed on the day before your death and terminated on the day of your death to determine all of your benefits under the Plan other than contributions.

If "Yes" is selected above, your military service will be considered for contribution purposes if you die or become Disabled on or after \_\_\_\_\_.

**Q2. If I become Disabled during military service, will the time I was providing military service be considered for determining the vested portion of my Plan balance?**

Yes  No  Not applicable *Vesting credit*

If "Yes" is selected, your Employer will treat you as if you had been reemployed on the day before your disability and terminated on the day of disability to determine the vested portion of your Plan balance. If "Not applicable" is selected, your Employer's Plan currently provides you with 100% vesting if you become Disabled.

If "Yes" is selected above, your military service will be considered for vesting purposes if you become Disabled on or after \_\_\_\_\_.

## DISTRIBUTIONS

**Q1. May I take a distribution from the Plan if I am an active-duty member of the armed forces?**

Yes  No *Distribution for active-duty members of the armed forces*

If "Yes" is selected, and you are on active duty in the uniformed services for a period of more than 30 days, you may elect to take a distribution of your Elective Deferrals from the Plan while you are on active duty without severing from employment with your Employer. However, if you choose to take distributions under this provision, you will not be permitted to make Elective Deferrals or Nondeductible Employee Contributions to the Plan during the six-month period beginning on the date of the distribution.

If "Yes" is selected above, you may take these distributions beginning on or after January 1, 2009

## DEFINITIONS

**Q1. Is differential military pay received from my Employer considered Compensation?**

Yes  No *Differential Military Pay*

If "Yes" is selected, and your Employer chooses to provide differential pay to you while you are on active duty with the uniformed services for a period of more than 30 days, the pay will be considered additional Compensation paid to you for purposes of determining Plan contributions. See your Plan Administrator to determine if your Employer provides differential pay.

If "Yes" is selected above, differential military pay you receive will be considered Compensation paid to you for years beginning on or after \_\_\_\_\_.