The Contributory Defined Benefit Retirement Plan at Rensselaer Polytechnic Institute

SUMMARY

PLAN

DESCRIPTION

July 1, 2012
INTRODUCTION

This Summary Plan Description (SPD) booklet describes the main features of The Contributory Defined Benefit Retirement Plan at Rensselaer Polytechnic Institute as in effect on July 1, 2012 (hereafter referred to as “the plan”). Rensselaer Polytechnic Institute (Rensselaer) sponsors the plan for eligible employees. We are pleased to provide you with this SPD and encourage you to read it carefully and understand the information provided here for you.

This general summary is designed to highlight the plan’s most important provisions as outlined in the plan’s legal document. This summary does not contain every detail of the plan or its specific terms. Contact the Human Resources office (referred to as Human Resources throughout this document) if you want to review or purchase a copy of the plan’s legal document.

If there is any question or conflict between what is said in this summary and the language in the plan’s legal document as it may be amended from time-to-time, or if this SPD does not cover (or only partially covers) any plan provision, the provisions of the legal document will prevail.

This summary is for your information. Neither this summary nor the benefits provided by the plan is a promise of continued employment. Rensselaer may amend or terminate the plan at any time. If the plan is amended or terminated, your benefits, if any, may be different from those summarized. If your employment with Rensselaer ended prior to July 1, 2012, you should consult the terms of the plan and the SPD in effect at the time of your termination; those earlier documents generally control the determination of your benefit under the plan (if any).

If you are primarily fluent in a language other than English, and you need help reading or understanding this SPD, please contact Human Resources.
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PLAN HIGHLIGHTS

The Contributory Defined Benefit Retirement Plan is designed to provide an important component of your retirement income (other sources of retirement income may include benefits from other retirement plans, personal savings, Social Security retirement benefits, etc.). In addition, the plan may provide important financial protection to you or your designated beneficiary(ies) if you die either before or after retirement, or if you become disabled while an active employee.

Some of the plan highlights are:

- Active plan members currently contribute 1% of pay each payday, and member contributions are credited with interest according to a schedule.

- Your normal retirement date will be the July 1 coinciding with or next following your 65th birthday (unless your birthday falls during July 2 through September 30, in which case it is the preceding July 1). Your retirement benefit amount generally depends on your length of plan membership (service), your pay levels while a plan member, the age at which you begin receiving benefits and the form of benefit payment you choose.

- You may retire from active service with Rensselaer and receive full plan benefits at age 62, if you have at least three years of vesting service.

- You may retire from Rensselaer with reduced benefits as early as ten years before your normal retirement date, if you have at least three years of vesting service.

- If you become disabled while employed at Rensselaer, you may continue to earn benefit and vesting service (up to your normal retirement date) as though you continued working.

- You may choose from several retirement payment methods that can provide continuing income to your spouse or other survivor after your death.

- If you complete three years of vesting service but die before you retire, the plan will either pay your spouse monthly benefits for life or pay a lump-sum death benefit to your spouse or other beneficiary. This death benefit may not be payable if you left employment prior to July 1, 2008 and, prior to your death, you withdraw your contributions to the plan.

- Once you complete three years of vesting service (five years, if you do not have an hour of service on or after July 1, 2008 and 10 years, if you do not have an hour of service on or after July 1, 1989), you are fully vested and
have a right to a plan benefit, even if you leave Rensselaer before retirement, and even if you withdraw your plan contributions.

**Note:** The words that appear in italics are defined in later pages of this summary. See the table of contents for the appropriate page number.
JOINING THE PLAN

Who is Eligible?

All regular and fixed-term Rensselaer employees are eligible for plan membership provided they:

- are scheduled to work at least 720 hours a year, and
- joined the plan prior to July 1, 1993. (No Rensselaer employee may join or rejoin the plan after June 30, 1993.)

(“Fixed-term” refers to an employee who is hired for a specific period of time consisting of no less than 16 consecutive weeks at no less than 20 hours per week. Hours that an employee is scheduled to work include actual hours worked in excess of those planned or intended hours.)

Enrolling for Membership

Membership in the plan is voluntary. In order to have joined (or rejoined) the plan, you must have completed the enrollment application available from Human Resources prior to June 30, 1993. (No Rensselaer employee may join or rejoin the plan after June 30, 1993.)

Enrollment in the plan means you authorized Rensselaer to deduct your plan contributions from your pay. You may elect to cease your contribution only at the beginning of a new plan year.

To continue your membership (including eligibility to earn benefits) you must:

- be employed by Rensselaer,
- be eligible for membership, and
- make the required plan contributions.

You may elect, effective the first day of any subsequent plan year, to discontinue your contributions. However, if after June 30, 1993 you stop making the required contributions for any reason other than being on an approved leave of absence (or otherwise cease to earn benefit service under the plan), you will not earn any more plan benefits and you will permanently forfeit your ability to rejoin the plan.
Membership After June 30, 1993

After June 30, 1993, only members who were earning plan benefits or who were on an approved leave of absence as of June 30, 1993 may earn benefits.

Defined Contribution Program

Employees who are hired by Rensselaer after June 30, 1993 and employees excluded from this plan because they fail to earn benefits after June 30, 1993 may be eligible to join Rensselaer’s Defined Contribution Retirement Program. Eligibility and enrollment information for that program is available from Human Resources.
PLAN CONTRIBUTIONS

You and Rensselaer share the cost of this defined benefit plan. As a plan member, you are required to contribute 1% of your “earnings” each payday up to:

- your actual retirement date;
- the date you leave Rensselaer; or
- the beginning of the seventh month after your date of disability.

What Does “Earnings” Mean?

_Earnings_ means the total compensation paid to you by Rensselaer during the plan year that is includable in your gross income (plus any pre-tax contributions to a supplemental retirement, health or other benefit plan).

_Earnings_ does not include:

- moving expenses paid by Rensselaer;
- imputed income attributable to group-term life insurance coverage;
- the value of prizes and awards;
- income from graduate level remitted tuition benefits;
- expenses for physical examinations paid by Rensselaer; and
- payments made in exchange for, or in connection with, voluntary separation from employment with Rensselaer.

During your first year of membership, only _earnings_ subsequent to the date on which you became a member will be counted for plan purposes. Annual earnings in excess of $150,000 (as indexed by the Secretary of the Treasury since July 1, 1994) will be disregarded for plan purposes.

The definition of earnings prior to July 1, 1989 generally meant your “Basic Earnings” and “Supplemental Earnings.” _Basic Earnings_ was defined as the annual rate of basic compensation (prior to any reduction in compensation by written agreement), excluding supplemental pay, bonuses, overtime pay or other remuneration.

_Supplemental Earnings_ was defined as the excess of total compensation received after May 16, 1981 and before July 1, 1989 for services rendered (prior to any reduction in compensation by written agreement) over Basic Earnings.
For plan years beginning on or after July 1, 1989, Basic and Supplemental Earnings are
defined as renumeration designated as Basic or Supplemental Earnings by Rensselaer.

What Does “Credited Interest” Mean?

While you are a plan member, your plan contributions earn interest until you withdraw
your contributions or otherwise commence receipt of retirement payments. If you elect
to withdraw your contributions, plus credited interest, your retirement benefit will be
reduced to reflect the value of the withdrawal.

The annual rates of credited interest are different for contributions made during certain
time periods, according to the following schedule:

<table>
<thead>
<tr>
<th>Credited Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>for all contributions made <strong>prior</strong> to October 1, 1957</td>
</tr>
<tr>
<td>2% through June 30, 1975</td>
</tr>
<tr>
<td>for all contributions made <strong>from</strong> October 1, 1957 through September 30, 1968</td>
</tr>
<tr>
<td>2.5% through June 30, 1975</td>
</tr>
<tr>
<td>for all contributions made <strong>from</strong> October 1,1968 through June 30, 1975</td>
</tr>
<tr>
<td>3.5% through June 30, 1975</td>
</tr>
<tr>
<td>for all contributions after June 30, 1975</td>
</tr>
<tr>
<td>5% from July 1,1975 through June 30, 1988; after June 30,1988, interest credited at rates determined by the federal government (e.g., for the plan year that began on July 1, 2012, the rate is 1.10%)</td>
</tr>
</tbody>
</table>
DEFINITIONS OF “SERVICE”

The plan has two kinds of service, which are described below. It is very important to understand what each type of service means because each has an effect on your benefits from the plan.

1. “benefit service” is used in calculating the amount of your-plan benefit, and

2. “vesting service” is used in determining when you have earned a right to receive benefits under the plan.

Due to the different crediting methods for each type of service your vesting service may be different from your benefit service. In some cases, the rules are more generous in granting either vesting service or benefit service (see below).

Benefit Service

In general, your benefit service under the plan equals your years and completed months of plan membership, less all periods when you did not make required plan contributions or did not receive earnings.

(To determine your years of benefit service for use in benefit formulas, total your number of months of benefit service, then divide by 12). A member hired prior to July 1, 1990 will be credited with an additional three months of benefit service if he or she leaves Rensselaer on or after normal retirement date. A member on an approved leave of absence receives benefit service during such period. Further, to the extent required by law, all members are eligible to receive credit for certain periods of qualified military service.

Vesting Service

To define vesting, it is important to distinguish between your plan contributions plus credited interest and your accrued benefit from the plan. Vesting Service is applicable to the accrued benefit and not your contributions plus credited interest. (You are always 100% vested in your contributions plus credited interest. Under plan rules, the total benefit amount you and your survivors receive under the plan will never be less than your actual plan contributions over the years, plus credited interest.)

To receive an accrued benefit from the plan, you must become vested in that benefit. Generally, you become vested, or acquire 100% ownership in your accrued benefits, when you have completed three years of vesting service. However, the following applies:

- Once you complete three years of vesting service (five years, if you do not have an hour of service on or after July 1, 2008 and 10 years, if you do not
have an hour of service on or after July 1, 1989), you are fully vested and have a right to a plan benefit, even if you leave Rensselaer before retirement, and even if you withdraw your plan contributions.

- If you leave on or after your normal retirement date, you will be eligible for plan benefits, even if you have not completed three years of vesting service.

- Your vesting service will also be a factor in your eligibility to retire early and the level of death benefits payable to your beneficiary(ies) in the event of your death.

**How Vesting Service is Counted** - Vesting service is generally based on the number of “hours of service” you earn each plan year, starting with your first day of employment with Rensselaer and continuing until you leave employment. You earn one year of vesting service for each plan year during which you earn 720 hours of service (870 hours of service for plan years prior to July 1, 1990).

Under the plan, *hours of service* include all the hours for which you are paid or entitled to receive pay by Rensselaer and up to 190 hours of service a month during periods of total and permanent disability. Your hours of service include paid vacation and time on sick pay up to 361 hours (436 hours prior to July 1, 1990).

No vesting service is earned for any plan year during which you complete less than 720 hours of service. An exception is made if you complete 720 hours of service in the first 12 months of employment. In this case, you will receive credit for a year of service for vesting purposes even though you may not have completed 720 hours of service in either the plan year beginning with your first year of employment or the second plan year.

**“Break-in-Service”** - In addition to not earning a year of vesting service when you complete less than 720 hours, you may also incur a “break-in-service,” which may affect your total vesting service.

A *break-in-service* occurs if you earn fewer than 361 hours of service in any plan year (436 hours of service for plan years prior to July 1, 1990). If you leave Rensselaer before earning three years of vesting service (five years, if you do not have an hour of service on or after July 1, 2008 and 10 years, if you do not have an hour of service on or after July 1, 1989) and you receive a distribution of your contributions and interest, your prior years of vesting service will be disregarded, unless you again earn vesting service before incurring five consecutive breaks-in-service and you repay your contributions plus interest.

Solely for purposes of determining whether a break-in-service has occurred, up to 361 hours of service (436 prior to July 1, 1990) will be credited during an authorized unpaid leave of absence (including family leave). This includes continuous periods during which you performed no duties due to:
• your pregnancy;
• the birth of your child;
• the adoption of your child;
• the care for your child for a period of time following birth or adoption;
• your authorized unpaid leave of absence;
• your leave taken in compliance with the Family and Medical Leave Act of 1993; or
• to the extent required by law, certain periods of qualified military service.
WHEN YOU CAN RETIRE

Retirement benefits are calculated based on your earnings, your benefit service, and the date you elect to retire and begin receiving benefits. Generally, the higher your pay and the more benefit service you have, the greater your benefit will be. When you retire can also affect your benefit.

For plan purposes, your retirement dates are listed as follows:

“Normal Retirement Date”

You may retire on your normal retirement date, which is the July 1 coinciding with or next following your 65th birthday (or the July 1 before your 65th birthday, if your birthday falls between July 2 and September 30).

Working and Receiving Benefits - If you have attained your normal retirement date, you may elect to begin receiving your retirement benefit, even if you continue working at Rensselaer.

In this case, any additional benefits you might earn after payments begin will be reduced by the value of the benefits you will have received.

“Early Retirement Date”

You may retire on your early retirement date, which is as early as the first day of any month within ten years of your normal retirement date, provided you have at least three years of vesting service. Full plan benefits, earned up to your early retirement date, are payable if you leave Rensselaer within ten years of your normal retirement date and benefit payments start at age 62 or later. If benefit payments start before age 62, monthly payment amounts are reduced (see IF YOU RETIRE EARLY).

“Late Retirement Date”

Your late retirement date is any day after your normal retirement date. You can continue your active plan membership after your normal retirement date, provided you continue working at least 720 hours (870 required prior to July 1, 1990) per year and continue making plan contributions. In this case, your benefit will increase to take into account such continued employment.
If you continue your active plan membership after your normal retirement date, you will receive, at retirement, the greater of:

- the benefit you earned through your actual retirement date, or
- the benefit you earned up to your normal retirement date increased by ¾ of 1% simple interest for each month from your normal retirement date to the date your active plan membership ceases.

Payment of your retirement benefit generally begins on the first of the month after you actually retire. However, payments will start during any year (after your normal retirement date) you complete less than 720 hours of service (870 applied prior to July 1, 1990). Additionally, the distribution of your retirement benefit will begin no later than April 1 of the calendar year following the later of the calendar year during which you retire, or the calendar year during which you attain age 70½.

Any additional benefits you might earn after payments begin will be reduced by the value of benefits you will have received.
HOW PLAN RETIREMENT BENEFITS ARE CALCULATED

To determine your actual benefit, your normal retirement benefit must first be calculated. This may then be modified to reflect early or later retirement and the payment option chosen. The calculation described here reflects the Five-year Certain and Life benefit. (See Optional Forms of Payment.)

Your retirement benefit is calculated as described below, based on your eligible earnings over the years (as defined in the plan), the length of your benefit service, when you were first employed by Rensselaer, and whether you were eligible for and elected to continue your participation in the Variable Accumulation Option after June 30, 1988.

If you were first employed after June 30, 1988, then your retirement benefit will be calculated under two different formulas — the Highest-Five Average Pay Formula and the Alternate Benefit Formula. Your benefit will be based on the formula that produces the higher benefit for you.

If you were first employed before July 1, 1988 and either

a) participated in the Variable Accumulation Option but elected by January 13, 1989 to discontinue that participation as of June 30, 1988, or

b) never participated in the Variable Accumulation Option,

then your retirement benefit will be calculated under three separate formulas: 1) the Highest-Five Average Pay Formula, 2) the Career Average Pay Formula, and 3) the Alternate Benefit Formula. Your benefit will be based on the formula that produces the highest benefit for you.

The election out of the Variable Accumulation Option must have been in writing from an active member and received by the Retirement Committee by January 13, 1989. In this case, the added value of your prior variable accumulation as of July 1, 1988, plus or minus the same percentage monthly return applicable to plan assets invested by the Principal Life Insurance Company in its bond and mortgage account, will then be added to your benefit at retirement.

If you were first employed before July 1, 1988, and

a) participated in the Variable Accumulation Option, and

b) elected to continue your participation in the Variable Accumulation Option after June 30, 1988,

then your retirement benefit will be calculated under two formulas: 1) the Career Average Pay Formula and 2) the Alternate Benefit Formula. Your benefit will be based on the formula that produces the higher benefit for you.
Highest-Five Average Pay Formula

This formula produces a benefit based on a percentage of your highest earnings received during your active plan membership. Under this formula your annual retirement benefit equals

\[
1.75\% \text{ of your "highest five years’ average pay" times your "years of benefit service"}
\]

Generally, to find your \textit{highest-five years’ average pay}, add up your five highest (not necessarily consecutive) years of earnings during the years you were contributing to the plan throughout the plan year. Divide your total by five. To determine your years of benefit service, total your number of months of benefit service, then divide by 12 (see page 7).

If payment of your plan benefit begins after June 30, 1993 and you received supplemental pay after May 16, 1981, your highest-five years’ average will be calculated by considering supplemental pay separately. Generally, each year’s supplemental pay (earned after May 16, 1981) will be indexed from the year received to the year and month your active plan membership ends. These indexed amounts will then be averaged over your years and months of active membership after June 30, 1981. The average will then be added to your highest-five years’ average pay, determined without regard to supplemental pay.

Career Average Pay Formula

Your annual Career Average Pay Formula benefit is the total of:

\[
\begin{array}{|c|}
\hline
1\frac{1}{4}\% \text{ of your earnings as of October 1, 1968 for each year of benefit service earned prior to October 1, 1968, plus} \\
2\frac{3}{4}\% \text{ of your earnings each year for each year of benefit service from October 1, 1968 through September 30, 1970, plus} \\
2\frac{1}{2}\% \text{ of your earnings each year for each year of benefit service earned from October 1, 1970 through June 30, 1980, plus} \\
2\frac{5}{8}\% \text{ of your earnings each year for each year of benefit service earned after June 30, 1980.} \\
\hline
\end{array}
\]
Special Note:

The Career Average Pay Formula has been updated several times in the past, most recently as of July 1, 1983. The increase from each update (listed in Appendix A) will be included in your accrued Career Average Pay Formula benefit. An update applies only to those who were active members on the effective date (in 1968, 1977, 1981 or 1983). Each update established a new minimum benefit. (Also, if you participated in the plan prior to October 1, 1968, your Career Average Pay Formula benefit may include a special additional benefit set forth on a schedule attached to the official plan document.)

Alternate Benefit Formula

This formula is provided to make sure all vested plan members are guaranteed a minimum accrued benefit. If your benefit calculated under this formula is higher than under another plan formula that applies to you, then you get the higher amount.

Your annual benefit under the Alternate Benefit Formula equals:

Two times your contributions with credited interest as of June 30, 1976*

Plus

12% of your plan earnings from July 1, 1976 to June 30, 1988 (excluding earnings for any period when you were not making plan contributions)*

Plus

10% of plan earnings after June 30, 1988 (excluding earnings for any period when you were not making plan contributions), with interest credited at 6% compounded annually from the year of accrual through the later of your normal or actual retirement date.

with the final total accumulation divided by 10.

* Interest on this amount is credited a 5% compounded annually from the later of July 1, 1976 or the year of accrual through the later of your normal or actual retirement date (for the period July 1, 1988 through June 30, 1992, 6% interest was applied).
Variable Accumulation Option

The Variable Accumulation Option is not available to plan members first employed after June 30, 1988 or to plan members who elected to discontinue participation in that option by January 13, 1989.

The benefits calculated under the plan formulas generally are fixed dollar amounts. In other words, depending on the applicable formula and on your earnings and benefit service, the benefit that you earn each year is expressed as a fixed dollar amount, payable on your normal or late retirement date. However, if you were an active plan member employed prior to July 1, 1988, you had an opportunity to choose a special option called the Variable Accumulation Option.

Under this option, you elect to have the value of part of your benefit that accrues each year under the Career Average Pay Formula subject to the monthly investment performance of an investment account maintained by the Principal Life Insurance Company (the assets of which investment account are invested primarily in common stocks from large, established companies). The following is a brief explanation of this option.

Investment of Accruals - The value of the portion of your benefit credits subject to a variable accumulation election will go up or down depending on the performance of the Principal Life Insurance Company account.

If the account earns more than 5% annually, the value of your variable benefit credits will go up; on the other hand, if the account earns less than 5% annually, the value of your variable credits will go down. (The 5% annual break-even point applicable to the Variable Accumulation Option is subject to change. Any change, however, will apply only to benefits that accrue after the effective date of the change.)

Except as provided under “past benefit credit elections”, benefit credits that accumulate under the Variable Accumulation Option remain subject to the performance of the Principal account until payment of your plan benefit begins.

Future Benefit Credit Elections - If you had a Variable Accumulation Option in effect as of July 1, 1988, you may choose to have 0%, 25%, 50% or 66⅔% of the benefit credits you earn each year under the Career Average Pay Formula subject to the monthly performance of the Principal account.
For example:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your earnings for a plan year after June 30, 1989</td>
<td>$16,000</td>
</tr>
<tr>
<td>Your annual benefit credit for that plan year under the Career Average Pay Formula</td>
<td>$420 ($16,000 x 2⅝%)</td>
</tr>
<tr>
<td>You elected 50% of that credit treated under the Variable Accumulation Option</td>
<td>$210 (50% of $420)</td>
</tr>
</tbody>
</table>

The annual credit of $210 would go up, go down or stay the same, depending on whether the Principal account earned more than, less than or exactly 5%. The actual value of your $210 variable benefit credit at the end of the plan year would depend upon the month-to-month performance for the account and how monthly performance is compounded by subsequent performance.

You may change the percentage of future benefit credits that are subject to the Variable Accumulation Option. To do so, you must submit a properly completed election form to Human Resources by the first day of the plan year to which the change will apply. For example, if you want to change the percentage for the plan year beginning July 1, 2013, your completed election form must be submitted by that date. Once you have made a percentage change for a plan year, it will remain in effect for future plan years until you cancel it or submit a revised election form.

The 0% option causes the year’s accrual under the Career Average Pay Formula to be counted entirely as part of your fixed benefit, while maintaining your privilege to have accruals in future years subject to the fund’s performance.

**Past Benefit Credit Elections** - If you had a Variable Accumulation Option in effect as of July 1, 1988, then, at any time within the ten years before your normal retirement date, you may make a one-time election to transfer part of your total benefit credits for prior plan years to be subject in the future to the Variable Accumulation Option. You may not, however, have more than a total of two-thirds of the benefit credit earned in any year subject to the Variable Accumulation Option.

Similarly, at any time within the ten years before your normal retirement date, you may make a one-time election to cancel all or part of any Variable Accumulation Option in effect for your prior benefit credits. If you do so, the value of your benefit credits subject to the Variable Accumulation Option will be determined as of the cancellation date, and this value will be incorporated in your accrued fixed benefit.

For either election, you may make the transfer or cancellation effective immediately, or the election may be made in installments over a future period of time, provided the full transfer or cancellation is completed before payment of your plan benefit begins. Benefit credits subject to the Variable Accumulation Option and canceled in installments will be subject to valuation as of each installment date.
Notwithstanding the above:

- If you had a Variable Accumulation Option in effect as of September 2000, you had the option to make a one-time election (no later than December 1, 2000) to transfer all of your total Variable Accumulation Option benefit to your career average benefit. The value of your Variable Accumulation Option benefit to be transferred was determined to be the greatest month-end variable benefit during the period September through November 2000, and that amount was added to your career average fixed benefit as of January 1, 2001. If you elected to opt-out of the Variable Accumulation Option prior to December 1, 2000, you will not be able to change back to the Variable Accumulation Option (for either past accruals or future accruals) at any future time.

- If you had a Variable Accumulation Option in effect as of August 1, 2002, you had the option to make a one-time election (no later than October 1, 2002) to transfer all of your total Variable Accumulation Option benefit to your career average benefit. The value of your Variable Accumulation Option benefit to be transferred was determined to be the greatest month-end variable benefit during the period July through September 2002, and that amount was added to your career average fixed benefit as of November 1, 2002. If you elected to opt-out of the Variable Accumulation Option prior to October 1, 2002, you will not be able to change back to the Variable Accumulation Option (for either past accruals or future accruals) at any future time.
IF YOU RETIRE EARLY

If you retire early, your benefits will be calculated under the normal retirement benefit formulas, based on your earnings and benefit service as of your early retirement date and then multiplied by an “early start factor.”

Early Start Factors - If you are an active Rensselaer employee and elect to retire within 10 years of your normal retirement date, then your early start factor is a percentage, shown in the following table, based on your age when benefit payments begin.

<table>
<thead>
<tr>
<th>Early Start Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>If your early retirement benefits start at this age,*</td>
</tr>
<tr>
<td>62 or older</td>
</tr>
<tr>
<td>61</td>
</tr>
<tr>
<td>60</td>
</tr>
<tr>
<td>59</td>
</tr>
<tr>
<td>58</td>
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<tr>
<td>57</td>
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<tr>
<td>56</td>
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<tr>
<td>55</td>
</tr>
</tbody>
</table>

*Early start factors are based on your age in years and months. (The table doesn’t show the monthly increment, which is 1/3 of 1% per month.)

For example, if plan benefits start at age 60, you would be eligible to receive 92% of the amount calculated under the plan formulas; if plan benefits start at age 59½, you would be eligible to receive 90% of the amount calculated under the plan formulas.

However, if you separate from service more than ten years before your normal retirement date, benefits are reduced by ⅓ of 1% for each month (4% for each year) for each complete month by which the benefit commencement date precedes the earlier of your normal retirement date or your 65th birthday.
HOW PLAN BENEFITS ARE PAID

The plan has two “normal” forms of payment and several optional forms of payment. If you or your beneficiary do not want the normal form of payment, you can elect one of the optional forms of payment. (If you are married, you may only select an optional form of payment with the proper spousal consent.)

If you do not elect one of the optional payment methods at the time you retire, your plan benefit will automatically be paid in the normal form that applies to your marital status. Once payments begin, neither the payment method nor any designated co-annuitant can be changed.

Beneficiary(ies) means one or more persons you designate to receive any benefit payments due after you and (if applicable) any co-annuitant are deceased.

Co-annuitant means an individual whom you designate when you elect a joint and survivor form of payment. This individual is sometimes referred to as your survivor. If the co-annuitant is living at the time of your death, he/she will receive continued payments for the remainder of his/her life.

Normal Form of Payment for Single Retirees

If you are not married when benefit payments begin, your benefit will be paid as a Five-year Certain and Life (C&L) Benefit. Under this method, you receive the benefit amount calculated under the plan formulas for as long as you live. If you die before receiving 60 monthly payments (five years), the same monthly benefit you received continues to be paid to the beneficiary(ies) you designated at retirement for the remainder of the five-year period.

For example:

<table>
<thead>
<tr>
<th>Your monthly retirement benefit</th>
<th>$1,000 each month for life with 60 months guaranteed</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you die after 50 months of payments have been made, your beneficiary will receive</td>
<td>$1,000 each month for 10 months</td>
</tr>
</tbody>
</table>

Normal Form of Payment for Married Retirees

If you are married when benefit payments begin, your benefit will be paid in the form of a 50% Joint and Survivor (J&S) Benefit. Under this method, you receive an actuarially reduced monthly income during your lifetime to cover the cost of providing 50% of that reduced amount to your spouse after your death.

The 50% J&S Benefit results in a reduced monthly income because the money set aside for your retirement benefit may be paid over a period extending past your lifetime.
The actual amount of the reduction depends on your age and the age of your spouse when benefit payments begin.

Under this method, payments will be made to you until the month of your death. Beginning with the month following your death, 50% of your benefit amount will be paid to your surviving spouse. The J&S Benefit is payable to your spouse for life, even if your spouse remarries. If your spouse dies before you do but after your plan payments have begun, you will continue to receive the same monthly amount you had previously been receiving. Remember that, once benefit payments begin, you will not be able to designate a new co-annuitant.

For example:

<table>
<thead>
<tr>
<th>Your monthly retirement benefit</th>
<th>$1,000 each month for life</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you die, your spouse will receive</td>
<td>$500 each month for life</td>
</tr>
</tbody>
</table>

Optional Forms of Payment

To give you maximum flexibility in planning your retirement, the plan offers several optional forms of payment. All of these optional payment methods are “actuarial equivalents.” They have the same overall value but provide different monthly benefit amounts, depending on how long payments are likely to be made. (The optional forms of payment described in this section are available for benefit payments that are effective on or after July 1, 1992.)

Federal law requires you to obtain the written and witnessed consent of your spouse if you are married and elect any of the optional forms of payment other than a joint and survivor benefit with your spouse as the co-annuitant. (All necessary spousal consent forms are available from Human Resources.) Before making your payment election, consult your personal tax or financial advisor for assistance with selecting the payment form most appropriate for your personal circumstances.

Life Only Benefit

Under this option, the benefit amount calculated under the plan formulas is increased as follows:

If your age when payments begin is:

<table>
<thead>
<tr>
<th>If your age when payments begin is:</th>
<th>Your benefit will be increased by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 - 64</td>
<td>1%</td>
</tr>
<tr>
<td>65 - 67</td>
<td>2%</td>
</tr>
<tr>
<td>68 - 70</td>
<td>3%</td>
</tr>
</tbody>
</table>
If you will be older than age 70 when payments are to begin, please contact Human Resources to determine the percentage that applies to you. Under this option you receive these increased benefits for life. However, when you die, no further payments are made.

**Joint and Survivor Benefits**

This option provides reduced monthly benefits during your lifetime, with continuing monthly income for life to your named co-annuitant if you die first. Married members generally choose their spouse as co-annuitant. If a spouse is not designated as co-annuitant, a properly witnessed spousal consent form must be signed.

You may elect to have 50%, 75% or 100% of your monthly benefits continued after your death for your co-annuitant’s lifetime. You may select this option, if you are married and want to provide more than the normal 50% of your monthly benefit to your spouse, or if you want to provide income to someone other than your spouse (with spousal consent).

**10-Year J&S Guarantee** - You may also elect to have your benefit payments guaranteed for 10 years starting with the first month you receive a monthly benefit payment. If you die within 10 years of when your benefit payments started, your named co-annuitant will continue to receive the same monthly benefit as you received for the remainder of the 10-year period. After the 10-year period, the monthly benefit payment to your named co-annuitant will be reduced to the percentage you elected at retirement (e.g., 75%).

If you and your co-annuitant both die before the expiration of the 10-year period, monthly payments will continue to your named beneficiary(ies) for the balance of the 10-year period.

The J&S benefit you will receive depends on:

- your age and your named co-annuitant’s age when payments start;
- whether you elect the 10-year guaranteed payment period; and
- the percentage (50%, 75% or 100%) of your reduced benefit you want to continue to your co-annuitant after your death.

For example:

<table>
<thead>
<tr>
<th>75% J&amp;S Without the 10-year Guarantee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your monthly retirement benefit</td>
</tr>
<tr>
<td>If you die, your co-annuitant will receive</td>
</tr>
</tbody>
</table>
75% J&S With the 10-year Guarantee

Your monthly retirement benefit | $890 each month for life
If you die 9 years after benefits begin, your co-annuitant will receive . . . | $890 each month for one year
. . . thereafter, your co-annuitant will receive | $668 each month for life

10-Year / 15-Year Certain and Life Benefits

These options are similar to the Five-year C&L Benefit, with the exception that you may choose a longer minimum payment period of either 10 years (120 months) or 15 years (180 months). Your monthly plan benefits and the continuing monthly payments after your death (for the balance of any remaining certain period) will be equal to the following percentage of your plan formula benefit amount:

<table>
<thead>
<tr>
<th>Age when payments begin</th>
<th>10-Year C&amp;L</th>
<th>15-Year C&amp;L</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>99%</td>
<td>97%</td>
</tr>
<tr>
<td>56</td>
<td>98%</td>
<td>96%</td>
</tr>
<tr>
<td>57</td>
<td>98%</td>
<td>96%</td>
</tr>
<tr>
<td>58</td>
<td>98%</td>
<td>95%</td>
</tr>
<tr>
<td>59</td>
<td>98%</td>
<td>95%</td>
</tr>
<tr>
<td>60</td>
<td>98%</td>
<td>94%</td>
</tr>
<tr>
<td>61</td>
<td>97%</td>
<td>94%</td>
</tr>
<tr>
<td>62</td>
<td>97%</td>
<td>93%</td>
</tr>
<tr>
<td>63</td>
<td>97%</td>
<td>92%</td>
</tr>
<tr>
<td>64</td>
<td>96%</td>
<td>91%</td>
</tr>
<tr>
<td>65</td>
<td>96%</td>
<td>90%</td>
</tr>
<tr>
<td>66</td>
<td>95%</td>
<td>89%</td>
</tr>
<tr>
<td>67</td>
<td>95%</td>
<td>88%</td>
</tr>
<tr>
<td>68</td>
<td>94%</td>
<td>87%</td>
</tr>
<tr>
<td>69</td>
<td>93%</td>
<td>86%</td>
</tr>
<tr>
<td>70</td>
<td>93%</td>
<td>84%</td>
</tr>
</tbody>
</table>

If you are older than age 70 when payments begin, please contact Human Resources to determine the exact percentage that applies to you. (A married member may also choose the Five-year C&L Benefit by completing a properly witnessed, written spousal consent form.)

Variable Annuity Benefits

When applying for benefits, you may elect to have all or a portion of your benefits paid in the form of a variable annuity. If you wish to have all or a part of your benefits paid...
(including any benefit paid after your death) paid as a variable annuity, you must file an irrevocable election form for variable annuity payment available from Human Resources. This payment option is available whether or not you participated in the Variable Accumulation Option.

Options for a variable annuity are 25%, 50% 66⅔% or 100% of the total benefit value for the payout option chosen. If you participated in the Variable Accumulation Option, the values of the fixed and variable benefit will be combined and the percentage elected for a variable annuity will be applied to this total value.

The monthly payment under a variable annuity will vary from month-to-month based on the investment performance of a Principal Life Insurance Company investment account, the assets of which are invested primarily in common stocks from large, established companies. The variable annuity is subject to a break-even point fixed by the group insurance contract established between Rensselaer and Principal and is subject to change. Any change will apply only to the benefit payments that start after the effective date of the change. The break-even point applicable to individual variable annuities, which is currently 5.64%, will not change once payments begin.

If the break-even point is 5.64%, and the Principal account earns more than an annual rate of 5.64%, your monthly variable annuity amount will go up. However, if the account earns less than an annual rate of 5.64%, your variable annuity amount will go down. The value of the portion of your benefit not payable as a variable annuity remains constant and is not subject to the performance of the Principal account.

**A Comparison of Payment Methods**

To help you understand the different methods of payments, the following table shows the effect each payment option has on the monthly benefit.

In this comparison, these assumptions apply:

- Retirement age is 65;
- Payment is a Five-year C&L Benefit of $1,000 a month;
- Co-annuitant is age 65 when plan benefits begin;
- No portion of the benefit is payable as a variable annuity, and
- Payments are effective after June 30, 2012.
<table>
<thead>
<tr>
<th>Under this form of payment:</th>
<th>the member would receive monthly benefits for life of:</th>
<th>after the member’s death monthly benefits would be paid as follows:</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-Year Certain and Life</td>
<td>$1,000</td>
<td>$1,000 payable to the beneficiary for the balance of the period</td>
</tr>
<tr>
<td>10-Year Certain and Life</td>
<td>$960</td>
<td>$960 payable to the beneficiary for the balance of the period</td>
</tr>
<tr>
<td>15-Year Certain and Life</td>
<td>$900</td>
<td>$900 payable to the beneficiary for the balance of the period</td>
</tr>
<tr>
<td>Life Only Benefits</td>
<td>$1,020</td>
<td>$0</td>
</tr>
<tr>
<td>50% Joint and Survivor</td>
<td>$920</td>
<td>$460 payable for the life of the co-annuitant, if living</td>
</tr>
<tr>
<td>75% Joint and Survivor</td>
<td>$880</td>
<td>$660 payable for the life of the co-annuitant, if living</td>
</tr>
<tr>
<td>100% Joint and Survivor</td>
<td>$840</td>
<td>$840 payable for the life of the co-annuitant, if living</td>
</tr>
<tr>
<td>50% Joint and Survivor with Ten-Year Certain</td>
<td>$890</td>
<td>$890 payable for balance of period to the co-annuitant or beneficiary, followed by $445 payable to the co-annuitant for the life</td>
</tr>
<tr>
<td>75% Joint and Survivor with Ten-Year Certain</td>
<td>$870</td>
<td>$870 payable for balance of period to the co-annuitant or beneficiary, followed by $652 payable to the co-annuitant for the life</td>
</tr>
<tr>
<td>100% Joint and Survivor with Ten-Year Certain</td>
<td>$840</td>
<td>$840 payable for balance of period to the co-annuitant or beneficiary, followed by $840 payable to the co-annuitant for the life</td>
</tr>
</tbody>
</table>
Additional Information About Benefit Payments

**Maximum Benefit Limitation** - The Internal Revenue Code limits the maximum annual plan benefit that may be paid during a plan year. Generally, the limit is the lesser of a specified indexed dollar amount ($200,000 as of July 1, 2012) or 100% of your average compensation for the three consecutive years during which you were an active member in the plan and had the greatest aggregate compensation. The maximum benefit limit may be increased or decreased depending on your age at retirement and the form of payment you elect.

**Return of Member Contributions** - If you and your co-annuitant both die before your member contributions plus credited interest have been paid to either of you, the balance will be paid to your designated beneficiary.

**Withdrawal of Member Contributions** - A member may withdraw his or her member contributions and credited interest at the time benefit payments commence under one of the methods described above. A withdrawal of contributions plus interest, however, will result in the reduction of monthly benefits to be paid thereafter.
IF YOU DIE BEFORE YOU RETIRE

While You are Still Employed at Rensselaer

If you die while an active employee and were married at the time of your death, your spouse will be eligible for a monthly benefit from the plan. (The death benefit provisions also apply to disabled members who die and who have not started receiving benefits.)

If you die after becoming eligible for an early retirement benefit, the monthly amount of this preretirement death benefit payable to your spouse will be 50% of the amount you would have received if you had retired on the day before your death and elected the 50% J&S Benefit. This benefit will be payable as of the first day of the month following your death.

If you die before becoming eligible for an early retirement benefit, your spouse’s benefit will be 50% of the amount you would have received if you had left Rensselaer on the date of your death and elected the 50% J&S Benefit. This benefit will be paid starting the first possible early retirement day.

Lump Sum Benefit Option - If your spouse prefers, he or she may elect, in lieu of the monthly benefit described above, a lump sum death benefit equal to five times the annual plan benefit amount you had earned as of the date of your death.

If you are not married when you die, your named beneficiary(ies) will receive a lump sum death benefit equal to five times the annual plan benefit amount you had earned as of the date of your death.

After Leaving Employment

If you die after you have terminated your employment with Rensselaer but before your plan payments begin and you are married at the time of your death, your spouse could qualify for a monthly benefit for life from the plan.

To qualify for this benefit, you must have either:

- completed at least three years of vesting service (five years, if you do not have an hour of service on or after July 1, 2008 and 10 years, if you do not have an hour of service on or after July 1, 1989), or

- left employment prior to July 1, 2008, completed at least three years of vesting service and left your contributions in the plan.

If you have not yet reached early retirement age when you die, your spouse’s benefit will be 50% of the amount you would have received if you had retired at your earliest retirement age under the 50% J&S Benefit. In this situation, payments to your spouse will begin at your earliest retirement age.
If you die after reaching early retirement age but before your plan payments begin, your spouse’s benefit will be paid retroactive to the first day of the month of your death. This benefit will be equal to 50% of the amount you would have received if, on the date of your death, you had elected the 50% J&S Benefit and to have your own retirement benefits start on the date of your death.

**Lump Sum Benefit Option** - If your spouse prefers, he or she may elect, in lieu of the monthly benefit described above, a lump sum death benefit equal to five times the annual plan benefit amount you had earned as of the date of your death.

If you are not married when you die and your benefit has not started yet, your named beneficiary(ies) will receive a lump sum death benefit equal to five times the annual plan benefit amount you had earned as of the date of your death.

You will **not** be entitled to a death benefit under the plan if you have

- terminated your employment with Rensselaer,
- withdrawn your contributions, and
- earned less than three years of vesting service (five years, if you do not have an hour of service on or after July 1, 2008 and 10 years, if you do not have an hour of service on or after July 1, 1989).
IF YOU BECOME DISABLED

As extra security for you and your family, you will continue to earn future plan benefits during periods of “total and permanent disability” while a plan member, provided you have at least three years of vesting service and your disability began more than six months before your normal retirement date.

Under the plan, you are considered totally and permanently disabled if, because of bodily injury or disease, you are unable to work at any job for which you are suited by education or experience. Decisions regarding total and permanent disability are made by Rensselaer’s Retirement Committee.

Continued Service - Throughout your disability (up to your normal retirement date, if your disability continues), you will continue earning vesting service and benefit service as though you were still working. Benefit credits during disability will be calculated under the plan formulas based on your earnings when you become disabled (or, if greater, your earnings for the plan year preceding the plan year in which your retirement for disability occurs).

If you cease to be totally and permanently disabled before your disability benefits start and you do not return to work at Rensselaer, your plan membership will end as of the date your disability ceased. For purposes of determining your eligibility for future plan benefits, you will be considered a terminated employee as outlined in the following section.

To Remain a Member- When you become disabled, you must continue making the required contributions until you have been continuously disabled for six months and you qualify as totally and permanently disabled. You do not have to make any plan contributions after the first day of the month following six full months of disability.

When Benefits Begin - Disability retirement benefits may begin as soon as you are eligible to retire. You may choose to have plan benefits begin as early as ten years before your normal retirement date if you have at least three years of vesting service at that time. If you remain disabled through your normal retirement date, benefit payments will start as of that date. All the plan rules relating to forms of benefit payment and reduction for early payment commencement apply to disability retirement benefits. (See IF YOU RETIRE EARLY and HOW BENEFITS ARE PAID)

Death Benefits While Disabled - If you die while you are disabled but before your retirement benefits start, your spouse or other survivor could qualify for preretirement death benefits from the plan, based on your length of vesting service as of the date of your death.
IF YOU LEAVE RENSSELAER BEFORE RETIREMENT

With Less than Three Years of Service

If you leave Rensselaer before you complete three years of vesting service, your plan membership will stop and you will not be eligible for plan benefits other than the return of your plan contributions plus credited interest. (This amount will be distributed to you as soon as practicable following your termination date.)

However, if you leave on or after your normal retirement date, you will be eligible for plan benefits even if you have not completed three years of vesting service.

After Three or More Years of Service

Once you have completed three years of vesting service (five years, if you do not have an hour of service on or after July 1, 2008 and 10 years, if you do not have an hour of service on or after July 1, 1989), you have the right to a plan benefit even if you leave Rensselaer before retirement. You may elect to receive reduced benefits starting as early as ten years before your normal retirement date. (See HOW BENEFITS ARE CALCULATED and IF YOU RETIRE EARLY.)

Vested Benefit Payments

The benefit amount payable to you will be calculated using the plan’s benefit formulas, based on your earnings and benefit service as of your termination date.

If you elect to start receiving benefits before your normal retirement date, your monthly benefit will be reduced by 1/3 of 1% for each month (or 4% a year) that payments begin before the earlier of your 65th birthday or your normal retirement date. However, if you were eligible for early retirement at the time your employment terminated, your monthly benefit will be reduced by 1/3 of 1% for each month (or 4% a year) that payments begin before your 62nd birthday.

Also, if you die before your plan benefits start, your spouse or other survivor could qualify for preretirement death benefits from the plan. (See IF YOU DIE BEFORE YOU RETIRE.)

Withdrawing Your Plan Contributions

As a separated employee, you have the right to withdraw, in a lump sum, your own plan contributions with credited interest to the date of withdrawal.

If you withdraw your contributions and you have fewer than three years of vesting services (five years, if you do not have an hour of service on or after July 1, 2008 and 10 years, if you do not have an hour of service on or after July 1, 1989), your plan membership will cease and you will receive no further benefits from the plan.
If you withdraw your contributions, your future plan benefit will be reduced by the value of the benefit that would have been provided by the contributions withdrawn.

**If You are Rehired**

If you end your employment with Rensselaer and later return to work as an eligible employee, you will not be eligible to resume your active membership in the plan. If you had at least three years of vesting service when you left and you did not withdraw your plan contributions, you will retain all vesting and benefit service you had earned before you left. In other words, your future plan benefits will be based on your total service for all periods of active plan membership.
APPLYING FOR BENEFITS

About six months before you become eligible for retirement, you should contact Human Resources to request an estimate of your monthly benefit and an explanation of the plan options available to you for early, normal and late retirement.

You Must Apply For Benefits - Plan benefits are not paid automatically; you must apply for them in writing using the application form available from Human Resources. Your election to begin benefits cannot be made prior to a period of time within 180 days of the day you want benefits to begin. Your application should be submitted to Human Resources within 180 days of the date you want monthly benefits to begin. (It is best to submit your application as early as possible within the 180-day period to avoid any delay in payment.)

If your request for benefits is denied in whole or in part, you or your beneficiary will receive a written notice of the denial from the Retirement Committee.
CLAIM PROCEDURES

If you wish to challenge the benefit paid to you or any decision of the Retirement Committee that affects your benefit, you may file a claim by writing to the Retirement Committee c/o Human Resources (See Rensselaer address on page 35).

Under normal circumstances, you are entitled to a written answer from the Retirement Committee to your claim within ninety days after it is received. If a decision cannot be made within 90 days, you will be notified (within the 90-day period) of the reason for the delay. The extension of time for the Retirement Committee to decide your claim will not exceed an additional period of 90 days.

The extension notice will indicate the special circumstances requiring an extension of time and the date on which the Retirement Committee expects to render a decision. In the case of a claim based upon disability, the initial 90-day period is shortened to 45 days and an extension may not exceed 30 days.

The Retirement Committee will provide every claimant whose claim for benefits is denied a written notice setting forth, in a manner calculated to be understood by the claimant, the following:

- the specific reason or reasons for the denial;
- specific references to the pertinent plan provisions upon which the denial is based;
- a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- an explanation of the plan’s review procedure, including a statement of the claimant’s right to commence a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

If your claim is denied in whole or in part, you (or, if applicable, a beneficiary) may file a written request for review with the Retirement Committee. YOU MUST FILE THE REQUEST NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM.

Under the review procedures, you: (i) may submit written comments, documents, records and other information relating to the claim; and (ii) will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim. The review will take into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.
Your claim for review will be given a full and fair review. If your appeal is denied, the Retirement Committee will provide you with written notice of this denial within 60 days after the date that the Retirement Committee received your request. This 60-day period may be extended for up to an additional 60 days, when there are special circumstances. You must be given written notice of the extension within the initial 60-day period. In the case of claim based upon disability, the initial 60-day period is shortened to 45 days and an extension may not exceed 45 days.

If the benefit determination is adverse, the notice will include: (a) the specific reason(s) for the adverse determination; (b) specific references to the pertinent plan provisions upon which the determination is based; (c) a statement of your right to bring an action under Section 502(a) of ERISA; and (d) a statement of your right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim. This review decision shall be the final decision of the Plan.
ASSIGNMENT OF BENEFITS

Your plan benefits are provided as a source of income after retirement. Generally, these benefits may not be assigned (sold, used as collateral for a loan, given away or otherwise transferred) to another person and are not subject to garnishment, attachments or other legal process of creditors.

The law, however, provides an exception to benefits payable pursuant to a Qualified Domestic Relations Order (QDRO) (order issued by a court that obligates you to pay child support or alimony or otherwise allocates a portion of your benefit under the plan to your spouse, former spouse, child or other dependent).

You will be notified by Human Resources if they receive such an order, which may require all or a portion of your benefits to satisfy the obligations. The Retirement Committee will determine the validity of any domestic relations order it receives. You will have the opportunity to appeal any decision by the Retirement Committee to pay your benefits pursuant to the terms of the order.

You may contact the Plan Administrator (see Rensselaer address on page 35) for a copy of the plan’s QDRO procedures and model QDRO.
HOW THE PLAN IS ADMINISTERED

The formal name of the plan is The Contributory Defined Benefit Retirement Plan at Rensselaer Polytechnic Institute. The plan sponsor is:

Rensselaer Polytechnic Institute
21 Union Street, 2nd Floor
Troy, New York 12180-3352
(518) 276-6303

As plan sponsor, Rensselaer has appointed a Retirement Committee as the official plan administrator responsible for administering, interpreting, and applying the terms and provisions of the plan in accordance with the formal plan documents. This includes discretionary authority to determine an employee’s eligibility for the plan and benefits; calculate plan benefits; prescribe administrative procedures; authorize the disbursement of money from the plan fund; prepare plan reports; and delegate administrative responsibilities in connection with the plan.

The Retirement Committee also has discretionary authority to construe and apply any uncertain or disputed terms or provisions in the plan. The Retirement Committee’s exercise of its discretionary authority is binding on all interested parties.

As plan sponsor, Rensselaer has appointed The Board of Trustees’ Investment Committee to have authority over the investment of plan assets. The Investment Committee may appoint agents and representatives as it deems advisable to assist with plan investments.

Matters of a legal nature should be directed to the Retirement Committee at the address and telephone number shown above or the plan Trustees specified under PLAN FINANCING described in the following section. Routine questions, however, should be directed to Human Resources.

Plan records are kept on a fiscal year basis. Each fiscal year, or plan year, begins on July 1 and ends the following June 30.

For government reporting purposes, the Employer Identification Number for Rensselaer is 14-1340095; the official plan number is 001. These numbers should be used in any formal correspondence relating to the plan.
PLAN FINANCING

This plan is classified as a defined benefit retirement plan under the Internal Revenue Code. Rensselaer makes contributions to a special plan fund in actuarially determined amounts to meet funding requirements set by law for a plan of this type.

Rensselaer and member contributions to the plan fund are deposited in a Trust. The trustees of this Trust currently are Eileen G. McLoughlin, David Gaume and Thomas Begley (who are Rensselaer’s current Assistant Vice President for Finance and Budget; Treasurer, Investment Operations; and Dean, Lally School of Management and Technology, respectively). They can be reached at Rensselaer (see Rensselaer address previously listed). The investment funds under the Trust are administered by Principal Life Insurance Company and other fund managers chosen by Rensselaer’s Investment Committee.

**Funding Based Benefit Restrictions** – As required by Federal law, if the funding percentage of the plan falls below 80%, some forms of benefit payments may have to be modified or restricted for participants and beneficiaries who commence the receipt of benefit payments after the restrictions become effective. If the plan’s funded percentage falls below 60%, Federal law requires that benefit accruals for active plan participants must cease. You will be notified if any of these restrictions apply to the plan.
FUTURE OF THE PLAN

Rensselaer expects to continue the plan indefinitely, and efforts have been made to fund the plan so that it will meet future conditions. However, Rensselaer reserves the right to change the method of providing benefits, amend, or discontinue the plan at any time for any reason, financial or non-financial.

The plan may be amended pursuant to resolutions adopted by Rensselaer’s Board of Trustees. No amendment will be made that would reduce the benefits earned by any plan member as of the date of the amendment. The plan is also subject to continuing approval from the Internal Revenue Service and may be modified as needed to make or keep the plan qualified under the Internal Revenue Code.

Plan Termination

If the plan is terminated, you will automatically become 100% vested in the benefit you earned as of the plan’s termination date to the extent funded. The law establishes priorities as to how the plan’s assets will be used to pay for benefits in the event of a termination. These priorities provide that all benefits due under the plan will be paid, as long as funds are available. Any funds remaining after plan obligations to members and their beneficiaries have been satisfied will be distributed to Rensselaer.

Pension Benefit Guaranty Corporation

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

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

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

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC’s Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 800-400-7242.

Additional information about the PBGC’s pension insurance program is available through the PBGC’s website on the Internet at http://www.pbgc.gov.
YOUR RETIREMENT PLANS AND ERISA

Like most employee benefit plans, the Contributory Defined Benefit Retirement Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended from time-to-time. This is a comprehensive law that sets standards and procedures for employee benefit plans, particularly with regard to guidelines that help employees understand their plans and their rights under those plans.

A Summary Plan Description - This summary plan description is issued to comply with the ERISA regulations that you be given information about how this plan works and what your obligations are for receiving a benefit. However, since this booklet is only a summary, you have the right under ERISA to get more information about the plan. You will not gain any new rights because of a misstatement in, or omission from, this summary or by the operation of the plan.

A Right to Examine Documents - ERISA gives you the right to examine, without charge, copies of the formal documents, such as the official plan text and insurance contracts, Form 5500 Series, that legally govern the operation of the plan (this includes various reports filed with the U.S. government as part of the ongoing administration of the plan). These documents are available for your review during regular working hours at Human Resources.

You may arrange an appointment to review any of this material (please specify which documents you are interested in reviewing). You may also request in writing to purchase personal copies of these documents for a reasonable charge.

An Annual Funding Notice – You will receive, annually, a summary of the financial and funding status of the plan. The annual funding notice will inform you if the funding percentage of the plan falls below 80%, in which event Federal law requires that some forms of benefit payments may have to be modified or restricted. If the plan’s funded percentage falls below 60%, Federal law requires that benefit accruals for active plan participants must cease.

An Annual Statement of Benefits - You have the right to make a written request (once-a-year) for a statement (free of charge) that tells you whether you have a vested right to a plan benefit at age 65 if you were to stop participating in the plan now. This statement will also include the amount of your age 65 benefit.

Fiduciary Responsibility - ERISA also sets legal guidelines for the people responsible for the operation of the plan. These people are called fiduciaries. They are instructed to exercise prudence in performing their duties, which they must perform solely in the interest of plan members and beneficiaries. No one, including Rensselaer, may fire you or otherwise discriminate against you to prevent you from obtaining a retirement benefit or from exercising your rights under ERISA. If your claim for a benefit is denied 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.

**Enforcing Your Rights** - If you are improperly denied a benefit, in whole or in part, to which you are entitled, you have a right to file suit in a federal or state court. In addition, if you disagree with a decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If plan fiduciaries misuse the plan’s money or if you are discriminated against for exercising your ERISA rights, you have the right to request help from the U.S. Department of Labor or to file suit in federal court. In any of these circumstances, the court, may (if it so decides) have the party you are suing pay legal costs, including attorneys’ fees. The court may also decide that you should pay these costs, or it may decide to have each party pay its own costs, including attorneys’ fees.

In addition, if you submit a written request for copies of any plan documents or other information to which you are entitled under ERISA, and you do not receive these materials within 30 days of your request, you may bring a civil action in federal court. The court may require the plan administrator to pay up to $110 for each day’s delay until you receive the materials. This provision does not apply, however, if the requested materials were not delivered to you for reasons beyond the control of the plan administrator. If it should become necessary for you or your beneficiary to take legal action to enforce your right under ERISA or the terms of the plan, legal process may be served upon the plan administrator, the agent for legal service, the trustee or the insurance company.

You are encouraged to contact Human Resources if you have any questions about your benefits or your rights. You may also contact 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 hotline of the Employee Benefits Security Administration.
APPENDIX A:

Updates to the Career Average Pay Formula

Whenever the Career Average Pay Formula was updated, if you were an active member, your accrued benefit was compared to the formula provided (see below). If the amount resulting from the updated formula was greater, it became your accrued benefit at that time.

Table of Updates to Career Average Pay Formula

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Minimum Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 1968</td>
<td>1 ¼% of October 1, 1968 basic earnings times years of credited benefit service prior to October 1, 1968 (in addition, a special fixed &quot;surplus allocation benefit&quot; was established to be converted to an amount of monthly pension to be added to your accrued benefit)</td>
</tr>
<tr>
<td>January 1, 1997 (for benefit accrued as of July 1, 1976)</td>
<td>50% of July 1, 1976 earnings, less 50% of Social Security benefit, reduced if less than 25 years of benefit service prior to July 1, 1976</td>
</tr>
<tr>
<td>July 1, 1981</td>
<td>50% of final 3-year average basic earnings, as of July 1, 1981, less 50% of primary Social Security benefit, reduced if less than 25 years of benefit service prior to July 1, 1981</td>
</tr>
<tr>
<td>July 1, 1983</td>
<td>50% of average basic earnings from July 1, 1980 - June 30, 1983 less 50% of primary Social Security benefit (at age 65 based on the Social Security law in effect on January 1, 1983 and the continuation of your basic earnings to age 65 at a rate equal to your July 1, 1982 basic earnings) reduced if less than 25 years of benefit service as of July 1, 1983</td>
</tr>
</tbody>
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