

**THE GEORGE WASHINGTON UNIVERSITY**

**RETIREMENT PLAN FOR FACULTY AND STAFF  
SUMMARY PLAN DESCRIPTION**

**(“BASE RETIREMENT PLAN”)**

February 2019

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## INTRODUCTION

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The George Washington University (the “university”) established The George Washington University Retirement Plan for Faculty and Staff (the “Plan”) effective September 1, 1945. The Plan has been amended from time to time, and was amended most recently effective December 20, 2018.

This booklet is the summary plan description of the Plan, and is intended to provide you with a general understanding of the Plan. This booklet does not state all of the terms and conditions of the Plan. The detailed Plan provisions are contained in an official Plan document. **If there is any conflict between this booklet and the Plan document, the Plan document will control.**

You can review the Plan document and other documents concerning the Plan at the office of the Plan Administrator during normal business hours. The Plan Administrator has the discretionary authority to interpret the Plan’s provisions and apply them to specific situations, and benefits will be paid from the Plan only if the Plan Administrator determines that a participant is entitled to those benefits under the Plan’s terms.

Please contact GW Benefits at (571) 553-8382 or [email\\_benefits@gwu.edu](mailto:email_benefits@gwu.edu) if you have questions or concerns about this booklet, the Plan, or any other Plan materials. For information on your Plan accounts (i.e., account balances), call Fidelity at 800-343-0860 or TIAA at 800-842-2776.

The Plan is a defined contribution money purchase pension plan governed by Section 401(a) of the Internal Revenue Code (the “Code”), which allows the university to help you build retirement income by making contributions to Plan accounts established in your name. Plan contributions, and earnings on those contributions, are held in a trust fund under the supervision of the Plan’s trustee. As a participant, you may direct the investment of the funds in your Plan accounts. Because the Plan is a tax-qualified retirement plan, you are not taxed on contributions to the Plan, or earnings on those contributions, until you receive your benefits from the Plan.

The Plan, any changes to it, or any payments to you under its terms, shall not be construed or interpreted as modifying or affecting in any way your terms of employment with the university.

## PLAN DATA

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- **Plan Name:**  
The George Washington University Retirement Plan for Faculty and Staff
- **Plan Sponsor's Name and Address:**  
The George Washington University  
GW Benefits  
45155 Research Place, Suite 160  
Ashburn, VA 20147  
(571) 553-8382
- **Plan Number:** 001
- **Plan Year:** January 1 through December 31
- **Sponsor's Tax I.D. Number:** 53-0196584
- **Plan Administrator:**  
Plan Administration Committee  
The George Washington University  
45155 Research Place, Suite 160  
Ashburn, VA 20147  
(571) 553-8324
- **Plan Trustee:**  
Fidelity Management Trust Company  
82 Devonshire Street  
Boston, MA 02109  
  
*For Assets in Custody with TIAA-CREF*  
Mark Diaz, Executive Vice President and Treasurer  
The George Washington University  
1918 F Street, NW  
Washington, D.C. 20052
- **Agent to Receive Legal Process:**  
Mary Lynn Reed  
Senior Counsel  
The George Washington University  
2100 Pennsylvania Avenue, NW, Suite 250  
Washington, DC 20052  
Legal process may also be served on the Plan Trustee or the Plan Administrator.
- **Investment Providers/Vendors:**  
TIAA  
730 Third Avenue  
New York, NY 10017-3206  
(800) 842-2776  
  
Fidelity Investments  
P.O. Box 1823 MC2W  
Boston, MA 02105-9916  
(800) 343-0860

## PLAN SUMMARY

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### PART I – ELIGIBILITY AND ENROLLMENT

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#### 1.1 Participation Requirements

You will become a participant in the Plan on the first day of the month following the date you become an “eligible employee” as described in Section 1.2. However, if you become an eligible employee on the first day of the month, you will begin participating in the Plan on that day. When you become an eligible employee, you will receive a notification of your eligibility and instructions on how to complete your enrollment on-line at <https://netbenefits.com/gw> or telephonically by calling 800-343-0860. Even though you are automatically enrolled in the Plan when you become an eligible employee, you still must complete the on-line enrollment in order to direct your investments, as more fully described in Part III, and to designate a beneficiary.

You will remain a participant in the Plan until your retirement, death or your termination of employment with the university or your employment classification changes and you cease to be an eligible employee. At the time your participation in the Plan ceases: (i) you will no longer be eligible to receive university contributions under the Plan until you again become an eligible employee and (ii) for purposes of the Plan, you will be considered a “former” participant as long as you have an account in the Plan.

#### 1.2 Eligible Employee

You will be an eligible employee if you are an employee of the university who is on the payroll of the university and whose wages are subject to FICA, and you have completed two years of service as described in Section 1.3.

The following individuals are *not* eligible to participate in the Plan:

- employees classified by the university as Fellows or Graduate Teaching Assistants;
- employees who are students or whose employment with the university is incidental to their educational programs, as determined by the university;
- part-time faculty members paid on a per course basis;
- employees who are members of a collective bargaining unit (unless they are covered by a collective bargaining agreement that provides for their participation in the Plan);
- persons who are nonresident aliens with no U.S. source earned income;

- individuals classified by the university as leased employees regardless of whether such employees are later deemed to be common law employees.; and
- individuals classified by the university as independent contractors regardless of whether such employees are later deemed to be common law employees.

### 1.3 Years of Service

The following describes how you will be credited with the “two years of service” required to become an eligible employee.

**Regular employees:** If the university classifies you as a *regular employee*, you will be credited with one year of service for each 12-consecutive month period that you work as an employee of the university, beginning on your initial employment date (or reemployment date) and ending on the later of the day you quit, retire, are discharged, die, or the first anniversary of your absence from work for any other reason. Your date of employment is either the date of your appointment or the first day on which you perform an hour of service, as applicable.

**Non-regular employees:** If the university classifies you as a *non-regular employee*, you will be credited with one year of eligibility service for each 12-consecutive month period, beginning on your initial employment date (or reemployment date) and each anniversary thereof, during which you are credited with at least 1,000 hours of service. An *hour of service* is generally each hour for which you are paid or entitled to payment from the university. However, if your payroll records are maintained by the university on other than an hourly basis (*e.g.*, if you are paid on a salaried basis), you will receive credit for the number of hours of service for the period of time that corresponds to your payroll period as follows:

<u>Units of Time</u>	<u>Hours of Service</u>
Day	10 hours
Week	45 hours
Semi-monthly	95 hours
Monthly	190 hours

**Service at other academic institutions:** Regardless of whether you are a regular or non-regular employee, you may also be credited with a year of service for each 12-consecutive month period during which you are credited with 1,000 hours of service with another non-profit educational institution of higher learning or an entity that is under common control with such educational institution (determined in accordance with the Internal Revenue Code), or a college or university located outside the United States with accreditation or a similar designation from the country where the college or university is located. You must provide proof of your prior service to the Plan Administrator, who has the sole and absolute discretion to determine whether the service should be credited. In the event you are credited with at least two years of service, you will have fulfilled the Plan’s eligibility service requirement and you will begin participation in the Plan on the first day of the month coinciding with or next following the date the service is certified

by the Plan Administrator. If your employment date is the first of the month, and the Plan Administrator certifies your two or more years of prior service within 30 days of your employment date with the university, you will become a participant as of your employment date.

***Military Service:*** If you are absent from work due to qualifying military service, you will be credited with the period of qualifying military service (while your reemployment rights are protected under the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”)), or with whatever other period that is granted by the university as military service, for purposes of determining your years of service. You must return to employment with the university within the time period during which your reemployment rights are protected under USERRA to receive this credit.

In no event will a year of service be credited more than once for the same period of time.



## PART II – PLAN CONTRIBUTIONS

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### 2.1 Plan Contributions Based on Compensation

Contributions under the Plan are based on your “Compensation.” If the university classifies you as a *staff employee*, then your Compensation is your base pay and does not include overtime, bonuses, or other supplemental pay. If the university classifies you as a *faculty member*, then your Compensation is the annual salary stated in your appointment letter that has been paid by the university. A faculty member’s Compensation also includes any summer salary you may earn from the university during a given Plan year in addition to your annual salary stated in your appointment letter if it is paid for sponsored research and is coded in the university payroll system as SU1 earnings. If you are on a paid sabbatical or other authorized paid leave of absence, your Compensation for that period will be determined on the basis of the salary paid to you during your absence. Any Compensation that you earned during your employment with the university that is paid within the later of the end of the year in which you terminated employment or two and one-half months following your termination of employment is recognized as Compensation even though it is paid after you cease employment. With respect to staff employees and faculty members, Compensation includes any pre-tax contributions you elect to have contributed to other retirement plans, cafeteria plans or qualified transportation fringe benefit programs maintained by the university.

The Internal Revenue Code requires that Compensation in excess of \$280,000, as adjusted for cost-of-living increases, may not be considered under this Plan.

### 2.2 University Contributions

**Base Contributions:** The university will contribute an amount equal to 4% of your Compensation (capped as discussed above) for each Plan Year in which you are a participant in the Plan. If you are a participant for less than the full Plan Year, the university’s base contribution will be based on your Compensation earned during the portion of the Plan Year in which you are a participant.

**Matching Contributions:** In addition to the base contribution noted above, the university will match 150% of the first 4% of your elective deferral contributions to the Supplemental Retirement Plan, up to a maximum of 6% of your compensation (a “Matching Contribution”). Because the university matches at the rate of 150%, you will reach the maximum matching contribution of 6% of your Compensation once you defer 4% of your Compensation to the Supplemental Retirement Plan (see the table below). Accordingly, any contributions that you make to the Supplemental Retirement Plan in excess of 4% of your Compensation will not be matched. If you are a participant in this Plan for less than the full Plan year, the university’s matching contribution to this Plan will be based on your Compensation earned during the portion of the Plan year in which you are a participant. If you meet the IRS limit on elective deferral contributions described in Section 2.5 below before the end of the calendar year, the university will

provide you with your maximum matching contributions. This match “true-up” contribution is calculated annually in the first quarter of the following plan year.

Percentage of Compensation Employee Contributes to Supplemental Retirement Plan	Percentage of Compensation in University Matching Contribution
1%	1.5%
2%	3%
3%	4.5%
4% and over	6%

**Example:** Assume your Compensation is \$30,000, you were a Plan participant for the entire prior Plan Year, you received a Base Contribution of \$1,200 (which is 4% of \$30,000), and your contributions into the Supplemental Retirement Plan were \$1,500 (which is 5% of \$30,000). Your maximum matching contribution would be \$1,800 (which is 6% of \$30,000). Because a matching contribution of 150% of the full \$1,500 you contributed to the Supplemental Retirement Plan (which equals \$2,250) exceeds 6% of your Compensation (*i.e.*, \$1,800), your matching contribution would be limited to \$1,800. The total contributions made into this Plan would equal \$3,000 (which is the sum of the base contribution of \$1,200 plus the matching contribution of \$1,800).

### 2.3 Participant Contributions

You are not required or permitted to make contributions to the Plan. You may, however, be eligible to make contributions to the university’s Supplemental Retirement Plan (403(b) Plan).

### 2.4 Rollover Contributions

If you receive a lump sum distribution from your prior employer’s qualified retirement plan, you may be able to roll over that amount tax-free into the Plan. In addition you may be able to rollover amounts held in an IRA to the extent the amounts are eligible for rollover treatment. Although rollovers are generally permitted from a broad range of employer-sponsored retirement plans, there are some restrictions under the Internal Revenue Code. As a result, all rollover contributions are subject to approval by the Plan Administrator and the applicable investment provider. If you are interested in making a rollover contribution, please contact your investment provider.

### 2.5 Contribution Limits

The Internal Revenue Code limits the amounts that may be contributed on behalf of any participant to this Plan during a Plan Year to the lesser of (i) 100% of your total 415 Compensation (defined below) or (ii) \$56,000 for 2019. For purposes of this limit, contributions include any other tax-qualified retirement plan the university may establish, but excludes your contributions to the university’s Supplemental Retirement Plan. Additional rules limit the amount which may be contributed on behalf of individuals who are considered “highly compensated employees,” as required by the Internal Revenue

Code. The university may limit contributions under the Plan or distribute contributions directly to affected participants in order to comply with these requirements. If you are affected by these limits in any Plan Year, you will be notified by the university or the Plan Administrator. The limits will be adjusted periodically in future years for inflation.

415 Compensation is your Compensation, as defined in Section 2.1 plus any differential wage payments paid to you while you are performing military service on active duty for a period of more than 30 days.

## **2.6 Contributions for Periods of Military Service**

If you are absent from work due to qualified military service and you return to employment with the university within the time period during which your reemployment rights are protected under USERRA, the university will make the *base contributions* on your behalf that you would have been entitled to receive but for your military service. To the extent you make up contributions to the Supplemental Retirement Plan for your period of military service (in accordance with USERRA and the provisions of the Supplemental Retirement Plan), the university will make the *matching contributions* to this Plan that you would have otherwise received. For purposes of determining the amount of the university's base and matching contributions, you will generally be treated as having received Compensation during your military service in the same amount as the Compensation you would have received had you not been absent. If you expect to be absent from work on account of military service, please contact GW Benefits for more specific information as to when and how USERRA applies to your situation.

## **2.7 Contributions for Periods of Disability**

In the event you are eligible for contributions to the Plan that are made by an insurer providing long-term disability insurance benefits under The George Washington University Health and Welfare Benefit Plan, such contributions will be treated as Base Contributions to your Plan account. Refer to your long-term disability insurance benefit description for information on the insurer's requirements to receive these contributions. When you are eligible for such contributions, your participation in the Plan shall continue even if you have incurred a termination of employment with the university.

## PART III – PLAN INVESTMENTS

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### 3.1 Investing Your Accounts

A “base contribution account,” a “matching contribution account” and a “rollover contribution account” will be established in your name under the Plan to hold your share of contributions and earnings. You may direct the investment of the funds in these accounts in the investment options (annuity contracts and mutual funds) offered by the Plan’s investment providers (listed in the Plan Data section).

You may change the allocation of your investment in the various funds at any time during the Plan Year. However, certain restrictions may apply to transfers among investment options or between investment providers. For instance, there may be a penalty for transferring funds from an annuity to a mutual fund before a certain amount of time has lapsed. **Please contact GW Benefits or your investment provider for more information regarding the investment options and rules on transfers.**

**Before investing in TIAA investment options, you should consider any restrictions TIAA may impose at the time of distribution. You can obtain more information on which funds impose distribution restrictions and what those restrictions are by contacting TIAA at (800) 842-2776.**

Investment earnings and losses are generally allocated among all Plan accounts, along with any fees and expenses that are not paid by the university. The balance of your Plan accounts will reflect the earnings, losses and expenses of each investment option in proportion to the amount of your accounts that are invested in that option. Any fees will be charged to your Plan accounts in accordance with the rules established by the investment providers. Plan investments generally are not guaranteed, and investment losses, expenses and fees may reduce the value of the benefits you receive from the Plan.

You will receive periodic statements of your accounts that show the balance of your investments, adjusted to reflect the university’s contributions, payments to you, investment earnings and losses, expenses and fees. The valuation dates for each investment option (the dates on which contributions and investment earnings and losses are allocated to your accounts and the date on which your accounts are valued for distribution purposes) are determined by the investment providers.

**Please note that if you do not have a United States address, TIAA is unable to accept your investments.**

### 3.2 Failure to Provide Adequate Investment Direction

If for any reason you do not enroll in the Plan, as described in Section 1.1; do not choose an investment provider; or you choose Fidelity as your investment provider, but fail to designate an investment fund, the Plan will deem you to have elected to invest your contributions in the Fidelity Freedom Funds. If you choose TIAA as your investment

provider but fail to designate one of its underlying investment funds, the Plan will deem you to have elected to invest your contributions in the TIAA Lifecycle Funds.

The Fidelity Freedom Funds and TIAA Lifecycle Funds are retirement target-date funds. This means that each fund's assets are allocated based on the assumption you will retire in the year indicated by the fund's name. The specific fund is chosen based on your age and an expected retirement age of 65. These funds meet certain requirements set forth by the Department of Labor and are considered "Qualified Default Investment Alternatives." The Plan will not be responsible for losses resulting from amounts invested in the Qualified Default Investment Alternatives.

You always have the right to redirect assets from the Qualified Default Investment Alternatives to any other fund offered under the Plan at any time during the Plan Year, as described in this Section. Before investing in any investment option, please carefully consider the investment objectives, risks, charges and expenses.

Please contact GW Benefits if you have questions or need additional information about the Qualified Default Investment Alternative or any other investment options under the Plan. Or, visit <https://benefits.gwu.edu/annual-reports> to print a copy of the annual notice describing the Plan's Qualified Default Investment Alternative.

You have a right to receive copies of any material provided to the Plan relating to the Qualified Default Investment Alternative, which can include, but is not limited to, account statements, prospectuses and proxy voting material.

### **3.3 Investment Responsibility**

The Plan is intended to constitute a plan described in section 404(c) of the Employee Retirement Income Security Act ("ERISA"), as amended, and Title 29 of the Code of Federal Regulations, section 2550.404c-1. This means that the Plan lets each participant choose from a broad range of investments and each participant can, and has the responsibility to decide for himself how to invest the assets in his Plan accounts. This also means that the university, the Plan Administrator, the university's Retirement Plan Investment Committee, and any other Plan fiduciaries are relieved of liability for any losses that are the result of your exercise of control over the investment of assets in your Plan accounts or the investment of assets in the Qualified Default Investment Alternatives described in Section 3.1.

You will have access to information that can assist you in making investment decisions under the Plan including descriptions of the investment alternatives available and the risk and return characteristics of each investment alternative. As you review this information, remember that each of the funds has its own degree of growth potential and risk. Investment fund choices may be added or changed in the future.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk.

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets or one particular security to perform very well often cause another asset category or another particular security to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

You have the responsibility to decide how your account is invested. How you choose to invest your account is a personal decision. None of the Vendors, the Plan Administrator, or any employee, agent or representative thereof, or any other individual is authorized to give investment advice with respect to the Plan. If you have questions about investing, you should consult a professional financial advisor who can help you make decisions about your own personal situation.

With regard to the investment funds offered under the Plan, you can obtain the following information from Fidelity Investments by calling 800-343-0860 or going to [www.NetBenefits.com/GW](http://www.NetBenefits.com/GW), and from TIAA by calling 800-842-2776 or going to [www.tiaa.org/gwu](http://www.tiaa.org/gwu):

- a description of the annual operating expenses of each investment fund, and the amount of such expenses expressed as a percentage of each fund's average net assets;
- a copy of any mutual fund prospectuses, financial statements, reports, and any other materials relating to each investment fund, to the extent these materials are provided to the Plan;
- a list of the assets composing the portfolio of each investment fund and the value of each such asset (or the proportion of the investment fund that it comprises);
- information concerning the value of shares of each investment fund, as well as the historical and current investment performance of the funds, determined net of expenses on a reasonable and consistent basis; and
- information concerning the value of shares of the investment funds held in your account.

It is important to read the individual fund prospectuses before choosing your investments. You may request the following information regarding your investment options.

### **3.4 Fees**

Each of the investment funds made available through the Plan has certain operating expenses, such as fund management fees, brokerage commissions, transfer taxes and other expenses. Each fund's expenses are, in general, deducted from the assets of the fund and are, therefore, reflected in each fund's unit price. As a result, each fund's expenses are borne by the participants investing in that fund. Not all of the funds have the same type or amount of expenses. Information on specific investment fund expenses

is contained in either the fund fact sheet or the prospectus for the particular investment fund. Further information regarding each fund's expenses is available on the investment providers' websites, [www.NetBenefits.com/gw](http://www.NetBenefits.com/gw) and [www.tiaa.org/gwu](http://www.tiaa.org/gwu). These fees and expenses will reduce the rate of return on your Plan investments.

## **PART IV – VESTING**

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Your Plan accounts are always 100% vested. They are nonforfeitable at all times. Of course, the amount in your Plan accounts will fluctuate due to the performance of the investment options that you have selected, as well as any fees and Plan expenses charged to your Plan accounts.



## PART V – DISTRIBUTIONS

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### 5.1 When Benefits May Begin

You may begin receiving a distribution of your accrued benefit upon your termination of employment, becoming disabled (as described in Section 5.6 below) or retirement following your attainment of “normal” or “early” retirement age. The Plan’s normal retirement age is age 62. The Plan’s early retirement age is (i) age 55 if you have completed 20 continuous years of full-time or equivalent part-time service, or (ii) age 60 if you have completed 10 continuous years of full-time or equivalent part-time service. (Service will not be considered continuous if you experience a termination of employment lasting longer than 12 months.) You may be able to receive all or a portion of your accrued benefit prior to your termination once you reach age 59 ½, as described in Section 5.5 below.

***Mandatory Distribution Date:*** Upon your termination of employment or retirement, you may choose to defer payment of benefits from the Plan until a later date; however, payments are required to begin as of the April 1 following the later of (i) the calendar year in which you reach age 70½, or (ii) the calendar year in which you retire.

### 5.2 Normal Form of Distribution

The Plan’s normal form of distribution depends on your marital status at the time of distribution. Married participants receive a qualified joint and survivor annuity and single participants receive a single life annuity.

- *The qualified joint and survivor annuity (QJSA):* If you are married, your benefit is distributed as a qualified joint and survivor annuity. With a QJSA, your benefit will be paid on a regular monthly basis over your lifetime, and a survivor annuity will be paid to your surviving spouse in an amount not less than 50% and not more than 100% of the amount you received during your lifetime based on your distribution election. The survivor annuity will be paid on a regular monthly basis over the lifetime of your surviving spouse. Your payment is reduced to reflect the possibility that payments will continue to your surviving spouse after your death.
- *The life annuity:* If you are single, your benefit is distributed as a life annuity. With a life annuity, your benefit will be paid on a regular monthly basis over your lifetime only. Payments will end upon your death.

You may elect to waive the normal form of distribution described above and instead elect an optional form of distribution described in Section 5.3. **If you are married, your spouse must irrevocably consent in writing to your waiver and his or her consent must be witnessed by a Plan representative or notary public.** Your waiver to receive a QJSA (and any spousal consent) must specify the particular optional form of benefit

that you choose in place of the QJSA or life annuity. If you elect to waive the QJSA or the life annuity, you may revoke your election at any time during the applicable election period; provided, however that you may not change the optional form of distribution without further spousal consent unless you are changing the form of distribution back to a QJSA. **Because a spouse has certain rights with respect to your election, you must immediately inform the Plan Administrator of any changes in your marital status.**

### 5.3 Optional Forms of Payment

Instead of receiving your benefits in the normal form of payment described in Section 5.2, you may elect to receive your benefits in one of the optional forms explained below.

#### *Optional Annuity Payments*

- *Single life annuity* - an annuity that provides payments, no less frequently than annually, for your lifetime only.
- *Single life annuity with minimum guaranteed payment period* - an annuity that provides payments, no less frequently than annually, for your lifetime with the provision that if you die before receiving payments for a period of 10, 15, or 20 years, payments continue to your surviving beneficiary for the balance of the 10, 15, or 20-year guaranteed period.
- *Joint and survivor annuity* - a survivor annuity that provides payments, no less frequently than annually, for your lifetime and upon your death, payments to your surviving beneficiary for his or her lifetime in an amount equal to no less than 50% nor more than 100% of the amount of the periodic payment you received during your lifetime.

#### *Optional Lump Sum Payment*

- *Immediate lump sum payment* - a lump sum payment of the value of your accounts.

**The investment options in which you have invested your accounts may restrict the availability of lump sum payments. Any such restrictions will limit the availability of the lump sum payment described above.**

#### *Combination of Lump Sum and Annuity*

You may elect to receive a lump sum payment of a portion of your accounts (if such portion may otherwise be paid in a lump sum, as described above) with the remainder payable in one of the available annuity forms of payment.

## **5.4 Electing a Distribution**

To receive a distribution of your Plan accounts, you must request a distribution election form from the Plan's vendor(s): Fidelity Investments or TIAA-CREF<sup>1</sup>. At the time of your termination of employment or retirement (whichever is applicable), the vendor(s) will provide the necessary forms and a notice containing a detailed explanation of the normal forms of distribution (explained above) and your ability to waive the normal form and receive an optional form instead (the "Notice"). A distribution of your benefits will begin as soon as administratively feasible following the vendor(s)' receipt of your completed documents or the date the Plan Administrator determines the value of your accounts for purposes of distribution, but in no event later than 180 days after your receipt of the Notice. If you do not begin to receive a distribution of your benefit within 180 days of receiving the Notice, the Plan Administrator will need to provide you with a new Notice. The value of your accounts will be determined on the valuation date coinciding with or next following the date your request is processed.

## **5.5 Automatic Distribution of Small Balance Accounts**

If your Plan accounts (excluding your rollover contribution accounts) total \$5,000 or less when you terminate employment, and you do not elect to roll them over to an individual retirement account or another employer's plan as described in Section 5.11, the Plan may distribute your benefit without your consent. Specifically, if your Plan accounts total between \$5,000 and \$1,000, a lump sum payment may automatically be rolled over to an Individual Retirement Account in your name. If your Plan accounts total \$1,000 or less, then a lump sum payment may be made directly to you.

## **5.6 Distribution before Termination of Employment**

You may elect to receive the portion of your Plan account attributable to the university's matching contributions prior to your termination of employment on or after you reach age 59½.

You may elect to receive all of your Plan accounts prior to your termination of employment on or after you reach your normal retirement age (age 62).

## **5.7 Disability**

You may be entitled to take a distribution from the Plan if you have a condition that results in an award of benefits from the university's long-term disability plan under The George Washington University Health and Welfare Benefit Plan, or disability benefits awarded by the U.S. Social Security Administration.

In the event you are considered totally disabled under the Plan, you may be eligible for a distribution from your Plan accounts in accordance with the rules set forth by the Plan Administrator and the investment providers, subject to any restrictions imposed by

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<sup>1</sup> Please note that if you are invested in the TIAA Traditional Fund, those assets are subject to payout in 10 annual installments if the balance is \$2,000 or more.

government regulations and the distribution requirements of Section 5.2. Keep in mind, any distribution you receive from the Plan may result in a reduction to your long-term disability insurance benefit. Refer to your long-term disability insurance benefit description to understand the effect a distribution from the Plan may have on your long-term disability insurance benefit.

## 5.8 Death Benefits

If you die before you begin to receive benefits, your accounts will be payable to your spouse and/or any other beneficiaries you designate on the Plan's beneficiary designation form (see Section 5.8) as follows:

***Married Participants:*** If you are married at the time of your death, 50% of your accounts will be paid to your surviving spouse in the form of a qualified pre-retirement survivor annuity, which provides monthly payments over the lifetime of your surviving spouse. The amount of the monthly benefit will be based on 50% of the value of your Plan accounts and your spouse's age at the time payments commence. The remaining 50% of your accounts will be paid to any other Plan beneficiary or beneficiaries you designate.

- *You may elect to waive the qualified pre-retirement survivor annuity and (i) have your accounts paid to your spouse in one of the optional forms of payment described in Section 5.3, or (ii) designate any other Plan beneficiary or beneficiaries to receive your accounts in one of the optional forms of payment described in Section 5.3. You must make your election, and your spouse must irrevocably consent to your election, in writing on the forms provided by the Plan Administrator. Your spouse's consent must be witnessed by a Plan representative or a notary public.*

The Plan Administrator will provide you with a detailed explanation of the qualified pre-retirement survivor annuity when you become a participant.

**If you waive the qualified pre-retirement survivor annuity before you reach age 35, by law that waiver will become null and void on the first day of the Plan Year in which you will reach age 35.** At that time, however, you may make another election to waive the qualified pre-retirement survivor annuity (subject to the spousal consent requirements).

- *Your spouse may elect to waive the qualified pre-retirement survivor annuity and receive the value of your accounts in one of the optional forms of payment described in Section 5.3 if and when he or she becomes eligible for such benefit. Your spouse makes this election when he or she applies for death benefits.*

***Unmarried Participants:*** If you are not married at the time of your death, your designated Plan beneficiary or beneficiaries may elect to receive the value of your accounts in any of the optional forms of payment described in Section 5.3.

The value of the benefits payable to your spouse and/or any other beneficiaries you designate will be based on the value of your accounts on the valuation date coinciding with or next following the date the distribution is processed.

In the event you die during an absence from work for qualified military service, the Plan will treat you as having resumed employment on the day prior to your death and then having terminated your employment due to death.

## **5.9 Beneficiary Designations**

If you are married at your death, your surviving spouse will be your beneficiary and entitled to receive all death benefits provided on your behalf under the Plan. You may designate someone other than your spouse as your beneficiary, but if you designate any non-spouse beneficiary to receive more than 50% of the value of your accounts, that designation will be valid only if your spouse consents to the designation in writing in a form acceptable to the Plan Administrator.

If you are not married or your spouse consents, you may generally designate any person or persons to be your beneficiary or beneficiaries on the forms provided by the Plan Administrator.

It is important that you always keep an updated beneficiary designation form on file with the Plan Administrator and notify the Plan Administrator when your marital status changes regardless of whether you are employed at the university or your employment with the university has terminated. If your spouse or designated beneficiary dies before you, any death benefits payable on your behalf will be paid to your estate. You may change your beneficiary designation at any time (with spousal consent, if applicable) by providing the Plan Administrator with a new beneficiary form. The latest properly completed beneficiary form on file with the Plan Administrator will be used to determine who are your beneficiaries.

## **5.10 Other Distributions**

There are no loans or hardship distributions available under this Plan.

## **5.11 Tax Information**

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59½ could be subject to an additional 10% early distribution tax.

However, in general this 10% tax will not apply if:

- The distribution is made after you reach age 59½ or if you terminate employment in the year of your 55th birthday or later. The distribution is made due to your death or disability (as defined by the IRS).
- You roll over the distribution to an IRA or another eligible retirement plan.
- A distribution to your spouse, child or other dependent is required under the terms of a qualified domestic relations order.
- The distribution is made to you in a year when your unreimbursed medical expenses, as defined by the IRS, exceed 7.5% of your adjusted gross income.

By law, payments from your Account must begin by the April 1 following the year in which you reach 70½ or retire from your Employer, if later. If your payments do not begin by the required beginning date, you may be subject to a 50% excise tax on the portion of your Account (as determined by IRS guidelines) that should have been paid to you. It is your responsibility to ensure payment is made to you when required by law.

If you receive a lump sum distribution, 20% federal income tax withholding will be automatically applied to the distribution unless you elect a direct rollover, as described in Section 5.11 below. If you elect an annuity payment, you will be given the option to have federal income tax withheld from each payment or to waive withholding entirely on forms provided for that purpose when you receive the distribution.

You will receive a more detailed explanation of the tax rules before you receive a distribution. **Because the tax laws regarding Plan distributions are very complex, you should consult your tax advisor before taking a distribution from the Plan.**

## 5.12 Rollovers from the Plan

If you (or your spouse or beneficiary) elect to receive a distribution of your Plan accounts, and the distribution is an “eligible rollover distribution,” you may roll over all or a portion of it either directly or within 60 days after receipt into another employer’s eligible retirement plan or into an IRA. An eligible rollover distribution is, in general, a distribution of all or any portion of your accounts, except for any distribution that is one of a series of annuity or installment payments over a period of ten or more years or a required minimum distribution after age 70½. An eligible rollover distribution will be subject to 20% mandatory withholding for federal income tax purposes unless it is rolled over directly into another eligible retirement plan or into an IRA. You will receive more detailed information concerning direct rollovers and other payment options before you receive a distribution.

## PART VI – MISCELLANEOUS PLAN INFORMATION

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### 6.1 Decision-making Authority with Respect to the Plan

The Plan Administrator has the sole discretionary authority to interpret the written terms of the Plan document and to apply them to specific situations (for example, to determine if a person has satisfied the requirements for participation or if a participant is eligible for benefits). Benefits will be paid only if the Plan Administrator, in its discretion, determines that the applicant is entitled to them. All decisions of the Plan Administrator will be final and binding.

### 6.2 Claims Procedure

If you have any claim with regard to the benefits and contributions under the Plan, you must first submit a written claim to the Plan Administrator. To receive benefits under the Plan, you must submit a written claim for benefits to the Plan Administrator on the form prescribed by the Plan Administrator. If the Plan Administrator should deny your claim for benefits, you will normally receive written notice within 90 days (45 days in the case of claims relating to the eligibility for disability benefits under the Plan) after your completed claim is received by the Plan Administrator. This 90-day period (or 45-day period, in the case of claims relating to the eligibility for disability benefits) may be extended if, due to special circumstances, more time is required to process your claim. The extension may be up to an additional 90 days (or up to two 30-day periods in the case of claims relating to the eligibility for disability benefits). You will be notified before the beginning of the additional period that additional time is needed. If your claim is denied, you will be provided with:

- the reasons for the denial,
- the Plan provisions on which it was based,
- a description of any additional material or information necessary for you to perfect your claim and the reason it is necessary,
- a description of the Plan's claim review procedure and applicable time limits for requesting a review of the claim denial, and
- in the case of a denied claim relating to the eligibility for disability benefits, the specific rule, guideline, protocol or other similar criterion that was relied upon when denying the claim.

Within 60 days (180 days in the case of claims relating to eligibility for disability benefits) after you receive notice that your claim was denied, or after your claim is deemed to be denied, you or your authorized representative may:

- submit to the university’s Claims Appeal Committee (“Appeals Committee”) a written request for a review of the denial,
- review the relevant documents, records, or other information upon request and at no charge, and
- submit any written comments, documents, records, and other information regarding your claim to the Appeals Committee.

The Appeals Committee will provide a final and binding decision within 60 days (45 days in the case of claims relating to the eligibility for disability benefits) of your appeal. This 60-day period (or 45-day period, in the case of claims relating to the eligibility for disability benefits) may be extended, if, due to special circumstances, more time is required to decide your appeal. The extension may be up to an additional 60 days (or 45 days in the case of claims relating to the eligibility for disability benefits). You will be notified before the beginning of the additional period that additional time is needed. Once your appeal is decided, you will receive written notification that includes the specific reasons for the decision, the references to the Plan provisions on which the decision is based, a statement that you may receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits, in the case of a decision relating to the denial of eligibility for disability benefits, the specific rule, guideline, protocol or other similar criterion that was relied upon when making the decision, and a statement of your rights under ERISA, as amended.

No legal action to recover benefits under the Plan may be filed until the claims and appeals procedures described above have been exhausted. Any legal action must be taken no later than 12 months after the date of the decision on appeal and must be filed in the Federal District Court for the District of Columbia.

### **6.3 Plan Amendments and Termination**

The university reserves the right to amend or terminate the Plan in whole or in part, at its discretion, at any time. If the Plan is terminated, you will be entitled to receive a distribution of your benefit from the Plan in accordance with the terms of the Plan. No Plan amendment or termination will apply to deprive, take away or alter any accrued right you have as a participant, or eliminate or reduce any benefit you have already accrued under the Plan.

### **6.4 Plan Termination Insurance**

The Pension Benefit Guaranty Corporation (the “PBGC”) insures benefits under certain types of retirement plans (defined benefit plans) in the event the plan terminates. The PBGC does not insure benefits under this Plan because it is a “defined contribution plan.” The benefit you receive will depend on the amount the university contributes to your Plan accounts, the investment performance of your accounts, and any reasonable fees or



expenses charged to your accounts. Recognizing this, the government exempts defined contribution plans from buying termination insurance.

## **6.5 Assignment of Benefits**

Generally, your Plan benefits cannot be assigned or pledged. Also, your creditors usually cannot attach your benefits. However, an exception to this general rule applies for court orders for divorce and family support. The Plan may receive a domestic relations order requiring that part or all of your Plan accounts be paid to your spouse, children or other dependents. If the domestic relations order is qualified (*i.e.*, if it satisfies certain legal requirements), it must be honored by the Plan. You will be notified if the Plan receives a domestic relations order with respect to your Plan accounts. You may obtain a copy of the Plan's procedures for determining whether a domestic relations order is qualified, without charge, upon request to the Plan Administrator.

In addition, the Plan provides that your Plan benefits may be used to satisfy a debt you owe to the Plan; a judgment or settlement against you for certain crimes against the Plan or certain fiduciary breaches regarding the Plan; or to satisfy the enforcement of a Federal tax levy or judgment from an unpaid U.S. tax assessment.

## **6.6 Missing Participants**

If benefits are required to be paid to you (or your spouse or beneficiary) under the terms of the Plan or applicable law, and the payee cannot be located after five years and reasonable efforts by the Plan Administrator to locate the payee, then those benefits are subject to forfeiture. If the payee comes forward or is located at a later date, the benefits will be restored and paid (without interest).

## **6.7 Loss of Benefits**

Under certain circumstances, your benefits under the Plan could be lost or reduced. These circumstances include the following:

- The value of your account decreases due to investment losses, fees and/or expenses.
- You or your beneficiary do not provide the Plan Administrator with your or your beneficiary's most recent address and you or your beneficiary cannot be located.
- You fail to make proper application for benefits or fail to provide information necessary for the Plan to make a distribution.
- You fail to make a timely appeal of a denied claim.
- The Plan is amended or terminated.
- Benefits may also be reduced or lost due to limitations under the Internal Revenue Code, the imposition of a tax levy, the application of a domestic relations order, a judgment or settlement agreement that requires you to make payments to the Plan or a debt you owe to the Plan.

## 6.8 Your Legal Rights

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

### *Receive Information about the Plan and Plan Benefits*

- Examine, without charge at the Plan Administrator's office and any other specified locations, all documents governing the Plan 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 copies of documents governing the Plan, copies of the latest annual report (Form 5500 series) and an updated summary plan description upon written request to the Plan Administrator. 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 you with a copy of this summary annual report each year.
- Obtain a statement telling you whether you have a right to receive benefits at your normal retirement age (age 62) and if so, what your benefits would be under the Plan if you stop working now. If you do not have a right to benefits, the statement will tell you how many more years you have to work to be eligible for benefits. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

### *Prudent Actions by Plan Fiduciaries*

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the Plan's operation. The people who operate the Plan, called "Plan fiduciaries," have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

### *Enforcement of Your Rights*

If your claim for benefits 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 Plan documents or the latest annual report and do not receive them within 30 days, you may file suit in federal court. If you do so, 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

Plan Administrator's control. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in the Federal District Court for the District of Columbia after exhausting all remedies available under the Plan. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that 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.

### *Assistance with Your Questions*

If you have any questions about the Plan, this statement, or your rights under ERISA, you should contact the Plan Administrator. If you have any further questions about this statement or about your rights under ERISA, or if you need assistance in 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, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications office of the Employee Benefits Security Administration.