INDIANA UNIVERSITY

UNIVERSITY HUMAN RESOURCE SERVICES

IU Retirement Savings Plan

(A 457(b) Supplemental Retirement Plan)

Full-time Academic and Staff Employees
Summary of Plan Provisions

SEPTEMBER 2011

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IU Retirement Savings Plan Highlights

Plan Type	Eligibility	Contributions	Vesting
Defined contribution plan established in accordance with IRC Section 457(b). Benefits are based solely on the value of the participant's individual account. The Plan is a supplemental salary deferral plan. Indiana University does not make employer contributions to the Plan. The Plan is not subject to Title I of ERISA.	Academic and staff employees appointed at 50% or more FTE are eligible to participate. Hourly employees who normally work at least 50% full-time equivalent upon their appointment and are expected to work at least 1,000 hours or more per year, and are appointed as PERF Hourly, are eligible to participate. Students with non-FICA status and interns are not eligible to participate.	A participant may make salary deferrals to the Plan up to the IRC limit ($16,500 in 2010 and beyond). A participant age 50 or older may make additional salary deferrals to the Plan up to the IRC limit ($5,500 in 2010 and beyond). A participant age 62, 63, or 64 may be able to make additional salary deferrals to the Plan up to the IRC limit.	A participant is always 100% vested in his or her Plan account. In the event of a participant's death, the participant's designated beneficiary will receive the total accumulated value of the participant's Plan account. A designated beneficiary may be a person or an entity.
Investments	**Plan Distributions**	**Forms of Distribution**	**Taxes**
A participant makes all investment decisions concerning his or her Plan account. TIAA-CREF and Fidelity Investments are the authorized investment companies under the Plan. Both investment companies offer a wide variety of investment choices, including: stocks, bonds, and money markets.	A participant may only withdraw funds from his or her Plan account upon termination of employment. Hardship distributions are prohibited under the Plan. A participant must begin to receive a distribution from the Plan on or before April 1st of the year following the year in which he or she attains age $70^1/_2$ or terminates employment, if later.	A participant may choose to receive a distribution of his or her Plan account in any one of the following forms or combination of forms: • Single sum • Annuity • Installment • Any legally permissible form permitted by an authorized investment company	Contributions will not be included in a participant's income reported to the federal, state, or local governments for income tax purposes. A participant will pay employment taxes on contributions. Plan distributions are subject to income tax.

Plan provision details are in the following sections.

Section A: General Information

Plan Name:	IU Retirement Savings Plan
Plan Sponsor:	Indiana University
Address:	400 East Seventh Street, Poplars E165 Bloomington, Indiana 47405-3085
Type of Plan:	Defined Contribution Plan (IRC Section 457(b))
Plan Year:	January 1st to December 31st
Plan Administrator:	Indiana University

This booklet summarizes the major provisions of the IU Retirement Savings Plan (Plan). Every effort has been made to make this summary as thorough and accurate as possible. However, there are other legal documents, laws, and regulations that govern the operation of the Plan. It is understood that in the event of any conflict, the terms of the Plan document, applicable laws, and regulations will govern. Plan participants are encouraged to read the entire booklet thoroughly and ask any questions about its content or to obtain additional information regarding the Plan from the Plan Administrator.

Section B: Participation and Service

Eligibility for Participation

To be eligible to participate in the Plan, an employee must be:

- An academic or staff employee appointed at 50% or more full-time equivalent (FTE); or
- An hourly employee who is appointed as "PERF Hourly."

The following individuals are prohibited from participating in the Plan:

- Students with non-FICA status; and
- Interns.

An employee is not required to satisfy any age or service condition (e.g., complete a year of service) in order to be eligible to participate in the Plan.

Commencement of Participation

An employee is eligible to participate in the Plan immediately upon satisfying the eligibility requirements described above, provided the employee has properly completed and returned all required Plan enrollment materials to the campus Human Resources office in a timely manner.

Restricted Participation

An employee is no longer eligible to make salary deferrals and catch-up contributions to the Plan if:

- The employee terminates employment with Indiana University; or
- The employee ceases to be a member of an eligible class of employees.

In the event an individual becomes ineligible to contribute to the Plan, contributions will stop being made to the Plan with the employee's last regular paycheck or the last paycheck attributable to employment in an eligible class of employees.

Participants who are ineligible to contribute to the Plan, including those who terminate employment with Indiana University, have the same rights as participants who are eligible to contribute to the Plan, except that no additional contributions can be made to the Plan.

Section C: Contributions

Salary Deferrals

A participant may elect to defer up to 100 percent of his or her compensation to the Plan each calendar year up to the maximum amount allowable by law not to exceed the limits of federal tax code section 457. Elections must be made at the time, in the manner, and on such forms as established by the Plan Administrator.

Employment taxes (i.e., Social Security taxes) and premiums for employer-provided benefits will be deducted from a participant's compensation prior to salary deferrals and catch-up contributions.

Salary Deferral Election Rules and Procedures

Salary Deferral Agreement. Only the Plan's official salary deferral agreement form will be accepted by Indiana University. Investment company salary deferral agreement forms are unacceptable. The University Human Resource Services (UHRS) Web site contains the current version of the Plan's official salary deferral agreement form.

Investment Company Account. A participant must establish an *IU Retirement Savings Plan* account for each investment company at which contributions will be invested. A participant may not use an existing account that was established for a different employer's retirement plan or an existing account that was established for a different Indiana University retirement plan.

Timing of Elections. An election to defer compensation must be made before the first day of the month in which the compensation is paid (or made available). However, a new employee may make an election to defer compensation to the Plan on or before his or her first day of employment with Indiana University.

Making Contributions to the Plan for the First Time. To begin making salary deferrals and catch-up contributions to the Plan, an eligible employee must:

1) Complete a salary deferral agreement;
2) Establish an *IU Retirement Savings Plan* account at an authorized investment company by completing an account application; and
3) Return a completed salary deferral agreement and account application to the campus Human Resources office no later than 30 days prior to the next pay date. If an eligible employee does not return both documents to the campus Human Resources office, contributions cannot be made to the Plan.

Increasing or Decreasing Contributions. To increase or decrease the amount of salary deferrals and/or catch-up contributions being made to the Plan, a participant must:

1) Complete a new salary deferral agreement; and
2) Return a completed salary deferral agreement to the campus Human Resources office no later than 30 days prior to the next pay date.

Stopping Contributions. To stop salary deferrals and/or catch-up contributions from being made to the Plan, a participant must:

1) Complete a termination of salary deferral agreement form; and
2) Return a completed termination of salary deferral agreement form to the campus Human Resources office no later than 30 days prior to the next pay date.

Retroactive Elections Prohibited. In no event will an election to begin, increase, decrease, or stop salary deferrals and catch-up contributions become effective retroactively.

Salary Deferral Contribution Limit

Federal law limits the amount of contributions that can be contributed to the Plan and to all 457(b) plans in which an individual participates in any calendar year. The annual dollar limit is the lesser of 100 percent of compensation for the calendar year or the applicable dollar amount. The applicable dollar amount is as follows:

For taxable years beginning in calendar year:	The applicable dollar amount:
2010 and beyond	**$16,500**

If a participant has exceeded the salary deferral contribution limit, he or she may submit a written claim to the Plan Administrator no later than March 1st following the year the excess deferrals were made, and the excess will be distributed to the participant by the following April 15th.

Making contributions to the Plan does not reduce an eligible employee's ability to maximize contributions to the IU Tax Deferred Annuity Plan.

Age 50 or Older Catch-Up Contributions

For participants who are at least age 50 before the end of the calendar year, the current dollar limit on salary deferrals is increased. The additional amount of salary deferrals that are permitted to be made by an eligible participant is the lesser of (i) the participant's compensation for the year reduced by any other salary deferrals of the participant for the year or (ii) the "applicable dollar amount." The applicable dollar amount is as follows:

For taxable years beginning in calendar year:	The applicable dollar amount:
2010 and beyond	**$5,500**

Catch-up contributions will not be taken into account when applying the salary deferral contribution limit described above.

Age 62, 63, or 64 Catch-Up Contributions

For one or more of the participant's last three taxable years ending before he or she attains age 65, the participant may increase the salary deferral contribution limit to an amount not exceeding the lesser of:

1) Twice the applicable dollar amount described above; or
2) The underutilized limitation.

The "underutilized limitation" is equal to the sum of:

1) The salary deferral contribution limit for the taxable year; plus
2) The salary deferral contribution limit (disregarding any catch-up contributions) for any prior taxable years less the salary deferrals made for such years.

In determining the underutilized limitation for prior years, the Plan disregards any age 50 or older catch-up contributions, both for the calculation of the salary deferral contribution limit in a prior year and in establishing the amount of salary deferrals made in the prior year.

Use of Multiple Catch-Up Contribution Provisions Restricted

A participant may not make both age 50 or older catch-up contributions and age 62, 63, or 64 catch-up contributions to the Plan in the same year.

Maximum Contribution Amount (IRC Section 415 Limit)

The IRC Section 415 Limit does not apply to the Plan. Therefore, contributions made to the Plan are not aggregated with contributions made to any other retirement plan sponsored by Indiana University for purposes of the IRC Section 415 Limit.

Vesting

A participant is always 100 percent vested in his or her Plan account. This means that the participant's Plan account may never be forfeited.

Taxes on Contributions

Salary deferrals and catch-up contributions will not be included in a participant's income reported to the federal, state, or local governments for income tax purposes. However, the participant and Indiana University must pay employment taxes (i.e., Social Security taxes) on salary deferrals and catch-up contributions when they are made to the Plan. In addition, a participant will pay income tax on salary deferrals, catch-up contributions, and earnings (if any) when they are distributed to the participant.

Contributions Will Not Reduce Social Security Benefits

Employment taxes are deducted from a participant's compensation before salary deferrals and catch-up contributions are contributed to the Plan. Therefore, making salary deferrals and catch-up contributions to the Plan will not reduce a participant's compensation for purposes of calculating Social Security benefits.

In addition, base retirement plan contributions and other employee benefits, such as life insurance, are based on a participant's compensation before salary deferrals and catch-up contributions are contributed to the Plan. Therefore, making salary deferrals and catch-up contributions to the Plan will not reduce a participant's compensation for purposes of calculating employee benefits.

Military Service

Upon reemployment or reinstatement with Indiana University following a period of military service, certain employees must be given the right to make up missed salary deferrals and catch-up contributions to the Plan.

Make-up salary deferrals are not subject to the current salary deferral contribution limits in effect at the time the make-up contributions are made. Instead, the make-up salary deferrals are subject to the applicable limits in effect for the year to which the make-up contributions relate.

If an employee returns to work following a period of military service, please contact UHRS immediately.

Please provide the following information when contacting UHRS:

1) Name of the employee;
2) Employee's identification number;
3) Beginning and ending dates of the period of military service; and
4) Date employee returned to work from military service.

UHRS will determine what rights, if any, the employee is entitled to upon reemployment or reinstatement with Indiana University following a period of military service.

Rollover Contributions

Indiana University does not allow rollover contributions to be made to the Plan. A "rollover contribution" is an employee directed transfer of retirement plan assets from a retirement plan of a prior employer or an IRA to the retirement plan of a current employer.

Beneficiary Designations

In General. A participant designates the person or entity that will be the beneficiary of the participant's Plan account on the investment company account application or beneficiary designation form.

Changing a Beneficiary Designation. To change a beneficiary designation, a participant must execute a new beneficiary designation form at each investment company in which his or her Plan account accumulations are invested. Each investment company has its own beneficiary designation form.

Beneficiary Designations. Any person or entity can be designated as a beneficiary. The participant's spouse is not required to be designated as the beneficiary. A participant does not need spousal consent to designate someone other than the spouse as the beneficiary.

Section D: Investments

General Terms and Conditions

The Plan is a participant directed plan. This means that each participant is responsible for directing the investment of his or her Plan account. (References to a participant's "account" in this summary means all accounts maintained in his or her name under the Plan at the authorized investment companies.) A participant may direct the investment of his or her Plan account among any investment funds provided under the Plan. A participant may also transfer monies from one investment fund to another.

A participant's election to invest his or her Plan account, to change the investment direction of future contributions, or to transfer amounts from one investment fund to another must be made in accordance with the rules established by the Plan Administrator.

Authorized Investment Companies

Indiana University has approved of the following investment companies under the Plan:

Company	Address	Telephone Number	Website
TIAA-CREF	730 Third Avenue New York, NY 10017	800-842-2776	www.tiaa-cref.org
Fidelity Investments	82 Devonshire Street Boston, MA 02109	800-343-0860	https://netbenefits.fidelity.com

Representatives from TIAA-CREF and Fidelity Investments are available to meet with participants to discuss investment fund options.

Investment Company Fees

TIAA-CREF and Fidelity Investments do not generally charge participants the following types of fees: front end / sales load fees, account maintenance fees, cash-out or transfer fees. However, each individual fund will have minimum management fees as specified in the fund's prospectus.

Each investment company reports net investment return figures, which reflect investment performance after administrative expenses are deducted.

Participants should contact the investment company for more information about fees.

Account Statements

A participant receives account statements from each investment company in which his or her Plan account assets are invested each calendar year quarter. Account statements detail all investment activities including contributions, earnings, losses, and transfers.

Plan Assets and Accumulations Not Guaranteed Against Loss

A participant's investment of his or her Plan account is subject to financial loss. Neither the Plan nor Indiana University guarantees a participant that his or her Plan account will not experience financial loss.

Directing the Investment of Future Contributions to a Different Investment Company

To direct the investment of future salary deferrals and catch-up contributions to a different investment company, a participant must:

1) Establish (or have previously established) an *IU Retirement Savings Plan* account at the investment company that will receive future contributions by completing an investment company account application;

   Please Note: A participant with a current *IU Retirement Savings Plan* account at the new investment company is not required to complete an account application.

2) Complete a new salary deferral agreement; and

3) Return a completed salary deferral agreement and investment company account application (if applicable) to the campus Human Resources office no later than 30 days prior to the next pay date.

The campus Human Resources office will process the change in investment direction as soon as administratively feasible once it receives a completed salary deferral agreement and an investment company account application (if applicable). In no event, will the change become effective retroactively.

Changing Current Investment Allocation

To change the current investment allocation of the Plan account at an investment company, a participant must contact the investment company directly.

Transferring Account Accumulations from One Investment Company to Another

To transfer Plan account accumulations from one investment company to another, a participant must:

1) Establish (or have previously established) an *IU Retirement Savings Plan* account at the investment company that will receive the transfer by completing an investment company account application; and

   Please Note: A participant with a current *IU Retirement Savings Plan* account at the new investment company is not required to complete an account application.

2) Direct the new investment company to request account accumulations be transferred from the current investment company.

Investment Advisors (Agents and Brokers)

Indiana University prohibits investment advisors from having direct access to a participant's Plan account. Indiana University does not provide any participant information to an investment advisor without the express written consent of the participant.

Section E: Introduction to General Investment Concepts

The information presented in this section is intended to provide participants with a general introduction to investments. The information is not intended to be, and should not be construed as, investment advice. Each participant should consult with an investment advisor and refer to other investment materials to learn more about investments and investment strategy.

Developing an Investment Strategy

A participant is responsible for making all investment decisions for his or her Plan account. These decisions will directly impact how much earnings a participant's account will gain and will determine the amount of income that will be available to the participant from the account during retirement.

Therefore, it is very important that a participant develop a long-term investment strategy that is capable of taking advantage of upswings and surviving downturns in the financial markets.

Creating a long-term investment strategy does not require a participant to become an expert financial analyst. However, creating a long-term investment strategy does require a participant to become familiar with general investment terms and concepts.

Asset Allocation

Asset allocation refers to the distribution of investment funds among categories of assets, such as stocks, bonds, and cash equivalents. Asset allocation affects both risk and return. It is a central concept in personal financial planning and investment management.

How a participant chooses to invest his or her account will affect the amount of retirement income that will accumulate in the account. Choosing the right balance between different types of assets requires a participant to:

1) Establish a goal for the amount of assets that the participant will need for retirement;
2) Determine the participant's time horizon; and
3) Understand the differences between stocks, bonds, and money market funds.

A participant should review how assets are allocated in his or her account on a periodic basis. However, very frequent asset allocation changes may be harmful to the participant's long-term investment strategy. Some common reasons a participant might change his or her asset allocation are:

1) The participant's time horizon changes significantly.
2) The value of the participant's other sources of retirement income changes dramatically.
3) The percentage of a certain class of assets in the account changes significantly due to an increase or decrease in value.

Establishing a Goal

Income during retirement years typically comes from five sources: 1) Social Security, 2) employer-funded retirement plans, 3) salary deferral plans, 4) personal savings and assets, and 5) a full or part-time job.

Determining the amount of retirement income a participant expects from each of the five main sources is an essential step in developing an overall strategy of retirement planning. Therefore, it is important that the participant establish a goal for the amount of assets he or she expects to receive from his or her Plan account. The goal will help the participant create an investment strategy for the account. The investment strategy could be preservation of contributions and accumulations or maximizing gains or a combination both depending the participant's goal.

Time Horizon

Time horizon is the period of time available to the participant for investing his or her Plan account before the participant will need to begin taking distributions from the account for retirement income.

The longer the time horizon, the more opportunity there is to take advantage of upswings and survive downturns in the financial markets. A participant with a long time horizon may be concerned with maximizing gains. For example, a younger participant has a long time horizon and may invest his or her account heavily in stocks to maximize the potential for gains (i.e., higher risk – higher potential for gains).

The shorter the time horizon, the less opportunity there is to take advantage of upswings and survive downturns in the financial markets. A participant with a short time horizon may be concerned with preserving a specific account balance. For example, an older participant has a short time horizon and may invest his or her account heavily in bonds and money market funds to preserve the account balance (i.e., lower risk – less potential for losses).

Some assets in a participant's account will have a longer time horizon than others because the participant may only need to take a partial distribution from his or her account. Therefore, the time horizon for some assets in a participant's account may be based on the participant's expected date of retirement, while the time horizon for other assets may be based on a later date.

Market Risk

Market risk is risk that is common to all types of assets of the same general class (e.g., stocks). Market risk cannot be eliminated by diversification. In other words, market risk is the fact that all asset funds will fluctuate in value.

Each fund's stated investment objective will provide insight into the amount of anticipated market risk of that fund.

Inflation Risk

Inflation risk, also called purchasing-power risk, is the risk that the return the participant will earn after adjusting for inflation will be negative. In other words, inflation risk is the fact that the value of all investment returns will be lower when adjusted for inflation. If inflation exceeds an asset fund's rate of return, a participant may actually be losing money even though the asset fund has a "positive" return.

Investment Return

Investment return is a measure of how much an investment earns during a specific period of time. Investment return can come from cash payments (e.g., dividends and interest payments), changes in an investment fund's market value, or a combination of both. Generally, a fund's total return is the sum of its interest or dividend payments plus any changes in its market value.

Asset Classes

Five general types of assets classes are: 1) stocks; 2) bonds; 3) real estate; 4) guaranteed investment contracts; and 5) money market funds.

A "stock" is a share of ownership in a corporation and a claim on the corporation's earnings and assets. Stocks are often used to substantially grow the value of a participant's account.

A "bond" is a loan to a corporation, government, or municipality which pays a specified rate of interest on the loan until the original loan amount is repaid on a specified date in the future. Bonds are often used to add a stream of current income and stability to a participant's account.

A "real estate" fund invests in a diverse array of real estate such as shopping centers, medical facilities, nursing homes, office buildings, apartment complexes, industrial warehouses, and hotels. Real estate fund returns traditionally parallel inflation and tend to rise and fall more slowly than stock and bond returns.

A "guaranteed investment contract" is a contract between an insurance company and a participant that guarantees a specific rate of return on the invested principal over the life of the contract. Guaranteed investment contracts are often used to preserve principal and simultaneously provide at least a specified minimum return.

A "money market fund" is a short-term debt instrument usually in the form of commercial paper, United States Treasury bills, government securities, and certificates of deposit. Money market funds are often used to preserve the value of assets that will be distributed to a participant in the very near future.

Diversification

Diversification is an investment technique that spreads risk by investing an account among different types of assets such as stocks, bonds, fixed annuities, and cash equivalents. Diversification helps protect investments from a single, devastating loss.

The potential return of an investment fund directly relates to its level of risk. The higher the risk, the higher the potential return. Diversifying investments helps reduce risk associated with high risk assets. Although diversification does not guarantee a certain amount of return or ensure against loss, it can help a participant pursue long-term investment goals while protecting against market risk. Losses to one investment are likely offset by gains from another investment.

Diversification can take place simultaneously in several ways, such as:

1) **Spreading investments across multiple types of businesses.** This type of diversification is automatically done in the Plan. All investment funds available under the Plan are annuity or mutual funds that represent assets of numerous businesses and securities to achieve a specified fund objective.

2) **Spreading investments across different asset classes.** A participant must take steps to achieve this type of diversification by investing portions of his or her account in different types of assets (e.g., stocks, bonds, and money market funds).

3) **Spreading investments across different kinds of stocks and bonds.** Investing in multiple stock funds that have different objectives (e.g., domestic vs. international stocks) and bond funds that have different maturity periods (e.g., 5 years vs. 10 years) helps spread risk.

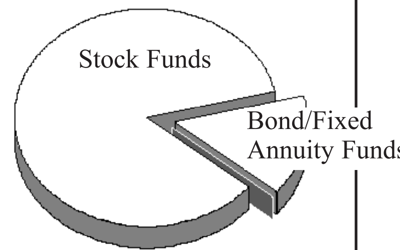
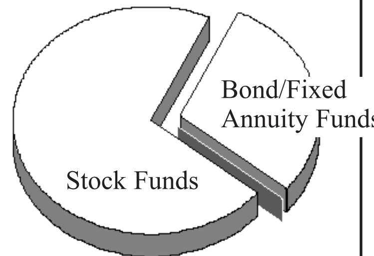
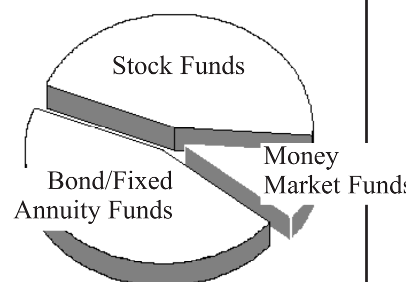
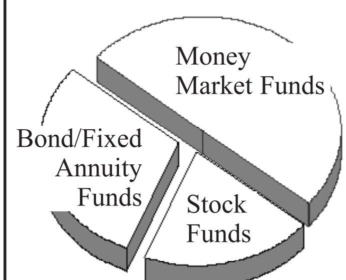
Asset Class Summary Chart

The chart summarizes the general tendencies of each asset class previously described. Asset class tendencies are only generalizations and should not be relied upon as absolute statements.

	Asset Classes				
	Stocks	**Real Estate**	**Bonds**	**Guaranteed Income Contracts (GICs)**	**Money Market Funds**
Time Horizon	Long. A participant needs a long time horizon to take advantage of upswings and survive downturns in the markets.	Moderate to Long. A participant needs a moderate to long time horizon to realize a substantial return.	Short to Moderate. A participant needs a short to moderate time horizon to realize a return while avoiding losses due to inflation.	Short. A participant needs a short time horizon to preserve his or her account balance while realizing a return.	Very Short. A participant needs a very short time horizon to preserve his or her account balance.
Market Risk	High. Stocks have high market risk, but offer a greater potential return.	Moderate. Real estate funds have a moderate risk for loss that is not necessarily tied to the financial markets.	Low to Moderate. Bonds have low to moderate market risk, but may offer less return than stocks.	Low. GICs will pay the participant a stated rate of return subject to the financial stability of the insurance company.	Low. Money market funds have very low market risk.
Inflation Risk	Low. Stocks have low inflation risk, but high market risk.	Low. Real estate funds have low inflation risk. Returns tend to at least parallel inflation.	Moderate. Bonds have moderate inflation risk, but low to moderate market risk.	High. The rate of return for GICs may not keep pace with inflation.	High. Money market funds have very high inflation risk.
Investment Return	High. The potential return for stocks is high. However, stocks also have a high potential for loss.	Moderate. The potential return for real estate funds is generally moderate.	Moderate. The potential return for bonds is moderate. Bonds may provide a source of income for the account.	Low. The rate of return for GICs may be low as compared with other asset classes.	Low. The rate of return for money market funds is very low.

Sample Asset Allocation Models

The following asset allocation models are only samples. The asset allocation models are generic and are only provided as examples. How a participant invests his or her account may be very different from the samples because each participant's time horizon, income goal, and investment strategy are unique.

Aggressive: This model's objective is to achieve long-term growth. This model is characterized by heavy investment in growth and value stocks. This model might be attractive to a participant with a very long time horizon (e.g., 15 years or more).	
Growth: This model's objective is to achieve long-term growth while providing some protection against loss. This model is characterized by moderately heavy investment in stocks and moderate investment in bonds. This model might be attractive to a participant with a medium time horizon (e.g., 10 years or more).	
Conservative Growth: This model's objective is to achieve a balance between growth and protection against loss. This model is characterized by moderate investment in stocks, bonds, and money markets. This model might be attractive to a participant who has a short time horizon (e.g., 5 years or less).	
Conservative: This model's objective is to achieve safety and stability. This model is characterized by heavy investment in money market funds. This model might be attractive to a participant who has a very short time horizon (e.g., 2 years or less).	

More Information

Representatives from TIAA-CREF and/or Fidelity Investments are available to meet with a participant to discuss general investment strategies, concepts, and information.

Section F: Plan Distributions and Withdrawals

Distributable Events

A participant may only withdraw funds from his or her Plan account upon termination of employment with Indiana University.

In-Service Distributions

In-service distributions are not allowed to be made to a participant from the Plan.

Hardship Distributions

Hardship distributions are not allowed to be made to a participant from the Plan.

Loans

A participant may receive a loan from his or her Plan account by contacting the investment company. Loans are subject to both federal tax code and investment company rules and regulations.

Minimum Required Distributions

Federal law requires that distribution of a participant's Plan account, regardless of the form, must begin on or before April 1st of the calendar year following the calendar year in which he or she attains age 70½ or the calendar year in which the participant terminates employment, whichever is later.

Forms of Distribution

A participant may choose to receive a distribution of his or her Plan account in any one of the following forms or combination of forms:

- Single sum distribution of cash
- Installment
- Annuity
- Any legally permissible form of distribution permitted by an authorized investment company

Taxes on Distributions

Plan distributions are generally subject to a 20% mandatory federal income tax withholding rate. This mandatory withholding will reduce the amount a participant actually receives upon withdrawing funds from the Plan. However, the amount withheld will be credited against any taxes the participant owes for the year when the participant files his or her annual tax return.

There are exceptions to the mandatory federal income tax withholding rule, including receiving the Plan distribution as a life-time annuity payment or directly rolling over the Plan distribution to an eligible retirement plan (e.g., an IRA).

Unlike the IU TDA Plan, distributions from the Plan made prior to attainment of age 59½ are not subject to a 10% early withdrawal penalty tax.

Direct Rollover Distributions

A direct rollover of an eligible rollover distribution may be made at the participant's election. A direct rollover is a payment of an eligible rollover distribution from the Plan directly to another eligible retirement plan. An "eligible retirement plan" includes 401(a) plans, 403(b) plans, 401(k) plans, governmental 457(b) plans, and IRAs. However, certain types of distributions, such as life-time annuity payments, are not eligible for direct rollover treatment.

Qualified Domestic Relations Orders (QDROs)

Indiana University may be required by law to recognize obligations a participant incurs as a result of a qualified domestic relations order (QDRO). A QDRO is a decree or order issued by a court that obligates the participant to pay child support or alimony, or otherwise allocates a portion of the participant's assets in the Plan to his or her spouse, former spouse, child, or other dependent (collectively known as "alternate payees").

A distribution authorized by a QDRO to an alternate payee will be permitted under the Plan, even if the affected participant is not currently eligible for a Plan distribution.

Rights and Privileges after Termination of Employment

A participant remains 100% vested in his or her Plan account after termination of employment with Indiana University. A participant is not required to cash-out or transfer his or her Plan account upon termination of employment. Upon termination of employment, a participant may:

- Leave accumulations in the Plan account and continue to manage investments;
- Withdraw all or a portion of Plan account accumulations (subject to income taxes); or
- Roll over all or a portion of Plan account accumulations to an eligible retirement plan (e.g., an IRA).

After terminating employment with Indiana University, most transactions related to a participant's Plan account are handled directly by the participant with the applicable investment company.

Participant Responsibilities

Upon termination of employment with Indiana University, a participant must:

- Handle withdrawals and rollovers directly with the investment company.
- Continue to direct the investment of his or her Plan account.
- Notify the investment company of any name and/or address change.
- Notify the investment company of any beneficiary change.
- Begin to receive minimum required distributions on or before the required beginning date.

Section G: Administrative Provisions

Plan Amendment and Termination

Indiana University has reserved the right to amend and/or terminate the Plan at any time in its sole discretion.

Benefit Claim Procedure

Benefits will be payable in accordance with the provisions of the Plan. Plan distributions are generally handled directly by the participant or beneficiary with the investment company. However, an individual may submit a written claim for benefits to the Plan Administrator. A claim is a written request by a participant or beneficiary for a benefit under the Plan. A claim must be filed, either by the claimant or his or her authorized representative, with the Plan Administrator.

The Plan Administrator will normally make a decision on a claim for benefits under the Plan within 90 days of when the claim is filed. In some special cases, more than 90 days may be necessary. If a special situation exists, the Plan Administrator will notify the claimant and explain the reasons more time is needed. After giving the notice, the Plan Administrator may take up to another 90 days to make the decision. If a claim is denied, the claimant will receive a written explanation of the denial and may use the Plan rules for appealing denied claims.

A claimant or his or her authorized representative may, within 90 days of receipt of the denial of a claim, appeal the denial and request a review of pertinent documents or submit issues and comments to the Plan Administrator by filing written notice of the appeal, request for documents, or comments. The Plan Administrator will conduct the review and decide on the appeal within 60 days after the request for review is made. In special cases, more time may be needed to make the decision on review. If the Plan Administrator notifies the claimant that there will be delay and explains the reason for needing more time, the Plan Administrator may have an additional 60 days to decide. The decision rendered by the Plan Administrator will be in writing, it will be clear and understandable, and it will include specific reasons with specific references to the pertinent Plan provisions on which the decision is based.

Participant Responsibilities

Participants and beneficiaries must furnish the Plan Administrator any information considered necessary by the Plan Administrator for the purpose of administering the Plan. All parties to the Plan must perform any and all acts and execute any and all documents necessary for carrying out operation of the Plan.

Participant Rights

The Plan is not a contract between Indiana University and any participant. Participation in the Plan does not give an employee the right to be retained in the employ of Indiana University. Participation in the Plan does not limit Indiana University's right in any way to employ or terminate employment of any person or discipline any employee. A participant should not rely on this summary as creating any legal rights in the Plan or at Indiana University.

Alienation

Except as may be required by applicable law, benefits payable under the Plan are not subject to sale, transfer, assignment, pledge, encumbrance, garnishment, or levy of any kind, either voluntary or involuntary, prior to actually being distributed from the Plan to the participant. Any attempt to sell, transfer, assign, pledge, encumber, or otherwise dispose of any right to benefits payable to the participant under the Plan will be null and void.

Laws Governing the Plan

The Plan will be construed and enforced in accordance with applicable provisions of the Internal Revenue Code of 1986, as amended and regulations thereunder and the laws of the State of Indiana to the extent not preempted by federal law.

Payment of Benefits

Any payment to a participant, the participant's legal representative, beneficiary, or to any guardian appointed for the participant or beneficiary will be in full satisfaction of all claims against the Plan.

Plan Administrator

Indiana University is responsible for the administration and management of the Plan and is the "Plan Administrator." However, Indiana University has appointed University Human Resource Services to manage the day-to-day operation and administration of the Plan.

ERISA

The Plan is exempt from Title I of the Employee Retirement Income Security Act of 1974 (ERISA).

Questions

If a participant has any questions about the Plan, he or she should contact UHRS:

University Human Resource Services
Attn: IU Retirement Savings Plan
400 East 7th Street, Poplars E165
Bloomington, Indiana 47405-3085