ALLEGHENY COLLEGE
TAX DEFERRED ANNUITY PLAN
SUMMARY OF MATERIAL MODIFICATIONS

Federal Law requires the Plan Administrator of retirement plans to provide affected participants and beneficiaries with a summary of any material modifications to a plan. This summary describes the material modifications made by amendment to the above named plan effective as of January 1, 2009.

I. Treatment of Differential Military Pay as Plan “Compensation”. As a general rule, your “compensation” for purposes of determining your Employee Contributions to the Plan includes all pay you receive for services rendered to Allegheny College as an employee which is reported to the IRS as “taxable wages” but excluding bonuses, overtime pay, or other compensation beyond your regular base salary or the salary stated in the academic year contract; determined before any reductions are made from such salary for your Employee Contributions to the Plan and any salary reduction contributions made on your behalf to the College’s cafeteria benefits plan.

If you are on active military duty for more than 30 days on or after January 1, 2009 and you receive differential wage payments, those payments will now be treated as Plan “compensation”.

“Differential Wage Payments” are those wages (or any portion thereof) which Allegheny College would have provided to a former employee on active duty for more than 30 days in the uniformed military services of the United States if such former employee were still performing services for the College. Although the College is not required to provide differential wage payments, any decision regarding the payment or not of differential wage payments will be applied in a uniform and nondiscriminatory manner.

II. Option of Military Personnel to Make Certain Withdrawals. As a general rule, you cannot take a withdrawal of your interest under the Plan prior to your termination of employment, becoming disabled, incurring a “Financial Hardship” or attaining age 59-1/2. Under prior law, it was unclear whether or not a former employee on active duty in the uniformed military services of the United States should be treated as having terminated employment for purposes of determining eligibility to withdraw his or her interest under the Plan.

If you are on such active military duty for more than 30 days on or after January 1, 2009, you will now be permitted to take a distribution of your Employee Contributions in the Plan while you are performing such active duty military service and regardless of whether you have formally severed your service with the College. If you do decide to take such a distribution, you will not be permitted to make Employee Contributions to the Plan for the 6 month period beginning on the date of distribution.

This memorandum is a Summary of Material Modifications (“SMM”) to the Plan Summary Plan Description (“SPD”) which is required to be provided to you under the Employee Retirement Income Security Act of 1974, as amended.

Please keep this SMM with your copy of the SPD for the Plan until the SPD is restated. If you have misplaced your copy of the SPD and would like another copy, or if you have any questions, please contact the Patricia A. Ferrey, Director, Human Resources, at (814) 332-2313.