

**MAP-21 Supplement to Annual Funding Notice
of Thomas Jefferson University Employees' Pension Plan (Plan) for
Plan Year Beginning July 1, 2013 and Ending June 30, 2014 (Plan Year)**

This is a temporary supplement to your annual funding notice. It is required by a new federal law named Moving Ahead for Progress in the 21st Century Act (MAP-21). MAP-21 changed how pension plans calculate their liabilities. The purpose of this supplement is to show you the effect of these changes. Prior to MAP-21, pension plans determined their liabilities using a two-year average of interest rates. Now pension plans also must take into account a 25-year average of interest rates. This means that MAP-21 interest rates likely will be higher and plan liabilities lower than they were under prior law. As a result, your employer may contribute less money to the plan at a time when market interest rates are at or near historical lows.

The "MAP-21 Information Table" shows how the MAP-21 interest rates affect the Plan's: (1) Funding Target Attainment Percentage, (2) Funding Shortfall, and (3) Minimum Required Contribution. The funding target attainment percentage of a plan is a measure of how well the plan is funded on a particular date. The funding shortfall of a plan is the amount by which liabilities exceed net plan assets. The minimum required contribution is the amount of money an employer is required by law to contribute to a plan in a given year. The following table shows this information determined with and without the MAP-21 rates to illustrate the effect of MAP-21. The information is provided for the Plan Year and for each of the two preceding plan years, if applicable.

MAP-21 Information Table

	Plan Year Beginning 2013		Plan Year Beginning 2012		Plan Year Beginning 2011	
	With MAP-21 Interest Rates	Without MAP-21 Interest Rates	With MAP-21 Interest Rates	Without MAP-21 Interest Rates	With MAP-21 Interest Rates	Without MAP-21 Interest Rates
Funding Target Attainment Percentage	95.48%	77.10%	103.93%	84.14%	not applicable	85.26%
Funding Shortfall	\$5,153,694	\$32,396,688	\$0	\$19,551,864	not applicable	\$15,789,486
Minimum Required Contribution	\$2,820,690	\$ 8,784,429	\$0	\$ 7,365,674	not applicable	\$ 5,971,573

Annual Funding Notice
For
Thomas Jefferson University Employees' Pension Plan

Introduction

This notice includes important funding information about your pension plan (“the Plan”). **The information provided in this notice is for your information only and requires no action on your part.** This notice also provides a summary of federal rules governing the termination of single-employer defined benefit pension plans and of benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning July 1, 2013 and ending June 30, 2014 (“Plan Year”).

Funding Target Attainment Percentage

The funding target attainment percentage of a plan is a measure of how well the plan is funded on a particular date. This percentage for a plan year is obtained by dividing the Plan’s Net Plan Assets by Plan Liabilities on the Valuation Date. In general, the higher the percentage, the better funded the plan. The Plan’s funding target attainment percentage for the Plan Year and two preceding plan years is shown in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

	Plan Year Beginning in 2013	Plan Year Beginning in 2012	Plan Year Beginning in 2011
1. Valuation Date	July 1, 2013	July 1, 2012	July 1, 2011
2. Plan Assets			
a. Total Plan Assets	\$131,271,785	\$120,949,744	\$102,065,801
b. Funding Standard Carryover Balance	\$ 4,022,727	\$ 3,796,100	\$ 3,633,675
c. Prefunding Balance	\$ 18,148,780	\$ 13,359,361	\$ 7,065,621
d. Net Plan Assets (a) – (b) – (c) = (d)	\$109,100,278	\$103,794,283	\$ 91,366,505
3. Plan Liabilities	\$114,253,972	\$ 99,864,162	\$107,155,991
4. At-Risk Liabilities	not applicable	not applicable	not applicable
5. Funding Target Attainment Percentage (2d)/(3)	95.48%	103.93%	85.26%

Credit Balances

Credit balances were subtracted from the Plan’s assets before calculating the funding target attainment percentage in the chart above. While pension plans are permitted to maintain credit balances (called “funding standard carryover balance” or “prefunding balance”) for funding purposes, such credits may not be taken into account when calculating a plan’s funding target attainment percentage. A plan might have a credit balance, for example, if in a prior year an employer made contributions at a level in excess of the minimum level required by law. Generally, the excess payments are counted as “credits” and may be applied in future years toward the minimum level of contributions a plan sponsor is required by law to make to the plan in those years.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of June 30, 2014, the fair market value of the Plan's assets was \$140,526,494. On this same date, the Plan's liabilities were \$147,510,115.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date was 4,317. Of this number, 1,789 were active participants, 964 were retired or separated from service and receiving benefits, and 1,564 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for promised benefits.

TJU's current funding policy for the Plan is to contribute, at such intervals as are required by law, an amount at least equal to the minimum contribution required by law. TJU may, at its discretion, contribute from time to time amounts in excess of the legally required minimum contribution.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is to establish the Plan as a retirement vehicle for the Plan participants and the Fund as a funding vehicle to secure benefits under the Plan. Fund assets will be invested in a prudent manner for the exclusive purpose of providing benefits to participants and their beneficiaries. Other objectives are as follows:

- Maximize return on assets through investing primarily in equities. Additional asset classes with differing expected returns, volatilities and correlations are included to reduce risk by providing diversification relative to equities;
- Diversify investments by asset class and within an asset class to reduce the risk of losses in single investments;
- Invest the fund in compliance with the Employee Retirement Income Security Act of 1974 (ERISA) and any subsequent amendments, applicable regulations, and laws.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (interest-bearing and non-interest bearing)	0%
2. U.S. Government Securities	0%
3. Corporate Debt Instruments (other than employer securities):	
Preferred	0%
All Other	0%
4. Corporate Stocks (other than employer securities):	
Preferred	0%
Common	0%
5. Partnership/Joint Venture Interests	0%
6. Real Estate (other than employer real property)	0%
7. Loans (other than to participants)	0%
8. Participant Loans	0%
9. Value of Interest in Common/Collective Trusts	0%
10. Value of Interest in Pooled Separate Accounts	0%
11. Value of Interest in Master Trust Investment Accounts	100%
12. Value of Interest in 103–12 Investment Entities	0%
13. Value of Interest in Registered Investment Companies (e.g., mutual funds)	0%
14. Value of Funds Held in insurance co. General account (unallocated contracts)	0%
15. Employer-Related Investments:	
Employer Securities	0%
Employer Real Property	0%
16. Buildings and Other Property Used in Plan Operation	0%
17. Other	0%

For information about the Plan's investment in any of the following types of investments as described in the chart above—common/collective trusts, pooled separate accounts, master trust investment accounts, or 103–12 investment entities—contact Alfred Salvato at 1020 Walnut Street, Philadelphia, PA 19107.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 1.202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. The Plan's annual report is also available on the Thomas Jefferson University web site at www.jeffersonhr.org.

Summary of Rules Governing Termination of Single-Employer Plans

Employers can end a pension plan through a process called "plan termination." There are two ways an employer can terminate its pension plan. The employer can end the plan in a "standard termination" but only after showing the PBGC that the plan has enough money to pay all benefits owed to participants. The plan must either purchase an annuity from an insurance company (which will provide you with lifetime benefits when you retire) or, if your plan allows, issue one lump-sum payment that covers your entire benefit. Before purchasing your annuity, your plan administrator must give you advance notice that

identifies the insurance company (or companies) that your employer may select to provide the annuity. The PBGC's guarantee ends when your employer purchases your annuity or gives you the lump-sum payment.

If the plan is not fully-funded, the employer may apply for a distress termination if the employer is in financial distress. To do so, however, the employer must prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

If a single-employer pension plan terminates without enough money to pay all benefits, the PBGC will take over the plan and pay pension benefits through its insurance program. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The PBGC pays pension benefits up to certain maximum limits. The maximum guaranteed benefit is \$4,943.18 per month, or \$59,318.16 per year, payable in the form of a straight life annuity, for a 65-year-old person in a plan that terminates in 2014. The maximum benefit may be reduced for an individual who is younger than age 65. The maximum benefit will also be reduced when a benefit is provided to a survivor of a plan participant.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which includes:

- Pension benefits at normal retirement age;
- Most early retirement benefits;
- Annuity benefits for survivors of plan participants; and
- Disability benefits for a disability that occurred before the date the plan terminated.

The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right when a plan terminates, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements at the time the plan terminates.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding \$5,000.

Even if certain benefits are not guaranteed, participants and beneficiaries still may receive some of those benefits from the PBGC depending on how much money the terminated plan has and how much the PBGC collects from the employer.

Where to Get More Information

For more information about this notice, you may call *Your Pension Resources*[™] Service Center toll-free at 1-855-354-6942. *Your Pension Resources*[™] Service Center Representatives are available between 9 a.m. and 6 p.m., Eastern Time, Monday through Friday. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 23-1352651. For more information about the PBGC and benefit guarantees, go to PBGC's Web site, www.pbgc.gov, or call PBGC toll-free at 1.800.400.7242 (TTY/TDD users may call the Federal relay service toll free at 1.800.877.8339 and ask to be connected to 1.800.400.7242).

Additional Information

We wanted to remind you of your ability to request an estimate of your plan benefit. You can request an estimate of your current accrued benefit, or you can request an estimate of your benefit projected to a future date.

To request a benefit estimate electronically, access *Your Pension Resources*[™] at www.yourbenefitresources.com/jeffersonretirement. To request a free paper copy of a benefit estimate, call *Your Pension Resources*[™] Service Center toll free at 1-855-354-6942. Representatives are available between 9 a.m. and 6 p.m., Eastern Time, Monday through Friday.

In order to estimate your current accrued benefit, select a termination date of today's date and select a benefit start date equal to your Normal Retirement Date in the plan (usually age 65). To project a future benefit, you may also select a projected termination date or an alternate benefit start date.

Disclosure Statement and Disclaimer

This notice is intended to comply with the requirements of section 101(f) of the Employee Retirement Income Security Act of 1974, as amended. The disclosures provided in this notice are based on information available and believed to be accurate as of the date this notice is provided. All computations reflected in these disclosures have been performed based on a good faith interpretation of the applicable statutory and regulatory guidance in effect on the date this notice is provided. Such information and computations include, but are not limited to, the measurement of plan liabilities, reported values of plan assets, and allocation of assets. However, actual results for the Plan Year may change and will not be considered final until filed with the Department of Labor as part of the Annual Report (i.e., the Form 5500). Subsequently, such results will change only by amendment of the Annual Report for the Plan Year. See the Right to Request a Copy of the Annual Report section for information about how to obtain a copy of the Annual Report. The plan sponsor does not undertake any obligation to update or publicly release any revisions to this notice, and no such revisions will be issued, to reflect any changes, including but not limited to, changes in the manner in which particular calculations are performed, changes in expectations, the adoption of plan amendments or any other events or circumstances occurring after this notice is provided.