

Associated Universities, Inc.
Retirement Plan
Summary Plan Description

March 1, 2010

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Associated Universities, Inc. Retirement Plan

Associated Universities, Inc. maintains the Associated Universities, Inc. Retirement Plan (the “Plan”) for the benefit of its eligible employees. Associated Universities, Inc. is referred to in this Summary Plan Description as “AUI” or the “Institution.” The purpose of the Plan is to help participants prepare for retirement.

Whether you are a new participant or have participated in the Plan for years, you should read this summary plan description carefully. This document is a brief description of the Plan and your rights, obligations and benefits under the Plan as in effect on March 1, 2010. It is not meant to interpret, extend or change the provisions of the Plan in any way. If there is a difference between the provisions of the Summary Plan Description and the Plan document, the Plan document will control.

1. What kind of plan is this?

The Plan is an individual account plan intended to qualify for special tax treatment under Section 401(a) of the Internal Revenue Code (“Code”). This means that the amount of benefits you may receive is based on the balance in your bookkeeping accounts in the Plan. Your Plan accounts are credited with the contributions the Institution makes on your behalf. (Employees do not contribute to this Plan.) Your account balance is adjusted for any expenses, gains, or losses which may be allocated to your account, and for any distributions you receive.

As an individual account plan, benefits provided by the Plan are not insured by the Pension Benefit Guaranty Corporation. Your benefits depend solely on contributions made to your account and investment earnings or losses on such amounts.

2. Who is eligible to participate in the

All employees of the Institution are eligible to participate in the

Plan?

Plan upon meeting the age and service requirements, except those listed below. **However, you must enroll in the Plan in order to receive the Institution’s contributions.**

The following employees are not eligible to participate:

- any person designated by the Institution as an independent contractor;
- any leased employees or any other person who performs services pursuant to an agreement with a third party;
- employees whose employment with the Institution is covered by a collective bargaining agreement, unless such agreement provides for participation in the Plan;
- a non-resident of the U.S. who is not paid on the Institution’s U.S. payroll; and
- any person holding a Guest or Visitor appointment to the Institution.

3. When do I become eligible?

Eligible employees (other than Part-Time or Temporary Employees) become eligible to participate in the Plan on the first day of the first pay period beginning after satisfying either of the following age and service requirements:

(a) two Years of Service and age 21;

or

(b) 3 months of service and age 30.

If you are a Part-Time or Temporary Employee (i.e., you are employed on a part-time, temporary or irregular basis and customarily work less than 1,000 hours in a year), you become eligible only after you complete 2 Years of Service and reach at least age 21.

What is a “Year of Service”?

In general, a Year of Service is a 12-month period, measured from your date of employment and anniversaries thereof. However, if you are a Part-Time or Temporary Employee, you must complete at least 1,000 Hours of Service during this period to have a Year of

Service. An “Hour of Service” is any hour for which you are entitled to be paid for the performance of services for the Institution, including time when no services are performed, such as vacation, sick days, jury duty, and certain other leaves of absence.

4. Do I need to enroll in the Plan?

Yes, you must complete the enrollment materials before you can begin to receive the Institution’s contributions. You must select the vendor - TIAA-CREF or Fidelity - to whom your contributions are sent. You should also select how contributions to your account are invested and designate the beneficiary or beneficiaries to receive your benefits in the event of your death.

5. What contributions does the Institution make to the Plan?

Once you become a Participant in the Plan, the Institution will contribute an amount equal to 10% of your Compensation to your account in the Plan each Plan Year, as long as you remain an employee. However, if you are a Part-Time or Temporary Employee, you will be entitled to this contribution for a Plan Year only if you completed at least 1,000 Hours of Service during that year.

Definition of “Compensation”

For purposes of the Plan, your “Compensation” means your taxable salary (as reported on IRS Form W-2) determined before reduction for certain pre-tax salary reduction contributions you make (such as your contributions under the AUI Supplemental Retirement Annuity Plan, or pre-tax health premiums and Flexible Spending Account contributions, but excluding overtime pay, shift premiums, severance pay, and payments of accrued vacation upon termination, and other non-recurring compensation. However, Compensation over a certain limit set by law (\$245,000 for 2010) is not counted for purposes of the Plan.

6. Am I “vested” in my Plan Account?

You are always 100% vested in your account under the Plan. This means that you have an interest in your Plan account that is not forfeitable if you terminate employment with the Institution.

7. How are my accounts in the Plan invested?

You may direct the investment of your account balances among the various investment options offered by the Plan Administrator. Currently, all contributions to the Plan are held in either an annuity contract or certificate with TIAA-CREF or a trust with Fidelity as Trustee.

Your initial investment choices, and any changes to your investments, must be made with the vendor via its voice response unit or website. You can reach TIAA-CREF at www.tiaa-cref.org or by telephone at 1-800-842-2776. You can reach Fidelity at www.mysavingsatwork.com or by telephone at 1-800-343-0860. You will receive a confirmation of your changes a few days after you make them. Please note that certain funds may have frequent trading policies which may restrict your ability to make trades in funds offered as investment options under the Plan.

If you do not make an investment election, your contributions will automatically be invested in the applicable life cycle fund. However, you are always free to allocate your account balances as you choose.

The Plan is intended to be a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA). This means that the fiduciaries of the Plan will be relieved of any legal liability for any losses which are the result of the investment directions that you give. There are no guarantees of investment performance, and neither the Institution nor any Plan fiduciaries provide investment advice or insure or otherwise guarantee the value or performance of any investment you choose.

The Plan Administrator is the “Section 404(c) fiduciary” responsible for providing you information about the available funds, including prospectuses, investment history, and other information about the funds. If you have any questions about the investment options,

8. Can I access my accounts before I terminate employment?

contact TIAA-CREF or Fidelity at the website or telephone number listed above.

No. You can not take a distribution from your account in this Plan until you terminate employment with the Institution. No loans or withdrawals are available under this Plan.

9. When can I receive a distribution of my account?

You may request your benefits at any time after your employment terminates. If your account balance is \$1,000 or more, your benefits cannot be paid before your normal retirement age (65) without your consent. After you terminate employment, you must begin receiving benefits no later than April 1 of the year after you reach age 70½. To initiate a distribution, contact TIAA-CREF or Fidelity.

However, if your total account balance is \$1,000 or less, your balance will automatically be distributed from the Plan after your termination, in a lump sum.

10. How are my benefits paid?

If your benefits exceed \$5,000 and you are married when your benefits begin, your benefits must be paid in the form of a joint and survivor annuity with your spouse, unless you elect a different form of payment with your spouse's consent. Your spouse's consent must be in writing and be witnessed by a notary and consent to the alternative form of distribution you selected. Under this joint and survivor annuity, the benefits payable to you during your lifetime are reduced, but at least 50% of your benefits continue after your death to your spouse for his or her lifetime.

If you are not married, or if you are married but your spouse consents, you may choose any of the forms of payment available under the investment option you selected. The distribution options may vary, but generally include:

- an annuity for your lifetime,
- an annuity for your lifetime, with a portion of your

benefits continuing after your death to your beneficiary for his or her lifetime; or

- a lump sum, if permitted under the investment option you select (this option may be available only if you terminate employment after reaching age 55).

However, if your benefits total less than \$5,000, your benefits will be paid in a lump sum.

If your benefits are paid in a lump sum, you can elect to roll your distribution over to a traditional individual retirement account, a Roth individual retirement account, another qualified plan, a section 403(b) annuity or governmental section 457(b) plan in a direct rollover.

11. What happens if I become disabled?

If you become totally and permanently disabled while employed by the Institution, the Institution will continue to make contributions to the Plan on your behalf until the earlier of (a) age 65, (b) the date you begin to receive your retirement benefits, or (c) the date you cease to be totally disabled. The Institution will contribute an amount equal to 13% of your “deemed” Compensation, determined as if you had continued employment at the same rate of Compensation you were receiving when your disability began. For this purpose, you are considered to be “totally and permanently disabled” if you are found to be entitled to benefits under the Institution’s long-term disability insurance plan.

12. What happens if I die?

Your beneficiary will be entitled to 100% of your vested account balances if you die before you have begun to receive your benefits.

If you are married at the time of your death, your spouse will be the beneficiary of the death benefit, unless you have designated a different beneficiary with your spouse’s consent. If you wish to designate a beneficiary other than your spouse, however, you may do so only if your spouse irrevocably consents to waive any right to the

death benefit. Your spouse's consent must be in writing, be witnessed by a notary, and acknowledge the specific nonspouse beneficiary. If you are not married when you die and you have not designated a beneficiary (or your beneficiary dies before you), your vested benefit will be paid in a lump sum to the legal representative of your estate.

13. Can benefits be transferred?

Your benefits under the Plan are not subject to transfer, sale, or alienation. However, as required by law, all or a portion of your benefits may be distributed to a former spouse or child if required by a valid qualified domestic relations order (QDRO). The Plan Administrator will determine whether a domestic relations order is "qualified" for purposes of the Plan. To obtain a copy of the Plan's QDRO procedures, contact the Plan Administrator.

14. How will my distribution be taxed?

Distributions from the Plan are generally subject to income taxation. But there are a number of special rules that may defer — and sometimes increase — the tax on your distribution, which may affect your distribution. You will receive additional guidance concerning the federal taxation of your benefits at the time of your distribution, and you are encouraged to consult a tax specialist.

Rollovers. The Code permits a participant to defer taxation on any portion of an eligible distribution by rolling it over into another qualified retirement plan that accepts rollover contributions or into a traditional IRA. Rollovers may also be made into a Section 403(b) annuity or governmental Section 457 plan. There are specific and technical requirements set forth in the Code that must be satisfied in order for a plan distribution to be rolled over. Eligible distributions may also be rolled over to a Roth IRA, but would be subject to tax at the time of the rollover.

10% Penalty for distributions before Age 59½

Additional Tax. Cash distributions that are not rolled over are subject to a 10% additional income tax if they are received by the employee before age 59½. Distributions after age 59½, or distributions

as a result of the death, disability, or termination of employment after attaining age 55 are not subject to the additional penalty tax. Also, amounts you rollover into a traditional IRA or another qualified plan will not be taxed until they are later distributed to you.

15. How is the Plan administered?

The Plan is administered by the Institution's Retirement Committee (the "Committee" or "Plan Administrator"), appointed by the Board of Directors of the Institution. The functions of the Committee include, but are not limited to, resolving claims for benefits and interpreting and construing the terms of the Plan document and trust agreement. The Committee has the absolute and exclusive authority to interpret the provisions of the Plan.

16. What happens if I am called to military service?

If you take a leave of absence to serve in a branch of the United States armed forces and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Institution, and you may be entitled to contributions for this period. If you are called to military service and believe you may be affected by this law, ask the Benefits Department for further details.

17. How can I make a claim for a benefit under the Plan?

To request a distribution or withdrawal of your benefits under the Plan, contact TIAA-CREF or Fidelity. If your request is denied, or if you have another claim for benefits, submit your claim to the Human Resources Department. The Retirement Committee (or its designee) will make a decision on your claim.

If your claim is denied in whole or in part, you will receive written notice within 90 days of the date the Retirement Committee received your claim, stating the specific basis the claim was denied in whole or in part, a reference to the Plan section upon which the denial was based, any additional material or information necessary for you to perfect your claim, and an explanation of the Plan's claims procedure

so that you may submit the claim for review of the denial.

If you believe that you have not received all of the rights or benefits to which you are entitled under the Plan, you can request review of your entitlement to benefits in writing to the Retirement Committee. You may, within 60 days after receiving the notice of denial of your claim for benefits, file an appeal of such denial in writing to the Retirement Committee. The Retirement Committee will make its decision on the appeal within 60 days after it receives the request for a review, unless special conditions require extra time for processing. If this happens, a decision will be made as soon as possible, but not later than 120 days after the Retirement Committee receives the appeal. The Retirement Committee's decision on the review will be written and is final.

18. What are the “top heavy” rules?

A qualified retirement plan that primarily benefits “key employees” is called a “top heavy” plan. Key employees are certain owners or officers of the Institution. A plan is top heavy if more than 60% of the assets in the plan are held for key employees. The Plan is not currently top heavy and is not expected to become top heavy in the foreseeable future. However, if the Plan becomes top heavy, then non-key employees could be entitled to certain “top heavy minimum contributions.” The Plan Administrator will notify participants if this occurs.

19. Can the Plan be amended or terminated?

The Plan is intended to be permanent, but the Institution reserves the right to amend or terminate the Plan at any time by resolution of the Institution's Board or its delegate. No amendment to the Plan may adversely affect any right a participant may have to his or her accrued benefit or permit the assets of the Plan to be used for a purpose other than the exclusive benefit of the participants and their beneficiaries.

20. What else should

When an employee becomes a participant in the Plan, he or she

I know?

is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (“ERISA”). The following is a summary, required by ERISA, of those rights:

- A participant may examine, without charge, at the Plan Administrator’s office and at other specified locations, all Plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration, such as detailed annual reports (Form 5500 Series) and plan descriptions. These documents are available during regular business hours.
- A participant may obtain copies of all Plan documents, including insurance contracts, copies of the latest annual report (Form 5500 Series) and an updated summary plan description, by writing to the Plan Administrator. There will be a reasonable charge for duplicating documents.
- Each year a participant will receive a summary of the Plan’s annual financial reports. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Upon a participant’s written request, he or she may obtain a statement telling whether the participant has a right to receive a benefit under the Plan, and if so, the amount of the benefit. If the participant is not eligible for a benefit, the statement will tell how many more years he or she has to work to get a right to a benefit. This statement is not required to be given more than once every twelve (12) months. It is provided free of charge.

If a participant’s claim for a benefit is denied or ignored, in whole or in part, the participant has a right to know why this was done, to obtain copies of documents relating to the decision free of charge, and to appeal any denial, all within certain time schedules.

In addition to creating rights for Plan participants, ERISA imposes duties on the people who are responsible for the operation of employee benefit plans. The people who operate the Plan are called “fiduciaries.” Fiduciaries have a duty to operate the Plan prudently and in the interest of all Plan participants and beneficiaries. No one, including the Institution or any other person, may fire a participant or

otherwise discriminate against a participant in any way to prevent him from obtaining a benefit or exercising his rights under ERISA.

Under ERISA, there are steps a participant can take to enforce these rights. For instance, if he or she requests a copy of Plan documents or the latest annual report from the Plan and does not receive them within 30 days, the participant may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the participant up to \$110 a day until he or she receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If a participant has a claim for benefits that is denied or ignored, in whole or in part, he or she may file suit in a state or federal court. In addition, if a participant disagrees with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, the participant may file suit in federal court.

If it should happen that the Plan fiduciaries misuse the Plan's money, or if a participant is discriminated against for asserting his rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If the participant is successful, the court may order the person he or she has sued to pay these costs and legal fees. If the participant loses the court may order him or her to pay these costs and fees; for example, if it finds that his or her claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any 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, DC 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.

GENERAL INFORMATION

Plan Sponsor:	Associated Universities, Inc. 1400 16 th Street, N.W. Washington, DC 20036
Federal Identification Number:	11-3630900; Plan Number 001
Type of Plan:	Money Purchase Pension Plan
Plan Administrator:	Retirement Committee of Associated Universities, Inc. c/o Benefits Manager 520 Edgemont Road Charlottesville, VA 22903
Section 404(c) Fiduciary:	Retirement Committee of Associated Universities, Inc. c/o Benefits Manager 520 Edgemont Road Charlottesville, VA 22903
Agent for Service of Legal Process:	Benefits Manager 520 Edgemont Road Charlottesville, VA 22903 Service of legal process may also be made upon the Plan Administrator or the Trustee.
Plan Year:	January 1 to December 31
Trustee:	Fidelity Management Trust Company

**SUMMARY OF MATERIAL MODIFICATIONS TO THE
ASSOCIATED UNIVERSITIES, INC. RETIREMENT PLAN**

This summary of material modification (“SMM”) describes a recent change to the Associated Universities, Inc. Retirement Plan (the “Plan”) effective January 1, 2013, and supplements the Plan’s Summary Plan Description (“SPD”) previously provided to you. Please retain a copy of this notice with your Plan documents.

Effective January 1, 2013, Question and Answer 4 of the SPD is replaced with the following language:

4. Do I need to enroll in the Plan?

You should complete the enrollment materials for the Plan to make sure that you take full advantage of the Plan. However, if you do not complete an enrollment form, funds contributed to your account will be invested in a default age-based TIAA-CREF Lifecycle Fund that corresponds to your estimated date of retirement and qualifies as a “qualified default investment alternative” under Department of Labor guidelines. You may invest the funds in your account in any other investment option offered under the plan by contacting TIAA-CREF at 800 842-2776 or accessing your account online at www.tiaa-cref.org. You should also designate the beneficiary or beneficiaries to receive your benefits in the event of your death

If you have received this SMM electronically, you have the right to receive a written SMM, and may request a copy at no charge by contacting the Plan Administrator.

Please refer to your SPD (as modified by this SMM) for additional information about the Plan.

<https://www.nrao.edu/hr/retirement-planning/401aspd.pdf>

If you have any questions, you may contact the Plan Administrator, the Retirement Committee of Associated Universities, Inc. at:

Retirement Committee of Associated Universities, Inc.
c/o Benefits Manager
520 Edgemont Road
Charlottesville, VA 22903
dmerrick@au.edu