THOMAS JEFFERSON UNIVERSITY

EMPLOYEES' PENSION PLAN

SUMMARY PLAN DESCRIPTION

May 2015

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SUMMARY PLAN DESCRIPTION

A. INTRODUCTION

The Thomas Jefferson University Employees' Pension Plan (the "Plan") was established effective January 1, 1968 to help provide financial security to eligible employees of Thomas Jefferson University (the "University") upon their retirement. On January 1, 1995, the Jefferson Park Hospital Pension Plan and the Pension Plan for Employees of Children's Rehabilitation Hospital were merged into the Plan. The University contributes to the Plan for the benefit of its eligible employees. The Plan has been amended and restated from time to time, most recently effective July 1, 2013 (with amendments through April 21, 2015).

This summary plan description (also called an "SPD") is not the Plan itself but is designed to give you a summary of the retirement benefits available to employees covered by the Plan, without going into all of the refinements and details set forth in the Plan document. The legal rights and obligations of any person having an interest in the Plan are determined solely by the provisions of the Plan document. **IN THE EVENT OF ANY DISCREPANCY BETWEEN THIS SPD AND THE PLAN DOCUMENT, OR WITH RESPECT TO ANY PROVISION NOT DISCUSSED IN THIS SPD, THE PLAN DOCUMENT (INCLUDING ANY PLAN AMENDMENT) ALWAYS GOVERNS**.

This SPD does not describe certain special rules that apply if you became a Plan participant as a result of the merger of the Jefferson Park Hospital Pension Plan with and into this Plan. Please contact the *Your Pension Resources* if you need additional information about your Jefferson Park Hospital Pension Plan benefit.

If you wish to see a copy of the Plan document, you may do so by contacting the Plan Administrator at the address provided below. Although the University intends to continue the Plan, the University reserves the right to amend or terminate the Plan, in whole or in part, at any time and for any reason. Please refer to Section T, "AMENDING OR TERMINATING THE PLAN" for more information.

B. GENERAL INFORMATION

Plan Name: Thomas Jefferson University Employees' Pension Plan

Plan Sponsor: Thomas Jefferson University
833 Chestnut Street, Suite 900
Philadelphia, PA 19107

EIN of Plan Sponsor: 23-1352651

Plan Number: 001

<u>Type of Plan</u>: Defined Benefit Pension Plan

<u>Plan Year</u>: January 1 – December 31 (Prior to July 1, 2014, the Plan Year began on July 1 of each year and ended on the following June 30. A short Plan Year began on July 1, 2014 and ended on December 31, 2014.)

<u>Plan Administrator and Plan Representative</u>: The University is the Plan Administrator, as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and also serves as the Plan's agent designated to receive service of legal process. All matters relating to the administration of the Plan, including the duties imposed upon the Plan Administrator by law, are the responsibility of the University. The University has the authority, in its sole discretion, to interpret the Plan and resolve ambiguities therein, to develop rules and regulations to carry out the provisions of the Plan, to make factual determinations, and to resolve questions relating to eligibility for and the amount of benefits.

<u>*Your Pension Resources*</u>: The University has delegated certain of its Plan administration responsibilities to Aon Hewitt. You may contact Aon Hewitt by calling *Your Pension Resources* at (855) 354-6942. Representatives are available Monday to Friday, 9 a.m. to 6 p.m. or via their website at www.yourbenefitresources.com/jeffersonretirement.Through *Your Pension Resources*, you can obtain a projection of your pension benefit, access trained retirement specialists for assistance, and initiate your benefits under the Plan.

<u>Agent for the Service of Legal Process</u>: The Plan Administrator at the following address:

Thomas Jefferson University
Human Resources
833 Chestnut Street, Suite 900
Philadelphia, PA 19107

<u>Plan Trustee</u>: BNY Mellon
One Wall Street
New York, NY 10286

C. DEFINITIONS Throughout this document, certain terms appear in *italics*. These terms have special meanings for purposes of the Plan. Each of the italicized terms is defined below.

"Accumulated Employee Contributions" means the total amount of contributions you previously made to the Plan, contributions you made to the Pension Plan of Children's Rehabilitation Hospital that were transferred to the Plan, any lump sum distribution you repaid to the Plan upon being rehired by the University, and interest accrued on such contributions.

"Active Participant" means an employee who remains eligible to earn additional benefits under the Plan. After December 31, 2013, you will be

an *Active Participant* only if (1) you are a *Grandfathered Participant*, or (2) you were *Disabled* as of December 31, 2013, or (3) you became a *Transferred Participant* on December 27, 2014 or during 2015.

"Average Annual Compensation" means the average of your annual compensation for the five consecutive Plan Years during which you are an Active Participant (or an active participant in a defined benefit pension plan maintained by Thomas Jefferson University Hospitals, Inc.) that produce the highest average. Your compensation for the Plan Year in which you terminate employment with the University will only be counted for this purpose if you are credited with a full *Benefit Year* with respect to such Plan Year. If you have not worked five consecutive Plan Years, your *Average Annual Compensation* will be based on the number of Plan Years during which you were an *Active Participant* in the Plan. Your compensation for a Plan Year is your basic annual rate of pay in effect on the first day of the Plan Year (before any reduction for contributions to a University-sponsored 403(b) plan, and before any reduction or increase pursuant to the University's Flexible Benefits Program) up to $265,000 (for 2015) or other applicable amount. This limit on compensation is mandated by federal law and may be adjusted periodically for increases in cost-of-living. Your compensation includes the pay you would have received during certain periods of qualifying military service, provided that you return to work within a period during which your right to reemployment is protected. If you ceased to be an *Active Participant* on December 31, 2013 (because you were not a *Grandfathered Participant)*, your basic annual rate of pay in effect as of July 1, 2013 may nevertheless be taken into account to determine your *Average Annual Compensation*.

"Benefit Year" generally means each Plan Year in which you complete 1,800 *Hours of Service* while an Active Participant in the Plan. For the short Plan Year that began July 1, 2014 and ended December 31, 2014, you earned one-half of a *Benefit Year* if you completed 900 *Hours of Service* during that period.

"Break in Service" means any Plan Year in which you earn less than 501 *Hours of Service* due to a termination of employment or leave of absence (other than an approved medical leave of absence or a leave of absence under the Family Medical Leave Act). For a Plan Year in which you take a maternity/paternity absence, you will be credited with the hours you normally work (but only up to 501 hours) and will not be considered to have a *Break in Service*. Generally, no more than 501 *Hours of Service* will be credited for any single continuous non-working period.

"Cash-Out" means a lump sum payment equal to the actuarial value of your vested accrued benefit, which shall automatically be distributed as soon as practicable after your termination of employment or death,

provided that such actuarial value is less than $1,000 and may automatically be distributed as soon as practicable after your termination of employment or death if participant/beneficiary request is made within 180 days of notice.

"Disabled" means eligible for and receiving long-term disability benefits under the Thomas Jefferson University Long Term Disability Plan.

"Early Retirement Date" means the date you attain age 55 and have completed at least five *Vesting Years*. You will begin receiving your early retirement benefit on the first day of the month after you retire, or the first day of any month thereafter if you elect to defer the payment of your early retirement benefit. However, you may not defer payment of your early retirement benefit past the date on which you attain age 65.

"Eligible Domestic Partner" means an individual of the same gender as you who is not your spouse, and with respect to whom you have filed with the University an affidavit of domestic partnership or evidence of a state-recognized civil union. Such filing must be received by the University before the earlier of your death or the date your pension commences.

"Grandfathered Participant" means an individual who, on December 31, 2013, was employed by the University, eligible to participate in the Plan, and:

(1) was at least age 50 but younger than age 60 with 15 *Vesting Years*; or

(2) was at least age 60 but younger than age 65 with 10 *Vesting Years*; or

(3) was at least age 65.

"Hour of Service" means each hour for which you are paid or entitled to be paid by the University for the performance of duties, or for non-working periods such as vacation, holiday, and sick time. You are also credited with an *Hour of Service* for periods in which you are on a qualified military leave of absence or an authorized leave of absence determined under the policies of the University.

"Late Retirement Date" means the date you retire if you work past your *Normal Retirement Date*. You will begin receiving your late retirement benefit on the first day of the month coincident with or next following the date you retire.

"Normal Retirement Date" means the first day of the calendar month

coincident with or next following your 65th birthday, or, if later, the earlier of the fifth anniversary of the date you began participating in the Plan, or the date you complete five *Vesting Years*.

"Required Beginning Date" means April 1 of the calendar year following the later of (1) the calendar year in which you attain age 70½, or (2) the calendar year in which you terminate employment.

"Social Security Covered Compensation" means the 35-year average, as determined using a table published by the IRS for this purpose, of the maximum earnings that are subject to Social Security taxes projected to the calendar year in which you attain *Social Security Retirement Age*. If you terminate your employment with the University prior to attaining *Social Security Retirement Age*, or if you are still employed with the University but no longer an *Active Participant*, the maximum earnings which will be considered earnings for Social Security purposes for each subsequent calendar year until *Social Security Retirement Age* are the maximum earnings in effect for such purpose for the year in which you ceased to be an employee or an *Active Participant* (or if later, the earnings in effect for the Plan Year during which you cease to be an active participant in a defined benefit plan maintained by Thomas Jefferson University.).

"Social Security Retirement Age" means (a) age 65 for any person born before January 1, 1938; (b) age 66 for any person born after December 31, 1937, but before January 1, 1955; and (c) age 67 for any other person.

"Transferred Participant" means an employee who was an active participant as of December 26, 2014 in the Thomas Jefferson University Hospitals, Inc. Employees' Pension Plan and whose employment with the Hospital was involuntarily transferred to employment with the University on December 27, 2014. Likewise, an employee who was an active participant in the Thomas Jefferson University Hospitals, Inc. Employees' Pension Plan immediately prior to an involuntary transfer from the Hospital to employment with the University between January 1, 2015 and December 31, 2015 due to a reorganization related to the merger of the Hospital and the University is a Transferred Participant.

"Vesting Year" means each Plan Year in which you are credited with 1,000 *Hours of Service*, including years in which you worked at the University or for an eligible affiliate before you became a Plan participant and years in which you were employed by a Jefferson Health System Employer or a Managed Affiliate listed in Appendix A. If your first 12 months of employment covered a portion of two Plan Years, and you did not complete 1,000 *Hours of Service* during either of those first two Plan Years, you may still be credited with one *Vesting Year* if you were

credited 1,000 *Hours of Service* during your first 12 months of employment and you became an *Active Participant* in the Plan. If you became an *Active Participant* in the Plan as a result of the merger of the Pension Plan for Employees of Children's Rehabilitation Hospital or the Jefferson Park Pension Plan, special vesting rules apply to you.

For the short Plan Year that began July 1, 2014 and ended December 31, 2014, you will earn one *Vesting Year* if you completed 500 *Hours of Service* from July 1, 2014 to June 30, 2014.

D. HOW THE PLAN WORKS

IMPORTANT: For most employees, the Plan was frozen as of December 31, 2013. This means that, generally, no employees could become Plan participants after that date, and existing participants will not accrue additional benefits under the Plan after that date. However, if you were not vested in your benefit as of December 31, 2013, you may continue to earn vesting service for each *Vesting Year* after December 31, 2013.

The Plan was <u>not</u> frozen if you were a *Grandfathered Participant* or were *Disabled* as of December 31, 2013. In that case, you may accrue additional pension benefits based on the service you perform or the compensation you receive after December 31, 2013. In addition, if you are a *Transferred Participant,* the Plan is <u>not</u> frozen, and you began accruing a benefit under the Plan as of December 27, 2014. Likewise, an employee who was an active participant in the Thomas Jefferson University Hospitals, Inc. Employees' Pension Plan immediately prior to an involuntary transfer from the Hospital to employment with the University between January 1, 2015 and December 31, 2015 due to a reorganization related to the merger of the Hospital and the University is a Transferred Participant began accruing benefits on applicable date.

The University makes contributions to the Plan on your behalf as needed to fund benefits provided under the Plan, based on calculations made by the Plan's actuary. You may no longer make contributions to the Plan. Benefit payments are made from the Plan's assets as they become due. Generally, the Plan is designed to begin paying your benefits when you retire or upon your death.

The amount of your benefit under the Plan depends upon (1) the number of your *Benefit Years,* (2) your *Average Annual Compensation,* and (3) any *Accumulated Employee Contributions* you have made to the Plan, plus the interest that the contributions generate. Whether or not you are eligible to receive a benefit depends on the length of your service with the University, as described in Section G below.

The amount of your total benefit may also depend on amounts transferred on your behalf from the Jefferson Park Hospital Pension Plan or the Pension Plan of Children's Rehabilitation Hospital as a result of the merger of those plans into this Plan.

Special rules apply if you became a Participant in the Plan as a result of the merger of the Jefferson Park Hospital Pension Plan or the Pension Plan for Employees of Children's Rehabilitation Hospital. Special rules also apply to employees transferred to or from Teamsters Local 830. Please contact *Your Pension Resources* if you need additional information.

If you are transferred to Thomas Jefferson University Hospitals, Inc., you will no longer be eligible to participate in the Plan. However, your accrued benefit under the Plan may increase to reflect any increase in your *Average Annual Compensation* (taking into account any future compensation you receive from Thomas Jefferson University Hospitals, Inc. while a participant in the TJUH, Inc. Employees' Pension Plan).

E. ELIGIBILITY

Prior to January 1, 2014, all employees who were age 21 or older and had completed one year of service were eligible to participate in the Plan except (1) participants in the Thomas Jefferson University Retirement Plan for Faculty and Senior Administrative Staff or the Thomas Jefferson University Phased Retirement Plan, (2) administrative, medical or pharmacy fellows, residents or interns employed from year-to-year, (3) students enrolled in the University in a course of study leading to a degree who are not regularly employed by the University, (4) employees who are covered by a collective bargaining agreement, unless the collective bargaining agreement specifically provides for participation in the Plan,[*] (5) leased employees, or (6) independent contractors. You also may have been eligible to participate if you were a participant in another plan that was merged into the Plan and your benefits and liabilities under that plan were transferred to this Plan.

As of December 31, 2013, the Plan was generally frozen and closed to new participants. However, *Grandfathered Participants* will continue to accrue a benefit under the Plan after December 31, 2013, and *Transferred Participants* began to accrue a benefit under the Plan as of December 27, 2014, as further described in Section G below.

If you are hired or rehired after December 31, 2013, you may not become an *Active Participant* in the Plan unless you are a *Transferred Participant*.

If you were a *Grandfathered Participant* on January 1, 2014, and you terminate employment with the University and are later rehired, you will no longer be an *Active Participant* and you will not earn any additional benefits from the Plan.

If you became a *Transferred Participant* on December 27, 2014, and you terminate employment with the University and are later rehired, you will no longer be an *Active Participant* and you will not earn any additional benefits from the Plan.

[*] Pursuant to a collective bargaining agreement between the University and the International Union, Security, Police and Fire Professional of America (SPFPA), Local No. 511, employees represented by that union are covered by the Plan under the same rules that apply to non-union employees.

Employees hired or rehired after December 31, 2013, as well as employees who were participating in this Plan on December 31, 2013 but who do not meet the requirements to be a *Grandfathered Participant*, may be able to participate in the Thomas Jefferson University Defined Contribution Plan on or after January 1, 2014.

F. VESTING

Vesting refers to your right to receive a benefit from the Plan, even if you terminate employment before you are eligible to retire. Except for *Accumulated Employee Contributions*, the number of *Vesting Years* which you earn determines whether you have a vested right to benefits from the Plan when you terminate employment. You are vested in your Plan benefits when you have completed five *Vesting Years*. You are always vested in your *Accumulated Employee Contributions*.

If you do <u>not</u> have *Accumulated Employee Contributions* and are not vested before you have five consecutive *Breaks in Service*, your *Vesting Years* and *Benefit Years* will be forfeited. If you are a former employee and are rehired, your *Vesting Years* and *Benefit Year*s will be restored only if:

- you again become an employee before incurring a *Break in Service*; or
- you incur less than five consecutive *Breaks in Service* and you are credited with at least one *Vesting Year* that begins after the date your *Vesting Years* were forfeited.

However, your *Benefit Years* will <u>not</u> be restored if you previously received a *Cash-Out* that has not been completely repaid, plus interest, to the Plan following your *Break in Service*.

In addition, if you became an *Active Participant* in the Plan as a result of the merger of the Pension Plan for Employees of Children's Rehabilitation Hospital or the Jefferson Park Hospital Pension Plan into this Plan, you may vest in your Plan benefits according to other rules. Please contact *Your Pension Resources* if you need more information.

G. SERVICE USED WHEN CALCULATING BENEFITS

The number of *Benefit Years* you complete determines, in part, the amount of the benefit you may receive when you terminate employment. You will earn one full *Benefit Year* for each Plan Year (other than the short Plan Year that ended December 31, 2014) in which you complete 1,800 *Hours of Service* as an *Active Participant*. If you do not complete 1,800 *Hours of Service* in a Plan Year, you may receive credit for a fraction of a *Benefit Year* according to the following rules:

- If you complete at least 1,000 but less than 1,800 *Hours of Service* in a Plan Year, you will receive partial credit for a *Benefit Year* equal to the ratio that the number of your *Hours of Service* during that Plan Year bears to 1,800.

--EXAMPLE--

Lewis participates in the Plan and completed 1,200 *Hours of Service* in the Plan Year beginning July 1, 2012 and ending June 30, 2013. Lewis worked for the full Plan Year. For that Plan Year, he earned 2/3 of a *Benefit Year,* determined by dividing 1,200 by 1,800.

- If you do not work for a full Plan Year, you will receive partial credit for a *Benefit Year* equal to the ratio that the number of your *Hours of Service* as an *Active Participant* bears to 1,800, as long as you have completed at least 150 *Hours of Service* multiplied by the number of full months which you have worked during the Plan Year. Thus, if you complete 2 full months of service in a Plan Year before you separate from service, you will need at least 150 *Hours of Service* times 2, or 300 *Hours of Service*, before you earn partial credit for a *Benefit Year*.

--EXAMPLE --

Jane was a participant in the Plan as of July 1, 2012 but terminated her employment on September 15, 2012 (and was not rehired during the same Plan Year). Jane completed 300 *Hours of Service* and 2 full months in the Plan Year beginning July 1, 2012. For that Plan Year, Jane earned 1/6 of a *Benefit Year,* determined by dividing 300 by 1,800. If Jane had completed less than 300 *Hours of Service* in the Plan Year, but had completed 2 full months of employment, she would not have earned a partial *Benefit Year* because she would have needed at least 150 *Hours of Service* times 2 (the number of full months that she worked) in order to receive any partial credit for the *Benefit Year*.

- For the short Plan Year that ended December 31, 2014, you will earn one-half of a *Benefit Year* if you completed 900 *Hours of Service* as an *Active Participant*. If you completed at least 500 but less than 900 *Hours of Service* in the short Plan Year, you will receive partial credit for a *Benefit Year* equal to the ratio that the number of your *Hours of Service* during the short Plan Year bears to 1,800.

- You will not receive credit for any partial *Benefit Year* if you work for a full Plan Year and complete less than 1,000 *Hours of Service* (or 500 *Hours of Service* during the short Plan Year from July 1, 2014 to December 31, 2014).

- Unless you are a *Grandfathered Participant* (or were *Disabled* before January 1, 2014), you will not receive credit for any *Benefit Years* after December 31, 2013.

1. Disability

If you became *Disabled* on or after July 1, 1987 but before January 1, 2014, you will earn *Benefit Years* and *Vesting Years* under the Plan during the period you are *Disabled*, regardless of whether you are a *Grandfathered Participant*. If you recover from your disability and return to work for the University on or after January 1, 2014, you will continue to be an *Active Participant* in the Plan at that time only if you are a *Grandfathered Participant*.

If you become *Disabled* after December 31, 2013, you will receive credit for purposes of *Benefit Years* or *Vesting Years* for your period of long term disability only if you are either a *Grandfathered Participant* or a *Transferred Participant*.

If you receive long-term disability benefits under the Thomas Jefferson University Long Term Disability Plan for less than five years, and such benefits are not discontinued because of your death or recovery from disability, you will nevertheless receive credit for five *Benefit Years* and five *Vesting Years* for the time you were *Disabled*.

2. Reemployment

If you are rehired by the University after December 31, 2013, you will not become an *Active Participant* in the Plan upon reemployment, even if you were a *Grandfathered Participant* or a *Transferred Participant* when you previously terminated your employment.

H. NORMAL RETIREMENT

You may retire with a normal retirement benefit on your *Normal Retirement Date*. All benefits under the Plan are based on your normal retirement benefit, which is the pension you would be entitled to receive in the form of a monthly payment for your life, beginning on the first day of the month after your *Normal Retirement Date*.

Your monthly normal retirement benefit is equal to 1/12th of:

> 1.1% of your *Average Annual Compensation* up to 50% of *Social Security Covered Compensation*, plus
>
> 1.3% of your *Average Annual Compensation* in excess of 50% of *Social Security Covered Compensation*, multiplied by
>
> your *Benefit Years* not in excess of 60 years.

---EXAMPLE --

Assume that Richard was born in 1947, started to work for the University on July 1, 1982 at age 35, retires in 2012 at age 65 after 30 years of service and is single. During his highest-paid five consecutive years with the University, his earnings were as follows:

$51,000
53,000
55,000
57,000
59,000
$275,000 ÷ 5 = $55,000 (*Average Annual Compensation*)

In 2012, the *Social Security Covered Compensation* amount for someone born in 1947 is $67,200.

Here's how Richard's monthly benefit is determined:

1)	1.1% x $33,600 (50% of $67,200)	=	$369.60 plus
2)	1.3% x $21,400 ($55,000 – 33,600)	=	$278.20
			$647.80
3)	$647.80 x 30 *Benefit Years* ÷ 12	=	$1,619.50

Richard would receive a monthly normal retirement benefit of $1,619.50 in the form of an annuity for his lifetime only. This amount, plus his federal social security benefit and his personal savings, provides his retirement income.

The Plan guarantees that if you are vested, you will receive a minimum normal retirement benefit of $15.00 per month for each *Benefit Year* you have earned.

In addition, your retirement benefit will not be less than the actuarial equivalent of your *Accumulated Employee Contributions* (if any). Your *Accumulated Employee Contributions* are held in the Plan and continue to accumulate interest at the rates provided under the Plan. Even if you have less than five *Vesting Years* at the time of your termination of employment, you will be entitled to receive a monthly pension based on your *Accumulated Employee Contributions*.

If you continue working for the University after your *Normal Retirement Date* and you are scheduled to work less than 1,000 *Hours of Service* per Plan Year, you may elect to begin receiving your accrued normal retirement benefit while you remain employed with the University. If you make such an election and subsequently are credited with more than 1,000 *Hours of Service* in a Plan Year, the payment of your benefit will be suspended. You may not elect a retroactive benefit commencement date while you are still employed.

I. EARLY RETIREMENT

If you have reached age 55 and have completed five *Vesting Years*, you are eligible to retire early and receive immediate retirement benefits from the Plan. If you retire early and choose to begin receiving your monthly benefit before you reach your normal retirement age, the amount of your benefit will be reduced according to the following table. This reduction is made because the Plan has to pay benefits to you over a longer period of time.

If you Begin Receiving Your Pension at Age:	You Will Receive the Following Percentage of the Pension that Would Have Been Paid, Beginning at Age 65:
55	50.00%
56	53.33%
57	56.67%
58	60.00%
59	63.33%
60	66.67%
61	73.33%
62	80.00%
63	86.67%
64	93.33%
65	100%

For example, if you retire at age 60 with an accrued monthly benefit of $500 and you elect to commence payment of your pension at that time, your monthly early retirement benefit will be approximately $333.50 ($500 times 66.67%) per month.

Your benefit will not be less than any accrued benefit you may have earned under the Pension Plan for Employees of Children's Rehabilitation Hospital as in effect through January 1, 1995 and reduced, if necessary, for early commencement as set forth in that plan.

J. LATE RETIREMENT

If you continue to work for the University beyond your *Normal Retirement Date*, you are eligible to receive a late retirement benefit. Your pension will begin at your *Late Retirement Date*. If you are a *Grandfathered Participant*, your pension will be based on your *Benefit Years* and *Average Annual Compensation* as of your *Late Retirement Date*. If you are not a *Grandfathered Participant*, your pension will be based on your frozen accrued benefit as of December 31, 2013.

K. DEFERRED VESTED BENEFIT

If you terminate employment before your *Normal Retirement Date* or your *Early Retirement Date* but after you are vested under the Plan, you are entitled to a deferred pension benefit. Except for *Cash-Outs* of small benefits (described below), your deferred pension will ordinarily begin on the date that would have been your *Normal Retirement Date*. However, you may elect to begin receiving your deferred pension on the first day of any month following the month in which you reach age 55. Your yearly deferred pension will be calculated as an early retirement benefit if you elect to begin receiving payments before your *Normal Retirement Date*.

L. DISABILITY RETIREMENT

If you are *Disabled*, you will receive a normal retirement benefit calculated based on your *Benefit Year*s and *Average Annual Compensation* as of the date of your retirement or, if earlier, the date you cease to be eligible for benefits under the Thomas Jefferson University Long Term Disability Plan. Your pension will commence no later than the first day of the calendar month coincident with or next following your *Normal Retirement Date*. You may elect to receive an early retirement pension, if you have attained age 55 and have five *Vesting Years*.

Note that commencing benefits under the Plan may affect your benefits under the Thomas Jefferson University Long Term Disability Plan. You should contact the insurer who provides your disability benefits for more information.

M. MAXIMUM BENEFIT

The total benefits payable to you, your spouse or your *Eligible Domestic Partner* under the Plan may not exceed certain limits prescribed by law. The Plan Administrator will notify you if any of the maximum benefit limitations apply to you.

N. FORMS OF BENEFIT PAYMENTS

1. Normal Form of Payment

Unless you elect otherwise, and except in the case of a *Cash-Out*, if you are not married or do not have an *Eligible Domestic Partner* when your benefit begins, your benefit will be paid in equal monthly installments for your lifetime only. At your death, all benefits cease. This form of benefit is known as a "single life annuity."

Unless you elect otherwise, and except in the case of a *Cash-Out*, if you are married or have an *Eligible Domestic Partner* designation on file with the University when your benefit begins, your benefit will be paid as a "joint and 50% survivor annuity." A joint and 50% survivor annuity provides monthly benefits for you during your lifetime and, if your spouse or *Eligible Domestic Partner* lives longer than you, to your spouse or *Eligible Domestic Partner* during his or her lifetime. The monthly benefit payable to your spouse or *Eligible Domestic Partner* upon your death is equal to 50% of the monthly benefit paid to you during your lifetime. The monthly pension that you will receive in the form of a joint and 50% survivor annuity will be less than the monthly pension that you would have received if paid as a single life annuity. However, this reduced amount, together with the survivor benefit for your spouse or *Eligible Domestic Partner*, will have a value that is actuarially determined to be equal to the monthly pension that you would have received if paid as a single life annuity.

2. Optional Forms of Payment You may elect to receive your benefit in one of the optional forms of payment below, instead of the normal form described above. Your election must be made within the 180-day period before your benefit begins. If you are married or have an *Eligible Domestic Partner*, you may only elect one of the optional forms of benefit payment if your spouse or *Eligible Domestic Partner* consents to your election. This consent must be in writing, on a form provided by *Your Pension Resources*, and must be witnessed by a notary public.

- A single life annuity payable in equal monthly installments for your lifetime, but with 120 monthly payments guaranteed (the "Ten Year Certain and Continuous Option"). If you die before you receive all 120 payments, the remaining payments will be made to the beneficiary you name. If you do not die before receiving all 120 payments, you will continue to receive your monthly benefit for life, but there is no coverage for a beneficiary. The amount of your benefit will be less than if paid as a regular single life annuity because of the beneficiary coverage.

- A single life annuity, stopping at your death, which pays you a monthly benefit during your lifetime. (This is the normal form of benefit if you have no spouse or *Eligible Domestic Partner*.)

- A joint and survivor annuity payable in monthly installments to you for your lifetime and with $66^{2/3}$%, 75% or 100% of the amount of such monthly installments payable after your death to your spouse or *Eligible Domestic Partner* for the life of your spouse or *Eligible Domestic Partner*.

If you became a participant in the Plan as a result of the merger with the Pension Plan for Employees of Children's Rehabilitation Hospital, you may elect one of the following optional forms of benefit payment:

- A single life annuity, stopping at your death.

- A single life annuity payable in monthly installments for life, with 36, 120 or 180 guaranteed monthly payments, depending on your election.

- A joint and survivor annuity with an individual beneficiary designated by you. $66^{2/3}$% of the monthly payments will be payable after your death to your beneficiary for his or her lifetime. This option can also be elected with a Ten Year Certain and Continuous feature, under which the Plan would guarantee that at least 120 monthly payments will be made, in total, to you and your beneficiaries.

- A single life annuity with a full cash refund feature. Under this option, a lump sum value of your pension will be determined at the time your monthly payments begin. If at the time of your death, the total amount of monthly payments you have received is less than that lump sum value, the difference will be paid in a single sum to your beneficiary. Under this option, the amount of your monthly benefit will be less than if paid as a regular single life annuity, because of the refund feature.

If you select a joint and survivor option, you will receive a reduced benefit during your lifetime. The amount of the reduction will depend on your age, the age of your spouse, *Eligible*

Domestic Partner or other beneficiary and the percentage of survivor benefits you choose. The higher the percentage of benefit continuance you select, the greater will be the reduction to your monthly retirement benefit.

If your beneficiary dies before your retirement benefit payments begin, your election of an optional method of payment will automatically be canceled. You may then make another election. However, once your retirement payments begin, your election cannot be changed, and you will continue to receive the same reduced amount even if your beneficiary should die.

3. Payment of *Accumulated Employee Contributions*

If your employment with the University terminates before your *Normal Retirement Date*, you may elect to receive (or begin receiving) immediate payment of your *Accumulated Employee Contributions* in either a lump sum payment, or in the normal form of annuity payment described above (depending on whether or not you have a spouse or *Eligible Domestic Partner*). When your regular pension begins (i.e., between the ages of 55 and 65, as you elect), it will be reduced by the portion of your total benefit that was attributable to your *Accumulated Employee Contributions*.

4. *Cash-Outs* of Small Benefits

If you retire or otherwise terminate employment and the actuarial lump sum value of your vested benefit is $1,000 or less, a *Cash-Out* will automatically be made to you as soon as possible after your retirement or termination of employment.

If you retire or otherwise terminate employment before your *Normal Retirement Date*, and if the lump sum value of your vested benefit is more than $1,000 but not more than $5,000, within 180 days of receipt of notice you may instruct the Plan Administrator to either pay your benefit directly to you or to make a direct rollover of your benefit into an eligible retirement plan that you designate. Otherwise, after 180 days, you will only be eligible for a monthly benefit beginning at early or normal retirement age.

If you die either before or after your pension has started, and there is a death benefit payable to your spouse, *Eligible Domestic Partner*, or another beneficiary, an automatic *Cash-Out* will be made to him or her as soon as possible following your death, provided that the lump sum value of his or her benefit is $1,000 or less.

O. DEATH BENEFIT

1. Pre-retirement Death Benefit

If you have a vested interest in your benefit and you die before your benefits have started to be paid to you, your surviving spouse or *Eligible Domestic Partner* may be eligible for a pre-retirement survivor benefit. The death benefit paid to your spouse or your *Eligible Domestic Partner* will be an annuity for his or her lifetime. Your surviving spouse or *Eligible Domestic Partner* may elect to have benefits begin on the first day of the month following the earliest date on which you could have elected to receive immediate retirement benefits. However, payments to your spouse or *Eligible Domestic Partner* may not begin later than your *Normal Retirement Date*, or the first day of the month following the month of your death, if you die after your *Normal Retirement Date*.

The benefit payable to your spouse or *Eligible Domestic Partner* will be the benefit that he or she would have received if you:

- had terminated employment on the day of your death;
- had survived to the benefit payment date elected by your spouse or *Eligible Domestic Partner*;
- had then begun to receive an immediate retirement benefit in the form of a joint and 50% survivor annuity; and
- died on the following day.

If, however, you die before your benefits have started, but after you have elected an optional form of benefit that is a joint and survivor annuity, your spouse's or *Eligible Domestic Partner*'s benefit will be based on the optional form of benefit you elected.

If your spouse or *Eligible Domestic Partner* dies before his or her benefits begin, the pre-retirement death benefit will be forfeited.

2. Death Benefit from *Accumulated Employee Contributions*

If you do not qualify for the pre-retirement death benefit, but you have made *Accumulated Employee Contributions* to the Plan, your minimum death benefit will be the return of your *Accumulated Employee Contributions*, plus earned interest, to your designated beneficiary.

If you do qualify for the pre-retirement death benefit, but your spouse or *Eligible Domestic Partner* dies before the total payments made to you and your spouse or *Eligible Domestic Partner* equal your *Accumulated Employee Contributions* plus earned interest, then a death benefit will be paid to a secondary beneficiary that you have designated. The death benefit will equal your *Accumulated Employee Contributions* plus earned interest, minus the total amount of payments that were received by you and your spouse or *Eligible Domestic Partner*.

P. REEMPLOYMENT AFTER RETIREMENT

If you are receiving your normal or late retirement benefits from the Plan and are later reemployed by the University or Hospital, or if you continue to work for the University or Hospital after your *Normal Retirement Date*, your benefits will be suspended (1) immediately if you are scheduled to work at least 1,000 *Hours of Service* per Plan Year, or (2) immediately after any Plan Year in which you actually work 1,000 or more *Hours of Service*.

If you are receiving early retirement benefits from the Plan and are rehired before your *Normal Retirement Date*, your benefits will be suspended regardless of the hours you work. If you are receiving early retirement benefits and are reemployed after your *Normal Retirement Date*, the *Hours of Service* rules described above apply.

You will be notified in writing if your benefits are or will be suspended.

When you subsequently retire, your pension will be adjusted to take into account your age, any increase in your *Average Annual Compensation*, if any, and any *Benefit Year*s credited to you since your benefits were suspended, if any, but will also be reduced by the actuarial equivalent of any benefit payments previously received. In addition, if you have a suspension of benefits after reaching your *Normal Retirement Date*, your pension will be actuarially adjusted to reflect the suspension of the portion of your benefit (if any) attributable to *Accumulated Employee Contributions*.

Remember, if you are a *Grandfathered Participant*, terminate employment and then are rehired by the University, you will no longer be considered an *Active Participant* under the Plan. This means that if you are rehired on or after January 1, 2014, you will not earn additional *Benefit Years*, nor will your additional earnings be counted toward your *Average Annual Compensation*.

Q. DIRECT ROLLOVERS

Subject to rules determined by the University, you may request that all or part of any lump sum distribution from the Plan be rolled over from the Plan to the trustee or custodian of an eligible retirement plan. For this purpose, an "eligible retirement plan" includes (1) an individual retirement account ("IRA") or annuity described in Section 408(b) of the Internal Revenue Code (the "Code"), (2) a Roth individual retirement account or annuity described in Section 408A of the Code, (3) your new employer's qualified plan, if that plan accepts rollovers, (4) an eligible deferred compensation plan described in section 457 of the Code sponsored by a state or local government, or (5) an annuity contract described in section 403(b) of the Code. If you die and you have a surviving spouse who will receive a lump sum payment of all or a portion of your benefit, he or she may roll it over to an IRA or another employer's eligible retirement plan. If you die and your designated beneficiary is someone other than your spouse, he or she may directly roll over a lump sum payment of all or a portion of your benefit to an IRA.

A rollover can result in deferring the payment of income tax on your lump sum distribution. Special tax withholding rules apply to any portion of such a distribution that is not rolled over directly to an eligible retirement plan.

R. FUNDING

The University makes all contributions to the Plan (other than *Accumulated Employee Contributions*). The amount of University's contributions is determined by the Plan's actuary, an independent expert who determines how much money the University must put into the Plan in order to meet the Plan's future benefit obligations. The assets of the Plan are used only for the purpose of paying benefits to Plan participants and beneficiaries, and paying proper administrative expenses. All benefits under the Plan are payable from a trust fund administered by BNY Mellon.

S. TAX INFORMATION

Because this Plan is intended to qualify for tax exempt status under the Internal Revenue Code, participants have certain tax advantages during participation and, in some cases, when their benefit is distributed. You are not required to pay federal income tax on your benefit until amounts are actually distributed to you.

Generally, federal income tax must be paid on the amount of any payment you receive from the Plan. Also, if the payment is made before you reach age 59½ and payment is not in the form of a lifetime annuity, an additional 10% federal tax is imposed unless the payment is on account of termination of employment in year turning age 55, death or disability or is used to pay deductible medical expenses. State and local taxes may also apply.

Because tax consequences of distributions vary depending on factors such as age, marital status, and other income, you are urged to consult your personal tax advisor to determine how to treat any Plan distribution for tax purposes.

1. Tax Withholding

Federal income tax must be withheld from any Plan distribution, unless you elect not to have tax withheld. You will receive a tax withholding election form when you receive a distribution. If you elect to have tax withheld from a distribution upon termination of employment, the withheld amount will be calculated according to schedules published by the Internal Revenue Service. In certain cases, the amount withheld may not cover the actual tax due.

If you receive a distribution from the Plan that is eligible for a direct rollover as described in Section Q, and you do not have it transferred directly to an eligible retirement plan, federal law requires the automatic withholding of 20% of the distribution as federal income taxes. You may not elect "no withholding" on such a distribution.

2. Tax Information on Distributions

You will receive IRS Form 1099-R providing you with tax filing information for all amounts paid to you from the Plan. The form will be sent to you by the January 31 following the year in which a payment was made. As required by law, a copy of the form will be forwarded to the Internal Revenue Service.

T. AMENDING OR TERMINATING THE PLAN

The University reserves the right to amend or terminate the Plan in whole or in part at any time. If the Plan is terminated and you are an active employee, all benefits that have accrued to date for you will become nonforfeitable to the extent there are sufficient assets in the Plan to pay them. Upon termination of the Plan, assets will be allocated in accordance with requirements of federal law. After all benefits have been paid and legal requirements have been met, the Plan will return any excess assets to the University.

No amendment to the Plan will reduce the amount of benefit you have accrued as of the date of the amendment or divest you of any nonforfeitable right to a benefit.

U. TERMINATION INSURANCE

Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under the Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become *Disabled* before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for your University; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your Plan has and on how much the PBGC collects from the University.

For more information about the PBGC and the benefits it guarantees, contact the Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-377-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

V. NON-ASSIGNMENT OF BENEFITS

The Plan has been established to help provide financial security for you and your family. For this reason, you may not borrow against the value of your benefit or assign your rights under the Plan as collateral for a loan or for any other purpose. However, all or a portion of your benefit may be assigned under (i) a qualified domestic relations order (i.e., a court order entered in connection with a divorce or support proceeding) to a spouse, former spouse, child or other dependent to satisfy a legal obligation you have to that person, or (ii) a federal tax levy.

W. QUALIFIED DOMESTIC RELATIONS ORDERS

Federal law requires the Plan Administrator to honor judgments, decrees or court-approved property settlement agreements arising under state domestic relations laws. To be honored, they must require payments of all or part of your Plan benefit to your former spouse or your child(ren) and must comply with certain requirements of federal law. These orders must relate to, and must specify that they arise from, child support, alimony, or marital property rights. The Plan Administrator has procedures to respond to such domestic relations orders, known technically as "qualified domestic relations orders" (QDROs). You may obtain, without charge, a copy of such procedures from *Your Pension Resources*.

X. BENEFIT CLAIMS

Payment of benefits to which you, your spouse, *Eligible Domestic Partner* or other beneficiary are entitled from the Plan will generally not begin until a written application for those benefits is received by the Plan Administrator. If you fail to make the proper application for benefits or fail to provide necessary information, your benefits may be lost, reduced or suspended. It is your responsibility to promptly notify the Department of Human Resources while actively employed or Your Pension Resources after termination of employment if there is a change in your address or marital status.

1. Claims Procedure

The Plan Administrator will advise you of any benefits to which you are entitled under the Plan. If you believe that the Plan Administrator has failed to advise you or to pay any benefit to which you are entitled, you may file a written claim with the Plan Administrator. The Plan Administrator will respond to your claim within a reasonable amount of time. If you are denied a claim for benefits, in whole or in part, the Plan Administrator will provide you with written or electronic notice of the denial within 90 days of the date your claim is received by the Plan Administrator (or such additional period required by any special circumstances, not exceeding an additional 90 days). If your claim for benefits is denied, the Plan Administrator will provide you with written or electronic notice setting forth in simple terms:

- the specific reason or reasons for the denial;
- specific reference to the Plan provisions on which the denial is based;

- a description of any additional material needed so that a benefit may be paid and an explanation of why such material or information is necessary;

- how you can get your claim reviewed again; and

- an explanation of the claims review procedure under the Plan and the time limits applicable to the claims review procedure, including a statement of your right to bring a civil action under section 502(a) of the Employee Retirement Income Security Act of 1974 ("ERISA") following denial of your claim under the claims review procedure.

If you disagree with the Plan Administrator's notice, you may file a written appeal, no later than 60 days after receiving the notice. In connection with such appeal, you or your duly authorized representative may review pertinent documents and may submit issues and comments in writing. You may request, and you will be provided with free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim. Appeals not timely filed will be barred.

The Plan Administrator will review your appeal and make a decision within 60 days, unless special circumstances require an extension of time for processing. In that case, a decision will be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

Y. YOUR RIGHTS UNDER ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants will be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, 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;

- Obtain, upon written request to the Plan 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 Plan Administrator may make a reasonable charge for the copies.

- 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.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) 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, the statement will tell you how many more years you have to work to earn such a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. This statement must be provided 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 University, 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.

2. Enforce Your Rights

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 the 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 Plan Administrator 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 Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the status of a qualified domestic relations order, you may file suit in a Federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

3. Assistance with Your Questions

If you have any questions about your Plan, you should contact *Your Pension Resources*. If you have any questions about this statement or about your rights under ERISA, or if you need assistance obtaining documents from the Plan Administrator, you should contact the nearest 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 NW, 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.

APPENDIX A

MANAGED AFFILIATES
(As of February 2015)

Please check with the Plan Administrator to see if other entities have been designated as Managed Affiliates.

Thomas Jefferson University Hospital – Ford Road Campus (prior to January 1, 1995)

Children's Rehabilitation Hospital (prior to January 1, 1995)

Methodist Hospital (until June 30, 2014)

Jefferson University Physicians (effective July 1, 1995)

Thomas Jefferson University Hospitals, Inc. (effective September 14, 1996 until June 30, 2014)