



INDIANA UNIVERSITY
UNIVERSITY HUMAN RESOURCE SERVICES

IU Replacement Retirement Plan

(A 401(a) Early Retirement Plan)

Summary of Plan Provisions

AUGUST 2008

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IU Replacement Retirement Plan Highlights

Plan Type	Eligibility	Contributions	Vesting
<p>Defined benefit plan established in accordance with IRC Section 401(a).</p> <p>Benefits are based solely on the Plan's benefit formulas.</p> <p>The Plan is not subject to Titles I or III of ERISA.</p>	<p>To be eligible to participate in the Plan, an employee must:</p> <ol style="list-style-type: none"> 1) Be listed as an eligible participant in this summary; and 2) Be a participant in the IU Retirement Plan at the 15% level. 	<p>Indiana University makes all contributions required to fund the Plan.</p> <p>Participants may not make additional contributions to the Plan.</p> <p>A participant's "annual benefit" cannot exceed the IRC Section 415 limit.</p>	<p>A participant must satisfy the following conditions to be vested:</p> <ol style="list-style-type: none"> 1) 18 years of participation in the IU Retirement Plan at the 15% level; 2) 20 years of continuous full-time service with Indiana University; 3) Attainment of age 64; 4) Termination of employment with Indiana University; and 5) Not reemployed by Indiana University after benefit payments have begun.
Plan Benefit	Plan Distributions		Taxes
<p>Standard Retirement Benefit :</p> <p>Final average salary multiplied by 36% = annual benefit amount payable for life.</p> <p>Optional Retirement Benefit:</p> <p>Final average salary multiplied by 100% = annual benefit amount payable for 5 years or until death, if earlier.</p>	<p>Standard Retirement Benefit:</p> <p>Annual benefit divided by 12 and distributed as a monthly amount.</p> <p>Optional Retirement Benefit:</p> <p>Annual benefit divided by 12 and distributed as a monthly amount.</p>	<p>Death Distributions:</p> <p>If a participant dies before distribution has begun, the Plan benefit will be forfeited.</p> <p>If a participant dies after distribution has begun, the remaining portion of the Plan benefit will be forfeited.</p>	<p>Contributions will not be included in a participant's income reported to the federal, state, or local governments for income tax purposes.</p> <p>Plan distributions are subject to income tax.</p>

Plan provision details are in the following sections.

Section A: General Information

Plan Name:	IU Replacement Retirement Plan
Plan Sponsor:	Indiana University
Address:	400 East 7th Street, Poplars E165 Bloomington, Indiana 47405-3085
Type of Plan:	Defined Benefit Plan (401(a) plan)
Plan Year:	July 1st to June 30th
Plan Administrator:	Indiana University
Plan Trustee:	TIAA-CREF Trust Company, FSB
Service of Legal Process:	Indiana University Attn: IU Replacement Retirement Plan 400 East 7th Street, Poplars E165 Bloomington, Indiana 47405-3085

This document is a summary of the IU Replacement Retirement 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 satisfy eligibility criteria (1) and (2) below:

- 1) Be listed as an eligible participant in Section H: Eligible Participant List; and

To be listed as an eligible participant in Section H: Eligible Participant List, an employee must have satisfied one of the following criteria:

- a) Had an initial date of employment with Indiana University after July 14, 1988; or
- b) Had initiated participation in the IU Retirement Plan at the 15% contribution level after July 14, 1988.

- 2) ***IU Retirement Plan Participation Requirement.*** To satisfy the IU Retirement Plan Participation Requirement, an employee must be a participant in the IU Retirement Plan at the 15% contribution level.

To be eligible to participate in the IU Retirement Plan at the 15% contribution level, an employee must be a 100% full-time equivalent Academic or Professional Staff employee (grade 16 and above), hired in an appointed eligible position before January 1, 1989.

However, the following employees are excluded from the Plan:

- Employees in the Geological Survey Department, and
- Employees associated with an external agency agreement that does not accept early retirement plan participation.

Termination of Participation

An employee is no longer eligible to participate in the Plan if:

- The employee terminates employment with Indiana University prior to being vested in his or her Plan benefit; or
- The employee no longer satisfies the eligibility requirements for participation in the IU Retirement Plan at the 15% contribution level.

In the event an individual becomes ineligible to participate in the Plan prior to becoming vested, the individual's entire Plan benefit will be forfeited.

Section C: Contributions

Contributions to the Plan

Indiana University will make all contributions required to fund the Plan. All contributions will be paid into the trust fund and will be held, managed, invested and distributed in accordance with the provisions of Plan and trust agreement. Participants are neither required nor permitted to make contributions to the Plan.

Maximum Contribution Amount (IRC Section 415 Limit)

Federal law limits the total amount that a participant can accrue under the Plan when such benefit is expressed as an “annual benefit.” The annual benefit cannot exceed the lesser of \$175,000 or 100 percent of the participant’s average compensation for his or her highest 3 years. (The IRS adjusts the \$175,000 contribution limit periodically for increases in the cost-of-living.)

The term “annual benefit” means a benefit payable annually in the form of a straight life annuity under a plan to which employees do not contribute and under which no rollover contributions are made.

Taxes on Contributions

Plan contributions will not be included in a participant’s income reported to the federal, state, or local governments for income tax purposes. However, a participant will pay income tax on any monies distributed from the Plan to the participant.

Military Service

Upon reemployment or reinstatement following a period of military service, Indiana University may be required to restore any Plan benefits that would have been earned by the eligible employee for any portion of the military service period for which the employee would otherwise have been a participant had he or she continued working with Indiana University.

If an employee returns to work following a period of military service, please contact University Human Resource Services (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.

Continued Contributions

The Plan benefit replaces the “interim benefit” under the IU 18/20 Retirement Plan only. In addition to the Plan benefit, an employee may also be eligible for the “continued contribution benefit” under the IU 18/20 Retirement Plan. Continued contribution benefits are subject to the terms and conditions of the IU 18/20 Retirement Plan. Please reference the IU 18/20 Retirement Plan summary for more information on continued contribution benefits.

Section D: Vesting

Vesting of Plan Benefit

An employee must satisfy all of the following age, service, and employment conditions in order to become vested in his or her Plan benefit:

- 1) 18 years of participation in the IU Retirement Plan at the 15% contribution level;
- 2) 20 years of continuous full-time service with Indiana University;
- 3) Attainment of age 64*;
- 4) Termination of employment with Indiana University; and
- 5) Not reemployed by Indiana University after benefit payments have begun.

* Faculty participants with a 10-pay academic year appointment will satisfy the attainment of age 64 requirement on:

- January 1st, if their 64th birthday falls during the following spring semester; or
- July 1st, if their 64th birthday falls during the following summer or fall semesters.

Forfeiture

A participant's Plan benefit is forfeited when the participant terminates employment, becomes ineligible to participate in the Plan, or dies before becoming entitled to his or her full benefit under the Plan.

Forfeitures will be used to reduce Indiana University's contribution to the Plan in the following Plan Year.

If a participant receiving benefit payments under the Plan is reemployed by Indiana University, that participant will forfeit any payments that otherwise would have been payable during the period of reemployment, effective as of the date of rehire.

Section E: Plan Benefit

In General

A vested participant may elect to receive his or her Plan benefit in one of the following forms:

- 1) Standard retirement benefit; or
- 2) Option retirement benefit.

Standard Retirement Benefit

If elected, the standard retirement benefit is the annual benefit amount a vested participant will receive for life based on the following formula:

$$\text{Final average salary X 36\%} = \text{annual benefit amount.}$$

Optional Retirement Benefit

If elected, the optional retirement benefit is the annual benefit amount a vested participant will receive for 5 years or until death if earlier based on the following formula:

$$\text{Final average salary X 100\%} = \text{annual benefit amount.}$$

Final Average Salary

Final average salary means a vested participant's average base salary for the five year period preceding the earlier of:

- 1) The date the participant retired from Indiana University, or
- 2) The date the participant attained age 65.

Section F: Distribution of Plan Benefit

Distribution of the Standard Retirement Benefit

If a vested participant elects to receive his or her Plan benefit as the standard retirement benefit, the Plan benefit will be distributed as a monthly amount payable for the vested participant's life. The monthly amount is determined by dividing the participant's annual benefit amount by 12.

Distribution of the Optional Retirement Benefit

If a vested participant elects to receive his or her Plan benefit as the optional retirement benefit, the Plan benefit will be distributed as a monthly amount payable until the earlier of:

- 1) The participant's death, or
- 2) Completion of 60 monthly payments.

Upon completion of 60 monthly payments from the Plan (or the participant's death if earlier), monthly payments will cease. The monthly amount is determined by dividing the annual benefit amount by 12.

Electing the Form of Benefit Distribution

A vested participant may elect to receive his or her Plan benefit as either the standard retirement benefit or the optional retirement benefit no later than 30 days and no earlier than 90 days prior to the date his or her Plan benefit is to be distributed.

A participant may revoke or change a prior election for a form of benefit distribution at any time prior to the date that the benefit is to commence. In no event may a participant revoke or change a form of benefit distribution after benefit payments have begun.

Commencement of Benefits

The Plan benefit will begin to be paid to a vested participant the first day of the month coincident with or next following the date the participant retires after attaining age 64 or satisfying the attainment of age 64 requirement, if earlier.

In-Service Distributions

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

Loans

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

Minimum Required Distributions

Federal law requires that distribution of a participant's Plan benefit, 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 70^{1/2} or the calendar year in which the participant retires, whichever is later.

Death Distribution

If a participant dies before distribution of his or her Plan benefit commences, the participant's Plan benefit will be forfeited.

If a participant dies after distribution of his or her Plan benefit has commenced, the remaining portion of the participant's Plan benefit will be forfeited.

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 installment payment or directly rolling over the Plan distribution to an eligible retirement plan (e.g., an IRA).

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.

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 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 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 60 days of when the claim is filed. In some special cases, more than 60 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 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 Titles I and III of the Employee Retirement Income Security Act of 1974 (ERISA).

Benefit Insurance

The Plan is exempt from Title III of ERISA. Therefore, no coverage is provided by the Pension Benefit Guaranty Corporation, a federal agency that insures certain types of benefits.

Questions

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

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

Section H: Eligible Participant List

Aghimien, Peter	Diefendorf, Allan	Hite, Peggy	Palmer, Jeffrey
Alvis, Dean	Douglas, Bruce	Hofstadter, Douglas	Perry, Pamela
Anderson, Christopher	Duffy, Thomas	Hohlt, William	Raglin, John
Anderson, Tracey	Elliott, Dyan	Holzworth-Munroe, Amy	Reardon, Dennis
Bailey, Kevin S.	Ellis, Nancy T.	Hoversland, Roger	Reigeluth, Charles
Baker Jr., W. Claude	Farley, Joseph	Hoyert, Mark	Roberts, W. Eugene
Bardovi-Harlig, Kathleen	Favret, Mary	Irwin, Marilyn M.	Samavati, Hedayah
Barnes, A. James	Finn, Peter	Isiorho, Solomon	Schultz, Geoffrey
Barry, James	Fox, Walter	Jackson, Katherine	Schultz, Jane
Bartky, Elliot	French, G. Richard	Ji, Ronghui	Shaw, Debora
Bauer, Carl	Gable, Karen	Jones, David R.	Shepherd, Susan
Baxter, David	Gade, Kari	Kaden, Jeffrey	Shkolnikova, Nelli
Beckman, Roger	Gasser, Michael	Keefe, Thomas	Shopkow, Leah
Bjork, Ulf	Gibson, Gloria	Koh, Jee	Solomon, Rakesh
Bodenhamer, David	Gilbert, Kathleen	Levin, Katherine	Sternberg, Peter
Burkholder, J. Peter	Glassie, Henry	Levy, Irving	Stockey, Edward
Campany, Robert	Gould, Jeffrey	Long, J. Scott	Strow, Mary
Campbell, James	Gray, Margaret	Maben, Michael	Suzuki, David
Carini, John	Grimmond, Christine	Macphail, Eric	Tilley, John
Charleston, Lillian	Gwartz, Kenneth	Magjuka, Richard	Tsutsumi, Tsuyoshi
Ciancone, Mark	Hansen, Mary	Mathiesen, Thomas	Vinson, Martha
Comer, John	Hanson, Andrew	Meetz, Richard	Vollrath, David
Cooney, Elaine	Haritun, Rosalie	Mills, Jonathan	Warner, Amy
Cornwell, Amy	Harlow, Karen	Mitchell, C. Thomas	Watkins, Marilyn
Cox, Anthony	Harrington, Maureen	Morgan, Robin	Wilk, Richard
Cox, Dena	Hass, Jeffrey	Newell, Donald	Winold, Helga
Daleke, David	Hickey, Marilyn G.	Nisonger, Thomas	Zolan, Miriam
Davis, Kenneth	Hill, John R.	Packer, C. Subah	

