

**YALE UNIVERSITY  
RETIREMENT PLAN FOR STAFF EMPLOYEES  
YALE POLICE BENEVOLENT ASSOCIATION AND  
COMMAND STAFF  
SUMMARY PLAN DESCRIPTION**

**Effective July 1, 2019**

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# SECTION I

## INTRODUCTION

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The Yale University Retirement Plan for Staff Employees (the “Plan”) is maintained in part pursuant to a collective bargaining agreement between the Yale Police Benevolent Association and Yale University (the “University”).

The purpose of the Plan in part is to provide retirement benefits to members of the Yale Police Benevolent Association and certain eligible police Command Staff (formerly known as “Supervisors”). In certain cases, the Plan provides death benefits to surviving spouses and minor children.

Generally, there are two types of pension plans: defined benefit plans and defined contribution plans. The Plan is a defined benefit plan. The Plan uses a pre-defined formula, based on your highest eligible earnings and years of eligible service with the University, to determine retirement benefits. In most cases, retirement benefits are paid in the form of lifetime monthly payments beginning at retirement and are in addition to Social Security retirement benefits and personal savings programs. The University pays the full cost of the retirement benefits provided under the Plan by making contributions to a trust that are actuarially determined. Participant contributions are neither required nor permitted.

This Summary Plan Description summarizes the terms and conditions of the retirement benefits under the Plan. The Summary Plan Description is not intended as a substitute for the Plan document and if there is any ambiguity or inconsistency between the terms of the Plan and this Summary Plan Description, the terms of the Plan document will control and are final.

If you have any questions about the Plan, please contact the Employee Service Center at 877-432-5552 or email [employee.services@yale.edu](mailto:employee.services@yale.edu).

This Summary Plan Description is solely for members of the Yale Police Benevolent Association and Command Staff (each referred to herein as a “Police Officer”). If you also participated in the Plan other than as a Police Officer, please review the Summary Plan Description that applies to participants other than Police Officers to learn about the Plan benefits you earned while working other than as a Police Officer. Please contact the Employee Service Center to obtain a copy of that Summary Plan Description. Your total Plan benefits will be the sum of the benefit you earned while a Police Officer plus the benefit you earned while working other than as a Police Officer.

## SECTION II ELIGIBILITY AND PARTICIPATION

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### Eligible Employees

- **Police Officers.** Members of the Yale Police Benevolent Association automatically participate in the Plan upon satisfying the applicable participation requirement set forth below.
- **Police Command Staff.** Police Command Staff who are not members of the Yale Police Benevolent Association and who have not elected to participate in the Yale University Retirement Account Plan automatically participate in the Plan upon satisfying the applicable participation requirement set forth below. An election to participate in the Yale University Retirement Account Plan is an irrevocable election to waive participation or cease future benefit accruals under the Plan unless you are rehired or transferred to another Eligible Employee position. If you incur a severance and are later rehired as a Police Supervisor, you shall automatically become an Eligible Employee under the Plan until you elect to participate in the Yale University Retirement Account Plan.

### Participation Date

Your participation in the Plan will commence on the first day of the Plan Year (July 1 to June 30) following your hire date; provided, that you have completed one (1) “Year of Eligibility Service” by the end of that Plan Year. If you do not complete a Year of Eligibility Service by the end of the first Plan Year following your hire date, your participation in the Plan will commence on the first day of the Plan Year in which you complete a “Year of Service.”

- **Year of Eligibility Service.** If you are credited with at least 1,000 “Hours of Service” (as defined in Section III) during your “initial eligibility computation period” that begins on your date of hire and ends on the last day of the first Plan Year following your hire date, you have completed a Year of Eligibility Service.
- **Year of Service.** If you are credited with at least 1,000 Hours of Service during a Plan Year, you have completed a Year of Service.

For example, if your hire date is February 1, 2008, you will commence participation in the Plan as of July 1, 2008 if you complete at least 1,000 Hours of Service during your initial eligibility computation period that begins on February 1, 2008 and ends on June 30, 2009. If your hire date is August 1, 2008, you will commence participation in the Plan as of July 1, 2009 if you complete at least 1,000 Hours of Service during your initial eligibility computation period that begins on August 1, 2008 and ends on June 30, 2010. In each case, if you fail to complete at least 1,000 Hours of Service during your initial eligibility computation period, you will commence participation in the Plan as of the first day of the first Plan Year in which you complete at least 1,000 Hours of Service.

### Participation Upon Rehire

If you terminate employment as a “Vested Participant” or are rehired prior to incurring five (5) consecutive “1-Year Breaks in Service” as each term is defined in Section III, you will be

reinstated as an active Participant as of your rehire date. If you are not a Vested Participant on your termination date and you incur five (5) consecutive 1-Year Breaks in Service prior to your rehire date, you will be treated as a new hire and you must complete another Year of Eligibility Service or Year of Service before you are reinstated as a Participant.

### **Participation Upon Reclassification to Police Officer Status**

If you become a Police Officer subsequent to your hire date, you will either continue your participation in the Plan with benefits accruing under the terms applicable to Police Officers for employment on and after your reclassification date or your participation in the Plan will commence upon the later of your reclassification date or the completion of a Year of Eligibility Service or Year of Service as described above. All University employment, both Police Officer and non-Police Officer employment, is taken into account for purposes of determining whether you have completed a Year of Eligibility Service or Year of Service.

### **Termination of Participation**

If you are a Vested Participant, your participation in the Plan will cease upon the earlier of your death or the date you are no longer entitled to any benefits from the Plan. If you are not a Vested Participant, your participation in the Plan will cease upon termination of employment with the University or, if earlier, upon the rare case of incurring five (5) consecutive 1-year Breaks in Service. In the case of the latter, you will be treated as a new hire and you must complete another Year of Eligibility Service or Year of Service (beginning as of the first day of the Plan Year following the five (5) consecutive 1-year Breaks in Service period) before you are reinstated as a Participant.

## SECTION III

### VESTING AND BENEFIT YEARS

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*Vesting Years* and *Benefit Years* are two important Plan terms. Whether you are a Vested Participant and entitled to a retirement benefit from the Plan is based on your Vesting Years. The amount of your retirement benefit is based primarily on your Benefit Years. Both Vesting Years and Benefit Years are measured on Plan Years – that is, 12-consecutive month periods beginning on July 1st and ending on June 30th.

#### Vesting Years

For purposes of computing your Vesting Years, all University employment, both Police Officer and non-Police Officer employment, is taken into account.

***Vested Participant.*** You will become a Vested Participant upon completing five (5) Vesting Years, upon attaining your Normal Retirement Date while employed by the University, or in the event you die while performing qualified military service. The Plan's Normal Retirement Date is the later of your 65<sup>th</sup> birthday or the day you complete five (5) years of participation in the Plan. If you terminate employment with the University prior to becoming a Vested Participant you are not entitled to a retirement benefit from the Plan.

***Computation of Vesting Years.*** You will be credited with one Vesting Year for each Plan Year during which you complete 1,000 Hours of Service. If you do not complete 1,000 Hours of Service during a Plan Year and that Plan Year contains your hire, rehire, or termination date, you will be credited with a fractional Vesting Year as follows:

- For each day you are regularly scheduled to work at least 20 hours per week in a Plan Year in which you are hired or rehired, you will be credited with  $1/365.25^{\text{th}}$  of a Vesting Year.
- For each day you are regularly scheduled to work at least 20 hours per week or are receiving salary continuation pay (as designated in payroll records) in the Plan Year that includes your termination date, you will be credited with  $1/365.25^{\text{th}}$  of a Vesting Year.
- If you are regularly scheduled to work less than 20 hours per week at any time, you will be credited with  $1/365.25^{\text{th}}$  of a Vesting Year for each day you are employed by the University during that Plan Year only if your actual Hours of Service for such Plan Year on an annualized basis equals or exceeds 1,000 Hours of Service.

***Forfeiture of Vesting Years.*** Once you become a Vested Participant, your Vesting Years cannot be forfeited. However, if you are not a Vested Participant, previously credited Vesting Years will be disregarded or forfeited as follows:

- If you incur a 1-year Break in Service as defined below, previously credited Vesting Years will not be taken into account until you again complete a Vesting Year. For example, if you terminate employment after completing two (2) Vesting Years and you are rehired three years later, your two (2) Vesting Years will not be taken into account until you are credited with a Vesting Year following your rehire.

- If the number of your consecutive 1-Year Breaks in Service equals or exceeds five (5) you will forfeit all previously credited Vesting Years. For example, if you terminate employment after completing two (2) Vesting Years, your two (2) Vesting Years will be forfeited if you are rehired after incurring five (5) consecutive 1-year Breaks in Service.

**Break in Service.** You will incur a 1-Year Break in Service for each Plan Year beginning on or after your completion of a Year of Eligibility Service or Year of Service (as defined in Section II) during which you do not complete more than 500 Hours of Service. For purposes of determining whether you have incurred a 1-Year Break in Service, you will be credited with Hours of Service if you are absent from work for maternity or paternity reasons. Under the special maternity or paternity rule, you will be credited with an Hour of Service for each hour that otherwise would have been credited but for such absence (8 Hours of Service per normal workday of absence if the hours during your absence cannot be determined) but not to exceed 501 Hours of Service. These Hours of Service are credited to the Plan Year in which your absence begins if such crediting will prevent a Break in Service; otherwise the Hours of Service are credited to the following Plan Year if such crediting prevents a Break in Service. A maternity or paternity absence is a period during which you are initially absent from work on account of (i) your pregnancy, (ii) birth of your child, (iii) placement of a child in connection with your adoption of such child, or (iv) care of a child described in (ii) or (iii) immediately after such birth or placement. You must timely provide the University with sufficient information prior to your maternity or paternity absence to establish that your absence from work is on account of maternity or paternity reasons.

**Vesting Requirements prior to July 1, 1989.** If you terminated employment with the University prior to July 1, 1989 or did not complete at least one (1) Hour of Service on or after July 1, 1989, different vesting and break in service rules applied. If the Plan's prior vesting and break in service rules apply to you, contact the Employee Service Center at [employee.services@yale.edu](mailto:employee.services@yale.edu) for the rules that were in effect before July 1, 1989.

## Benefit Years

For purposes of computing your Benefit Years, under the YPBA benefit provisions outlined in this Summary Plan Description only your Police Officer employment with the University is taken into account.

**Computation of Benefit Years.** For Plan Years beginning on or after July 1, 1976 or, if later, the Plan Year in which you become a Participant, you will be credited with one Benefit Year or a fraction thereof for each Plan Year as follows:

- If you are regularly scheduled to work at least 20 hours per week at all times during the Plan Year, you will be credited with  $1/365.25^{\text{th}}$  of a Benefit Year for each day you are employed by the University as a Police Officer.
- If you are regularly scheduled to work less than 20 hours per week at any time during the Plan Year, you will be credited with a Benefit Year only if you complete 1,000 Hours of Service as a Police Officer.
- If you terminate employment as a Police Officer, you shall be credited with  $1/260^{\text{th}}$  of a Benefit Year for each day you receive salary continuation pay (as designated in payroll records).

For Plan Years ending prior to July 1, 1976, you will be credited with a Benefit Year, if any, for each year of "Continuous Service" credited to you as a Police Officer under the former "Yale University Retirement Plan for Non-Faculty Employees."

**Accumulated Unused Sick Days.** If you terminate employment after your Early Retirement Date (as defined in Section V), you may elect to have a portion of your Accumulated Unused Sick Days, if any, credited towards your Benefit Years or applied to commence the earlier payment of your retirement benefit as described in Section V. If you elect to have Accumulated Unused Sick Days credited towards your Benefit Years, you will be credited with 1/260<sup>th</sup> of a Benefit Year for each Accumulated Unused Sick Day. The portion of your Accumulated Unused Sick Days that can be applied in this manner depends on the date you terminate employment with University:

- *Termination on or after January 20, 2008.* You can apply fifty percent (50%) of your Accumulated Unused Sick Days.
- *Termination on or after July 1, 2004 and prior to January 20, 2008.* You can apply seventy-five percent (75%) of your Accumulated Unused Sick Days.
- *Termination prior to July 1, 2004.* The number of Accumulated Unused Sick Days you can apply, if any, is governed by the terms of the collective bargaining agreement between the Yale Police Benevolent Association and the University, then in effect.

**Accumulated Unused Vacation Days.** If you terminate employment as an eligible Police Officer, you may elect to have your Accumulated Unused Vacation Days, if any, credited towards your Benefit Years or applied to commence the earlier payment of your retirement benefit as described in Section V. If you elect to have Accumulated Unused Vacation Days credited towards your Benefit Years, you will be credited with 1/260<sup>th</sup> of a Benefit Year for each Accumulated Unused Vacation Day. Unlike Accumulated Unused Sick Days, you can currently apply 100% of your Accumulated Unused Vacation Days towards your Benefit Years or earlier payment of your retirement benefit. If you terminate employment while you are actively participating in the Yale University Retirement Account Plan, Accumulated Unused Vacation Days can only be applied to commence the earlier payment of your retirement benefit as described in Section V. If you have any questions regarding the computation of your Accumulated Unused Vacation Days, please contact the Employee Service Center at [employee.services@yale.edu](mailto:employee.services@yale.edu) or 877-352-5552.

The application of Accumulated Unused Sick Days and Accumulated Unused Vacation Days shall be administered in accordance with the applicable collective bargaining agreements in effect from time to time.

**Forfeiture of Benefit Years.** All of your Benefit Years are taken into account in calculating the amount of your retirement benefit except as follows:

- If you incur five (5) consecutive 1-year Breaks in Service (as defined in the *Vesting Year* subsection above) prior to becoming a Vested Participant, you will forfeit all previously credited Benefit Years.
- If you terminate employment and you receive your retirement benefit in the form of a single lump sum payment as described in Section VI, your Benefit Years attributable to

such payment will be disregarded if you are subsequently rehired by the University and again becomes a Participant in the Plan.

## Hours of Service

You will be credited with an "Hour of Service" for each hour that you are directly or indirectly paid or entitled to pay or granted back pay for the performance of services for the University. You will also be credited with Hours of Service for periods during which you are not performing services as follows:

- For any period of severance of less than 30 days;
- For a period, not to exceed one (1) year, on account of an approved leave of absence. Hours of Service will be credited upon the earlier of (i) your return to work on the scheduled expiration date of such leave or (ii) your termination of employment on or after your Early Retirement Date (as defined in Section V). In the case of a disability from which a return to active service or reemployment is not expected, Hours of Service will be credited upon your termination of employment;
- For any period of severance due to layoff that commences within eight (8) years prior to your Normal Retirement Age, *i.e.*, the later of your 65<sup>th</sup> birthday or the day you complete five (5) years of participation in the Plan. Hours of Service will be credited upon the earlier of (i) your return to work as an Eligible Employee or (ii) the commencement of your retirement benefit under the Plan;
- For the period during which you are receiving long-term disability benefits under the University's long-term disability program as a result of an injury or illness sustained while on duty and acting in the scope of your employment (but excluding illnesses not directly arising out of police activities and chronic illnesses or conditions such as heart or hypertension conditions). Accrual of credit will cease once you reach a total of 25 years of pension credit from both Service and Disability;
- For each period during which a Police Officer is absent from work on account of holiday, sick, vacation time but only to the extent provided under the collective bargaining agreement between the University and the Yale Police Benevolent Association, as in effect from time to time); and
- For any period on account of "qualified military service" as defined under the Uniform Services Employment and Reemployment Act of 1994 ("USERRA").

## SECTION IV CALCULATING YOUR BENEFIT

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### Benefit Formula

Your retirement benefit is expressed as an amount payable annually for your lifetime beginning at your Normal Retirement Date (“Normal Retirement Benefit”) and is calculated under a pre-set benefit formula that takes into account your Benefit Years (as defined in Section III) and your Final Earnings (as defined below) determined as of the date you terminate employment with the University. The benefit formula applicable to you depends on the date you terminate employment with the University.

#### ***Termination prior to January 19, 1985***

Your Normal Retirement Benefit will be determined under the terms of the Plan then in effect.

**Termination of Employment on or after January 19, 1985 and prior to July 1, 1993.** Your Normal Retirement Benefit is equal to a multiplier of your Final Earnings using the below-listed Final Earnings tiers multiplied by the number of your Benefit Years.

<u>Portion of Final Earnings</u>	<u>Multiplier</u>
Up to \$10,000	1.15%
\$10,001 to \$15,000	1.10%
\$15,001 to \$20,000	1.05%
Over \$20,000	1.00%

**Termination of Employment on or after July 1, 1993 and before July 1, 2004.** Your Normal Retirement Benefit is equal to a multiplier of your Final Earnings using the below-listed Final Earnings tiers multiplied by the number of your Benefit Years

<u>Portion of Final Earnings</u>	<u>Multiplier</u>
Up to \$10,000	1.65%
\$10,000 to \$15,000	1.60%
\$15,001 to \$20,000	1.55%
Over \$20,000	1.50%

**Termination of Employment on or after July 1, 2004.** Your Normal Retirement Benefit is equal to 2.5% of your Final Earnings multiplied by the number of your Benefit Years.

**Hired, Rehired, or Participant Turned Police Officer after October 1, 2011.** If you are a Police Officer hired or rehired after October 1, 2011, or you were a Participant who later became a Police Officer after October 1, 2011, your Normal Retirement Benefit shall be calculated in the same manner as set forth under “Termination of Employment on or after July 1, 2004” above.

**Police Officer on October 1, 2011 and Termination on or after October 1, 2011.** If you were a Police Officer on October 1, 2011 and you terminated on or after that date, your Normal Retirement Benefit is equal to the sum of (i) 2.5% of your Final Earnings multiplied by your number of Benefit Years minus your number of Vesting Years in excess of 20, and (ii) 3% of your Final Earnings multiplied by your number of Vesting Years in excess of 20.

## FINAL EARNINGS

Your Final Earnings includes any salary continuation pay and is based on your employment classification (as designated in payroll or personnel records), as follows:

- **Exempt Employees.** Final Earnings is your highest base annual salary during the last sixty (60) months of your employment as a Police Officer with the University. Only months in which you received earnings from the University will be counted in determining your salary in the last 60 months of employment.
- **Non-Exempt Employees.** Final Earnings is your highest annualized salary during the last sixty (60) months of your employment as a Police Officer with the University determined by multiplying your hourly base earning rate by your scheduled hours per week. Only months in which you received earnings from the University will be counted in determining your last 60 months of employment.
- **Transferred Employees.** If you subsequently become a participant in the Yale University Retirement Annuity Plan (YURAP), your Final Earnings is determined using your last sixty (60) months of employment even if you were participating in YURAP during this time. For example, if you are or become a Police Supervisor and are eligible to participate in YURAP and you elect to do so, your Final Earnings is based on your last sixty (60) months of employment with the University and not based on your last sixty (60) months of employment ending on the date you transfer to YURAP.

## Normal Retirement Date

Your Normal Retirement Date is the date you attain age 65 or, if later, the completion of five (5) Vesting Years.

## Benefit Calculation Examples

Let's assume you decide to retire on June 30, 2020 at age 65 after completing 20 Benefit Years. Assume further that you have been a Police Officer throughout your entire employment with the University. During the last sixty (60) months of employment with the University, your base annual salary changed as follows:

July 1, 2015	\$54,000
July 1, 2016	\$56,000, salary increase
July 1, 2017	\$58,000, salary increase
July 1, 2018	\$60,000, salary increase
July 1, 2019	\$62,000, salary increase
January 1, 2020	\$46,000, salary decrease due to reduction in duties

The two factors used to calculate your benefit are:

Final Earnings:	\$62,000 (your highest base annual salary during the last sixty (60) months of your employment)
Benefit Years:	20

Your annual Normal Retirement Benefit is as follows:

2.5% x \$62,000 =	\$1,550
Benefit Years	<u>x 20</u>
<b>Annual Normal Retirement Benefit</b>	<b>\$31,000</b>
<b>Monthly Normal Retirement Benefit if paid in the form of a single life annuity</b>	<b>\$2,583</b>

## Limitations on Pensions

Federal law limits the Final Earnings that can be used to calculate your benefit as well as the amount of benefit that can be paid to you. However, it is unlikely that your retirement benefit will be limited as the federal limits are very high and increase periodically. For 2019, the maximum annual Final Earnings is \$280,000 and the maximum annual benefit is \$225,000. The Internal Revenue Service compensation and benefit limits can be viewed on the IRS website at [www.irs.gov/retirement-plans](http://www.irs.gov/retirement-plans).

## SECTION V

### RETIREMENT BENEFITS

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The amount of your retirement benefit will be affected by the age and service you have attained on the date you leave the University and the date you decide to start receiving benefits.

#### Normal Retirement Benefit

Your retirement benefit is payable as a Normal Retirement Benefit if you have terminated and start your benefit on your Normal Retirement Date (the later of age 65 or five years of participation in the Plan) unless you are eligible to take your benefit in one of the forms described below. The amount of your Normal Retirement Benefit is calculated based on your Final Earnings and Benefit Years as of the date you terminate employment with the University. (See Section IV for an explanation of how your benefit is calculated as Normal Retirement Benefit).

#### Early Retirement Benefit

You may be able to receive your retirement benefit before your Normal Retirement Date if you satisfy certain age and service requirements. The requirements to qualify for an Early Retirement Benefit that are applicable to you depend on the date you terminate employment with the University.

**Termination of Employment on or after July 1, 2004.** Your Early Retirement Date is the later of the date (i) you reach age 50 and (ii) the sum of your age plus Vesting Years equals 70. If you terminated your employment with the University on or after July 1, 2004, you may elect to start payment of your retirement benefit prior to your Normal Retirement Date. This is true regardless of whether or not you had reached your Early Retirement Date when you terminated employment. The amount of your benefit will not be reduced because it is paid to you before your Normal Retirement Date. (See Section IV for an explanation of how your benefit is calculated as Normal Retirement Benefit).

**Termination of Employment on or after December 2, 1998 and prior to July 1, 2004.** Your Early Retirement Date is the later of the date (i) you reach age 50 and (ii) the sum of your age plus Vesting Years equals 70. If you terminated your employment with the University after this date you may elect to start payment of your retirement benefit prior to your Normal Retirement Date. The amount of your benefit will not be reduced because it is paid to you before your Normal Retirement Date. It will be equal to your Normal Retirement Benefit without reduction.

**Termination of Employment on or after July 1, 1985 and prior to December 2, 1998.** Your Early Retirement Date is the later of the date (i) you reach age 55 and (ii) the sum of your age plus Vesting Years equals 70. If you terminated your employment with the University after this date, you may elect to start payment of your retirement benefit prior to your Normal Retirement Date. The amount of your benefit will not be reduced because it is paid to you before your Normal Retirement Date. It will be equal to your Normal Retirement Benefit without reduction.

**Termination of Employment prior to July 1, 1985.** Your Early Retirement Date is the later of the date (i) you reach age 55 and (ii) the sum of your age plus Vesting Years equals 75. If you terminated your employment with the University after this date, you may elect to start payment of your retirement benefit prior to your Normal Retirement Date.

## **Lump Sum Cashout Benefit**

You may elect that your retirement benefit be payable as an Immediate Retirement Benefit in a single lump sum payment or as an annuity at any time following termination of employment if the lump sum value of your retirement benefit (determined as of the date payments are to commence) is \$21,000 or less. The \$21,000 amount increases annually in \$1,000 increments, if subject to adjustment, on July 1.

## **Vested Retirement Benefit**

If you terminated employment on or after July 1, 2004 and before reaching your Early Retirement Date, you may elect to receive your vested retirement benefit. The amount of your benefit will not be reduced and will be equal to your Normal Retirement Benefit or Early Retirement Benefit without reduction.

If you terminated employment prior to July 1, 2000, your Normal Retirement Benefit will be reduced in accordance with the terms of the Plan then in effect.

## **Post-Age 65 Retirement Benefit**

If you continue to work for the University after your Normal Retirement Date, the amount of your Retirement Benefit will be calculated based on your Final Earnings and Benefit Years determined as of your actual retirement date. Also, if you continue to work for the University after the calendar year in which you attain age 70½, the amount of your Late Retirement Benefit is the greater of your retirement benefit calculated based on your Final Earnings and Benefit Years as of your Normal Retirement Age (age 65) or your retirement benefit calculated based on your Final Earnings and Benefit Years as of the date you attain age 70½ as actuarially increased for the delayed payment of your retirement benefit.

## **Suspension of Benefit Payments**

If you remain employed after your Normal Retirement Date, your monthly benefit payments will cease each month during which you complete 40 or more Hours of Service. These payments will not be made up.

If you terminate employment, commence monthly benefit payments, and thereafter, are rehired as a Police Officer, your monthly benefit payments will cease if you are again rehired as a Police Officer and are expected to complete at least 900 or more Hours of Service during a 12-month period. These payments will not be made up. However, in such case, your retirement benefit will be recalculated based on your Final Earnings and Benefit Years determined as of the date you again terminate employment and the amount of your monthly benefit payment will be adjusted to reflect previous payments. Effective July 1, 1993, monthly benefit payments will not cease if you retire as a Police Officer and are rehired by the University regardless of the number of Hours of Service you are expected to complete or if you are re-employed in a non-Police Officer position.

Prior to the suspension of your benefits, you shall receive a notice during the first month in which your benefits are suspended containing (i) a description of the specific reasons why benefits are being suspended, (ii) a general description of the Plan provisions relating to the suspension, (iii) a copy of such provisions, (iv) a statement that applicable Department of Labor

regulations are located in Section 2530.203-3 of the Code of Federal Regulations, and (v) information about the Plan's procedures for to request a review of a suspension of benefits.

## **Application of Accumulated Unused Sick and Vacation Days**

**Accumulated Unused Sick Days.** If you terminate employment with the University on or after your Early Retirement Date (as defined above), in lieu of crediting Accumulated Unused Sick Days, if any, towards your Benefit Years (as described in Section III), you may elect to have such days (rounded down to the nearest whole day) applied to commence the earlier payment of your Normal Retirement Benefit or Early Retirement Benefit.

**Accumulated Unused Vacation Days.** If you terminate employment while you are actively participating in the Plan, in lieu of crediting Accumulated Unused Vacation Days, if any, towards your Benefit Years (as described in Section III), you may elect to have such days (rounded down to the nearest whole day) applied to commence the earlier payment of your Normal Retirement Benefit or Early Retirement Benefit. If you terminate employment while you are actively participating in the Yale University Retirement Account Plan (YURAP), Accumulated Unused Vacation Days can only be applied to commence the earlier payment of your Normal Retirement Benefit or Early Retirement Benefit.

The application of Accumulated Unused Sick Days and Accumulated Unused Vacation Days shall be administered in accordance with the applicable collective bargaining agreements in effect from time to time.

## SECTION VI PAYMENT OF BENEFITS

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### Benefit Commencement Dates

If you are a Vested Participant upon your termination of employment, payment of your retirement benefit will commence on the first day of the month following your Normal Retirement Date (in most cases age 65 but see Section IV for further information) unless you are eligible to elect an Early Retirement Benefit or a Vested Retirement Benefit as described in Section V.

### Starting your Benefit Payments

To start benefit payments from the Plan, you must contact *Your Pension Resources* to obtain a *Pension Election Authorization Form*. Before payments can begin, you must submit a signed *Pension Election Authorization Form* to *Your Pension Resources*. You should contact *Your Pension Resources*, two to three months before the date on which you want your benefit payments to begin.

#### Contact *Your Pension Resources*

Call *Your Pension Resources* at 877-352-5552, press #5, or you can start the retirement process online:

- Go to [www.yale.edu/mybenefits](http://www.yale.edu/mybenefits);
- Enter your User ID and Password or click on *Are you a new user?* to create your User ID and Password;

### Normal Form of Benefit

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If you are married on the date you start benefit payments, your retirement benefit will be paid in the form of a Qualified Joint and Survivor Annuity unless (i) your benefit is paid in the form of a mandatory single lump sum payment, as described below, or (ii) you and your spouse waive the Qualified Joint and Survivor Annuity and you elect an optional form of payment with your spouse's consent. Under a Qualified Joint and Survivor Annuity, monthly payments are made for your lifetime and if your spouse survives you, monthly payments equal to 100% (50% for Benefit Commencement Dates prior to July 1, 2008) are made to your spouse for his or her lifetime. After your surviving spouse dies, all payments stop.

If you are not married on the date you start benefit payments, your retirement benefit will be paid in the form of a Single Life Annuity unless (i) your benefit is paid in the form of a mandatory lump sum payment, as described below or (ii) you waive the Single Life Annuity and elect an optional form of payment. Under a Single Life Annuity, monthly payments are made for your lifetime, and at your death, all payments stop.

### Mandatory Lump Sum Payment.

If the lump sum value of your retirement benefit is \$5,000 or less (determined as of the date you sever employment or, if later, within a reasonable time on or after July 1, 2016), you will receive a one-time payment of your retirement benefit and there will be no further benefits payable to you, your spouse or other beneficiary. If the lump sum value of your retirement benefit is greater than \$1,000 but not more than \$5,000, and you do not affirmatively elect a to receive payment directly or have the distribution paid to an eligible retirement plan (as described below in "Direct Rollovers"), your benefit will be automatically rolled into an individual retirement plan selected by designated the Plan Administrator.

## Optional Forms of Payment

The Plan offers a number of annuity options from which you can choose and, in certain cases, a single lump sum payment option, as described below.

**Single Life Annuity.** You receive monthly payments for your lifetime. Upon your death all payments cease. This option provides a larger monthly payment than the annuity options described below because no benefits are payable to your beneficiaries after you die.

**Joint & Survivor Annuity.** You receive monthly payments for your lifetime and if your designated beneficiary survives you, he or she will continue to receive monthly payments for his or her lifetime. Your beneficiary may be your spouse or another individual. You cannot change your beneficiary after monthly benefit payments begin. You may elect that the amount continuing to your beneficiary be 50%, 66-2/3%, or 100% of your monthly payment. However, if you designate a beneficiary who is not your spouse, federal tax laws may limit the amount of the survivor annuity to 50% or 66-2/3%. Under this option, the monthly payments that would have been payable to you had you elected the Single Life Annuity option are reduced to reflect that your retirement benefit may be paid over two lifetimes instead of one.

**Term Certain Life Annuity.** You receive monthly payments for the longer of your lifetime or a term certain (guaranteed period). You may elect that the guaranteed period be 5, 15, or 20 years and you may designate one or more beneficiaries to receive payments during the guaranteed period. If you die before receiving all of the payments in the guaranteed period, the remaining payments will be paid to your beneficiary. However, if you designate a beneficiary who is not your spouse, federal tax laws may limit the guaranteed period.

- If you die *within* the guaranteed period, the monthly payment you were receiving continues to your beneficiary or beneficiaries for the remainder of the guaranteed period. A beneficiary's payment stops at the end of the guaranteed period or a beneficiary's death, whichever occurs first. If your beneficiary dies while receiving payments during the guaranteed period, any remaining payments will be paid in a lump sum to his or her named beneficiary or estate unless you named a secondary beneficiary during your lifetime.
- If you die *after* the guaranteed period ends, your beneficiary or beneficiaries receive no benefits upon your death.

Under this option, the monthly payments that would have been payable to you had you elected the Single Life Annuity option are reduced to reflect that your retirement benefit may be paid for longer than your lifetime.

**Single Lump Sum Payment.** You receive the actuarial equivalent of your retirement benefit in a single lump sum. This payment option provides no future benefits to you or your beneficiaries.

If the value of your retirement benefit exceeds \$5,000, you may elect to receive a lump sum payment if the lump sum value of your retirement benefit is \$21,000 or less (determined as of the date payments are set to commence). The \$21,000 amount increases annually in \$1,000 increments, if subject to adjustment, on July 1.

You may elect to roll over all or part of a single lump sum payment to another tax-deferred retirement vehicle such as an individual retirement account or another employer's retirement

plan. The portion of a lump sum payment that you do not roll over to another plan will be subject to mandatory tax withholding rate of 20%. See *Direct Rollovers* and *Tax Information* below for further information.

## Annuity Option Examples

Assume you retire at age 65 with a monthly benefit of \$2,000. This chart shows estimated monthly benefit payments under the different payment options at age 65 assuming your spouse or designated beneficiary is your same age. Please note that these are estimates only and are based on actuarial factors that may change.

Payment Option	Monthly Amount Paid During Your Lifetime	Monthly Amount Paid to Spouse or Beneficiary After Your Death
<b>Single Life Annuity</b>	\$2,000	No benefit
<b>50% Joint &amp; Survivor Annuity</b>	\$1,855	\$928 <sup>1</sup>
<b>66 2/3% Joint &amp; Survivor Annuity</b>	\$1,811	\$1,207 <sup>1</sup>
<b>100% Joint &amp; Survivor Annuity</b>	\$1,729	\$1,729 <sup>1</sup>
<b>10 Year Certain and Life Annuity</b>	\$1,927	\$1,927 <sup>2</sup>
<b>15 Year Certain and Life Annuity</b>	\$1,844	\$1,844 <sup>2</sup>
<b>20 Year Certain and Life Annuity</b>	\$1,740	\$1,740 <sup>2</sup>

<sup>1</sup> The benefit would be paid for the lifetime of your surviving spouse or designated beneficiary.

<sup>2</sup> The benefit would be paid for the months remaining (if any) in the guaranteed period to your surviving beneficiary or beneficiaries).

## Electing an Optional Form of Payment

The election of an optional form of payment must be made during the 180-day period before your payments begin. If you are married when benefit payments begin and you wish to elect an optional payment form or a beneficiary other than your spouse, your spouse must waive the normal form of benefit and consent to your optional form of benefit within the same 180-day period. Your benefit election and spouse's waiver and consent may be revoked during the same 180-day period but cannot be revoked after payments begin.

Your spouse's consent must be in writing and witnessed by a notary public and must contain his or her acknowledgment as to the effect of the consent and that it is irrevocable. Your spouse must either consent to a specific form of payment or expressly permit you to choose an optional form of payment without his or her consent. Spousal consent is not required if you can establish to the University's satisfaction that you have no spouse or that he or she cannot be located. Unless a Qualified Domestic Relations Order as described below requires otherwise, your spouse's consent is not required if you are legally separated or if you have been abandoned (within the meaning of local law) and you have a court order to such effect.

## Required Payment of Benefits

Generally, the payment of your retirement benefit must be paid or must commence no later than April 1 of the calendar year following the year in which you attain age 70½, or, if later, April 1 following the calendar year in which you terminate employment from the University. The payment of benefits by your required beginning date is extremely important. Federal tax law imposes a 50% excise tax on the difference between the amount of benefits required by law to be distributed and the amount actually distributed if it is less than the required minimum amount. You should keep the Benefits Office informed of your current mailing address.

## Direct Rollovers

A Single Lump Sum Payment is an “eligible rollover distribution” and you may roll over all or a portion of it either directly or within 60 days after receipt into (i) an individual retirement account described in Sections 408(a) or 408A of the Internal Revenue Code, (ii) an individual retirement annuity described in Section 408(b) of the Internal Revenue Code, (iii) an annuity contract described in Section 403(b) of the Internal Revenue Code that accepts eligible rollover distributions, (iv) a qualified retirement plan or an annuity plan described in Section 401(a) or 403(a) of the Internal Revenue Code, respectively, that accepts eligible rollover distributions, and (v) an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts eligible rollover distributions and agrees to separately account for amounts transferred into such plan from this Plan. A Single Lump Sum Payment is subject to a mandatory federal income tax withholding rate of 20% *unless* it is rolled over directly to an IRA or other eligible retirement plan; this process is called a “direct rollover.” If you elect that all or a portion of a Single Lump Sum Payment be paid to you, then 20% of the amount paid to you must be withheld even if you intend to roll over the money into an IRA or other eligible retirement plan.

## Tax Information

Benefit payments are subject to federal income tax when you receive them. Some of the rules that affect the taxation of your retirement benefit are as follows:

**Annuity Payments.** Annuity payments are not subject to mandatory federal income tax withholding. You may elect an amount to be withheld from your pension payment or to have no withholding apply to your payments. If you do nothing, federal income taxes will be withheld as if the payments are wages and you are married claiming three withholding allowances. You may not roll over annuity payments to another tax-deferred retirement vehicle such as an individual retirement account or eligible retirement plan. The election to waive withholding is included in the distribution packet that must be completed before your monthly payments begin.

**Single Lump Sum Payments.** A Single Lump Sum Payment is subject to a mandatory federal income tax withholding rate of 20% to the extent you do not elect a direct rollover to another tax-deferred retirement vehicle such as an individual retirement account or other eligible retirement plan. See above for further information regarding direct rollovers. If you roll over all or a part of your lump sum distribution within 60 days, that portion will not be subject federal income tax in the year of distribution and will continue to be tax-deferred. Portions that are not timely rolled over are treated as taxable income in the year of distribution and you may be required to pay income taxes in addition to the 20% withheld when you file your tax return for that year. You

also may be required to pay an additional 10% tax penalty if your distribution is an early withdrawal as described below.

**Early Distribution Penalty.** If you elect a Single Lump Sum Payment prior to age 59-1/2, the portion you do not roll over to another tax-deferred retirement vehicle is subject to an additional 10% penalty excise tax unless the payment is made because:

- You terminate employment from the University at age 55 or older.
- You become disabled.
- The distribution is received pursuant to a qualified domestic relations order.
- Meets another exception permitted under the Internal Revenue Code.

This tax information described above is not intended to give specific tax advice to you (or your beneficiaries). A more detailed summary, Special IRS Tax Notice Regarding Plan Payments, contains more information and is available from the Benefits Office. Tax laws are complicated and change often. They also affect different individuals in different ways. A professional tax advisor is your best source of information about tax laws applicable to your distributions from the Plan.

## SECTION VII

### DEATH BENEFITS

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If you are a Vested Participant and you die prior to commencing benefits payments, the Plan provides a Qualified Pre-Retirement Survivor Annuity to your surviving spouse. A Qualified Pre-Retirement Survivor Annuity will be paid to your surviving spouse whether you die while employed by the University or after you terminate employment so long as you completed one Hour of Service with the University after July 1, 1985. The amount of the Qualified Pre-Retirement Survivor Annuity depends on your age, Vesting Years, and employment status at your date of death. If you die without a spouse, no death benefit is payable from the Plan but, in certain cases, a Children's Survivor Benefit will be paid to your minor children.

#### **Surviving Spouse Benefit**

Under a Qualified Pre-Retirement Survivor Annuity, your surviving spouse will receive monthly payments for his or her lifetime as described below. Your surviving spouse must consent to the payment or commencement of a Qualified Pre-Retirement Survivor Annuity before your Normal Retirement Date. Your surviving spouse may waive the Qualified Pre-Retirement Survivor Annuity and elect a single lump sum payment option if the actuarial equivalent of the Qualified Pre-Retirement Survivor Annuity (determined as of the date payments are to commence) is \$21,000 or less. The \$21,000 amount increases annually in \$1,000 increments, if subject to adjustment, on July 1.

However, your surviving spouse's consent and waiver rights in this section do not apply if the lifetime annuity payable your surviving spouse would otherwise be paid he or she is paid in the form of a mandatory lump sum payment. Your surviving spouse will receive a mandatory single lump sum payment if the actuarial equivalent of the Qualified Pre-Retirement Survivor Annuity is \$5,000 or less (determined as of the date you sever employment or, if later, within a reasonable time on or after July 1, 2016). If the actuarial equivalent of the Qualified Pre-Retirement Survivor Annuity is greater than \$1,000 but not more than \$5,000, the Plan Administrator will make the payment to an individual retirement plan, unless your surviving spouse elects to receive payment directly.

#### **Death while Employed by the University.**

- *Death prior to Early Retirement Date.* If you die while employed by the University and prior to the date your retirement benefit would have been payable as an Early Retirement Benefit, e.g., age 50 or, if later, the date your age plus Vesting Years equals 70, your spouse will receive monthly payments for his or her lifetime commencing at his or her election, as early as the first day of the month following your date of death but no later than the date you would have attained your Normal Retirement Date. The monthly amount is equal to the amount your spouse would have received if you had (i) terminated employment on the date of your death, (ii) survived to age 55 if death occurs prior to age 55, (iii) commenced the payment of your retirement benefit in the form of a 100% Survivor Annuity as described in Section VI with your spouse as the beneficiary on the first day of the month following your attainment of age 55 (or, if later, your date of death or the benefit commencement date elected by your spouse), and (iv) died the day thereafter.

- *Death after Early Retirement Date.* If you die while employed by the University and after the date your retirement benefit would have been payable as an Early Retirement Benefit, e.g., age 50 or, if later, the date your age plus Vesting Years equals 70, and while employed by the University, your spouse will receive monthly payments for his or her lifetime commencing at his or her election, as early as the first day of the month following your date of death but no later than the date you would have attained your Normal Retirement Date. The monthly amount is equal to the amount your spouse would have received if you had (i) terminated employment on the date of your death, (ii) commenced the payment of your retirement benefit in the form of a 100% Contingent Pensioner Annuity as described in Section VI with your spouse as the contingent pensioner on the first day of the month following your date of death (or, if later, the benefit commencement date elected by your spouse), and (iii) died the day thereafter.

### **Death following Termination of Employment.**

- *Death prior to Early Retirement Date.* If you die prior to the date your retirement benefit would have been payable as an Early Retirement Benefit, e.g., age 50 or, if later, the date your age plus Vesting Years equals 70, your spouse will receive monthly payments for his or her lifetime commencing at his or her election, as early as of the first day of the month following the date your retirement benefit would have been payable as an Early Retirement Benefit but no later than the date you would have attained your Normal Retirement Date. The monthly amount is equal to the amount your spouse would have received if you had (i) commenced the payment of your retirement benefit in the form of a 100% Contingent Pensioner Annuity (as described in Section VI with your spouse as the contingent pensioner on the benefit commencement date elected by your spouse) and (ii) died the day thereafter. If your spouse is eligible to elect a lump sum payment, he or she may elect the lump sum payments be made as soon as administratively feasible following your death.
- *Death after Early Retirement Date.* If you die after the date your retirement benefit would have been payable as an Early Retirement Benefit, e.g., age 50 or, if later, the date your age plus Vesting Years equals 70, your spouse will receive monthly payments for his or her lifetime commencing at his or her election, as early as the first day of the month following your date of death but no later than the date you would have attained your Normal Retirement Date. The monthly amount is equal to the amount your spouse would have received if you had (i) commenced the payment of your retirement benefit in the form of a 100% Contingent Pensioner Annuity as described in Section VI with your spouse as the contingent pensioner on the first day of the month following your date of death (or, if later, the benefit commencement date elected by your spouse) and (ii) died the day thereafter.

### **Children's Survivor Benefit**

If you are an unmarried Vested Participant and you die while employed by the University and prior to age 55, your minor children, if any, will be paid a Children's Survivor Benefit. Under the Children's Survivor Benefit, a monthly amount will be payable in equal shares to your minor children (determined at the time of death) commencing on the first day of the month following your death and ending on the last day of the month in which each child attains age 19 or dies, whichever is earlier, unless the present value of the minor child's share of the Children's Survivor Benefit is paid in the form of a single lump sum. The monthly amount is equal to the amount a surviving spouse of equal age to you would have received had (i) terminated

employment on the date of your death, (ii) survived to age 55 if death occurs prior to age 55, (iii) commenced the payment of your retirement benefit in the form of a 100% Contingent Pensioner Annuity as described in Section VI with a spouse as the contingent pensioner on the first day of the month following your attainment of age 55 (or, if later, your date of death), and (iv) died the day thereafter.

A minor child's share of the Children's Survivor Benefit is automatically paid in a single lump sum if the present value of the minor child's share of the Children's Survivor Benefit (assuming monthly payments until the end of the month in which the minor child attains age 19) is \$21,000 or less, or (ii) the guardian of such minor child may elect that the present value of the minor child's share of the Children's Survivor Benefit be paid in a single lump sum. The \$21,000 amount increases annually in \$1,000 increments, if subject to adjustment, on July 1. The payment of a Children's Survivor Benefit in the form of a single lump sum shall be made as soon as administratively feasible following the Participant's death.

## SECTION VIII

### DISABILITY BENEFITS

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#### Eligibility for Disability Benefit

If you become totally and permanently disabled (as defined below) after completing ten (10) Vesting Years and while employed by the University and prior to your Normal Retirement Date (in most cases age 65 but see Section IV for further information), you will receive a monthly disability benefit as described below.

#### Amount of Disability Benefit

The amount of the monthly disability benefit is equal to 1/12 of your Normal Retirement Benefit based on your Final Earnings and Benefit Years as of the date you terminate employment with the University. (See Section IV for an explanation of the Normal Retirement Benefit calculation.) Your Normal Retirement Benefit is not reduced for early payment, e.g., prior to your Normal Retirement Date or prior to the date your retirement benefit would have been payable as an Early Retirement Benefit, e.g., age 50 or, if later, the date your age plus Vesting Years equals 70, but is reduced by the amount of any periodic cash payments you receive on account of any workers' compensation law or similar law.

#### Commencement and Duration of Disability Benefit

Monthly disability benefits commence on the later of the first day of the month following the date you terminate employment with the University or the date you are determined to be totally and permanently disabled as set forth in the Certificate of Award from the U.S. Social Security Administration (as described below) and terminate as of the earliest to occur:

- **Normal Retirement Date.** Upon reaching your Normal Retirement Date at which time, your Normal Retirement Benefit will be paid to you in accordance with Section VI.
- **Early Retirement Date.** Upon your eligibility and election to commence payment of your retirement benefit as an Early Retirement Benefit, e.g., age 50 or, if later, the date your age plus Vesting Years equals 70.
- **Death.** Upon your death at which time your surviving spouse or, if applicable, minor children, are eligible for death benefits as described in Section VII.
- **Cessation of Disability.** The date on which you are no longer determined to be permanently and totally disabled by the U.S. Social Security Administration or the Plan Administrator.

#### Determination of Total and Permanent Disability

In order to be eligible for disability benefits under the Plan, you must first obtain a Certificate of Award issued by the U.S. Social Security Administration setting forth that you are entitled to a disability benefit under the Social Security Act by reason of total and permanent disability. If the Plan Administrator then determines, on the basis of that Certificate of Award, that you are wholly and permanently prevented from engaging in any occupation or employment for wage or profit

as a result of bodily injury or disease, which is nonoccupational in origin, except if such employment is found by the Plan Administrator to be for the purposes of rehabilitation, then you are eligible for disability benefits under the Plan. Disability benefits are not payable by the Plan if the Plan Administrator determines that your disability resulted from service in the armed forces of the United States for which a service-connected government disability pension is payable. The Plan Administrator may, in its sole discretion, require you to submit to medical examination at any time, but not more often than annually. If you fail to do so after disability benefits commence, you will be deemed to be no longer permanently and totally disabled and your monthly disability payments will cease.

## SECTION IX

# HOW YOUR RETIREMENT BENEFITS ARE PROTECTED

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### Pension Benefit Guaranty Corporation

Your benefits under the 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 the benefits. Most people receive all of the pension benefits they would have received under their plans, but some people may lose certain benefits.

- The PBGC guarantee generally *covers* normal and early retirement benefits, disability benefits if you become disabled before the plan terminates, and certain benefits for your survivors.
- The PBGC guarantee generally *does not cover* benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates, some or all of benefit increases and new benefits based on plan provisions that have been in place less than 5 years before a plan terminates, benefits that are not vested because you have not worked long enough for the University, benefits for which you have not met all of the requirements at the time the plan terminates, and 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 Date. The PBGC guarantee also doesn't cover nonpension 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 the Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, you can contact the Benefits Office or the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000. TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's web site at <http://www.pbqc.gov>.

### Attaching Your Retirement Benefits

In general, your retirement benefit cannot be taken away from you by people to whom you owe money. The law makes a limited exception, however, when family support is at stake. A state court can award part or all of your retirement benefit to your spouse, former spouse, child, or other dependent by issuing a qualified domestic relations order as described below, which the Plan must honor. The person named in such an order is called an alternate payee. The court's order can be in the form of a state court judgment, decree, or order, or court approved property settlement agreement.

## Qualified Domestic Relations Order

When the Plan receives a domestic relations order to divide your benefits, the order will be reviewed to first determine whether the order is a qualified domestic relations order (QDRO). To be "qualified," the order must relate to child support, alimony, or marital property rights and be made under state domestic relations law. The order should state the plan name; the amount or percentage – or method of determining the amount or percentage – of the benefit to be paid to the alternate payee; and the number of payments or time period to which the order applies. The order cannot provide a form of benefit not otherwise provided under the Plan and cannot require the Plan to provide an actuarially increased benefit. If an earlier QDRO applies to your retirement benefit, the earlier QDRO takes precedence over a later one.

In certain situations, a QDRO may provide that payment is to be made to an alternate payee before you are entitled to receive your retirement benefit. For example, if you are still working for the University, a QDRO could require payment to an alternate payee on or after your "earliest retirement age," whether or not you are allowed to receive benefits from the Plan at that time.

You (or your attorney) may contact the *Your Pension Resources* at 877-352-5552 ext. #5 to obtain a copy of the Plan's QDRO procedures.

It is recommended that prior to filing a decree or order with the court, you or your attorney should send a draft decree or order to Alight for review. By doing so, required revisions can be made prior to filing and you will avoid multiple filings with the court. Once the order is determined to be qualified, a calculation of the segregated benefit will be completed and you and the alternate payee will receive information regarding your respective benefits.

Draft orders should be sent to Alight Qualified Order Center at the address below:

Alight  
Qualified Order Center  
Post Office Box 7144  
Rantoul, IL 61866-7144  
Fax: (847)883-9313

## **SECTION X**

### **CLAIMS AND APPEALS PROCEDURES**

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#### **Claims Procedures**

If all or part of your claim for benefits (or a claim by your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) is denied under the Plan, the Vice President for Human Resources and Administration, or his delegate, (the “Claims Administrator”) will send you (or your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order or an authorized representative) a written or electronic explanation of denial setting forth (i) the specific reasons for the denial, (ii) references to the Plan’s provisions upon which the denial is based, (iii) a description of any missing information or material necessary to process your claim (together with an explanation why such material or information is necessary), (iv) an explanation of the appeals procedures for the Plan, as applicable, and (v) a statement of your right to bring a civil action under Section 502(a) of ERISA if your claim is denied upon appeal. In the case of a disability benefit claim, in addition to the setting forth the above, the explanation of denial shall include (vi) a copy of any internal rules or guidelines on which the determination was based and (vii) an explanation of any scientific or clinical judgement if the termination is based on medical necessity or experimental treatment.

An explanation of denial will be sent within 90 days (45 days in the case of a disability benefit claim) following receipt of your benefit application by the Claims Administrator unless the Claims Administrator determines that special circumstances require an extension of time for processing your claim. In the event an extension is necessary, you will receive written or electronic notice of the extension prior to the expiration of the initial 90-day period (45-day period in the case of a disability benefit claim) for an additional 90 days (30 days in the case of a disability benefit claim). A disability benefit claim may be extended an additional 30 days beyond the original 30-day extension. Any notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In no event shall the period of the extension exceed 90 days from the end of the initial 90-day period (30 days from the end of the original 30-day extension period).

#### **Appeals Procedures**

If your claim for benefits is denied and you (or your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) or an authorized representative wish to appeal the denial of your claim, you must submit a written appeal to the Vice President for Human Resources and Administration, or his delegate, (the “Claims Review Administrator”), in care of the Employee Service Center, within 60 days (180 days in the case of a disability benefit claim) after you receive the denial notice. You must exhaust the appeal procedures under the Plan prior to seeking any other form of relief. Under the Plan’s appeals procedures:

#### **File an appeal with:**

Employee Service Center  
221 Whitney Avenue  
New Haven, CT 06511  
Phone: 877-352-5552  
Fax : 203-432-5153  
employee.services @yale.edu

- You may include written comments, documents, records and other information relating to your claim.
- You may review all pertinent documents and, upon request, shall have reasonable access to or be provided free of charge, copies of all documents, records, and other information relevant to your claim.

The Claims Review Administrator will provide a full and fair review of the appeal and will take into account all your claim related comments, documents, records, and other information submitted without regard to whether such information was submitted or considered under the initial determination.

The Claims Review Administrator will send you written or electronic notice of the decision rendered with respect to your appeal within 60 days (45 days in the case of a disability benefit claim) following its receipt and all necessary documents and information unless the Claims Review Administrator determines that special circumstances require an extension of time for processing the appeal. In the event an extension is necessary, a written or electronic notice of the extension will be sent to you prior to the expiration of the initial 60-day period (45-day period in the case of a disability benefit claim). The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In no event shall the period of the extension exceed 60 days from the end of the initial 60-day period (45 days from the end of the initial 45-day period in the case of a disability benefit claim).

In the case of a denial of an appeal, the written or electronic notice of such denial shall set forth (i) the specific reasons for the denial, (ii) references to the Plan's provisions upon which the denial is based, (iii) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relating to your claim for benefits, and (iv) a statement of your right to bring a civil action under Section 502(a) of ERISA.

Any decision of the Claims Review Administrator made hereunder shall be final, conclusive and binding upon you, the Plan, and the University, and the University will take appropriate action to carry out such decision.

## **SECTION XI OTHER PLAN INFORMATION**

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### **Plan Administrator**

The Plan Administrator is the University but the University has delegated to the Vice President of Human Resources and Administration the authority to establish reasonable rules and procedures for the Plan's administration and the power to delegate day-to-day administration of the Plan. The Vice President of Human Resources and Administration also has all discretionary power and authority necessary to administer the Plan including, but not limited to, the power and authority to interpret the Plan document, to compute the amount and kind of benefits payable to participants and beneficiaries, to direct the payment of plan expenses from the Plan, to resolve any questions relating to eligibility to participate in Plan, and to delegate duties to others. Any determinations made by the Vice President of Human Resources and Administration, or his delegate, including a final decision made under the claims and appeal procedures described in Section X, are conclusive and binding upon Participants and their beneficiaries.

### **Amendment and Termination of the Plan**

The University has reserved the right, in its sole discretion under circumstances that it deems advisable (including, but not limited to, a need to address law changes, cost or plan design considerations), to terminate the Plan or to amend or eliminate contributions. Current participation in the Plan does not vest in any participant any rights to any particular benefit coverage in the future. In the event of termination or amendment or elimination of benefits, the rights and obligations of participants prior to the date of such event shall remain in effect, and changes shall be prospective, except to the extent that the University or applicable law provides otherwise. Upon termination of the Plan, all participants who are employed by the University shall be 100% vested in any retirement benefits accrued prior to the termination date.

### **Source of Benefit Payments**

All Plan assets are held in trust by the Plan Trustee and are invested in individual investments selected by the *University*. All benefit payments are made directly from the trust. Participants or their beneficiaries may seek payment only from the trust and not directly from the University.

### **Funding Standards**

The Internal Revenue Code and ERISA sets minimum funding rules to provide that sufficient money is available to pay promised benefits to you when you retire. In an effort to ensure that plans like the Plan have enough money to pay benefits when due, the funding rules establish the minimum amounts that the University must contribute.

The funding rules take into account probable investment gains and losses and assumptions about factors such as future interest rates and potential workforce changes are considered. The funding rules also protect you from funding methods that could prove inadequate to pay promised benefits when they are due.

Any employer who fails to comply with the minimum funding requirements is charged an excise tax on the amount of the accumulated funding deficiency unless the employer receives a waiver of the minimum funding requirements. This tax is imposed whether the underfunding was accidental or intentional. Certain actions can also be taken by the Department of Labor and the PBGC to enforce the minimum funding standards.

## **Effect on Employment**

Participation in the Plan does not guarantee your continued employment with the University. If you terminate your employment or if you are discharged, the Plan does not give you any right to any benefit or interest in the funds in the Plan except as specifically provided in the Plan document. No rights accrue to any employee, dependent, or beneficiary by any statement in or omission from this Summary Plan Description, or by the operation of the Plan.

## **SECTION XII**

### **YOUR ERISA RIGHTS**

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You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that you shall be entitled to:

#### **Receive Information About Your Plan and Benefits**

Examine, without charge, at the Benefits Office and at other specified locations, such as worksites, all documents governing the Plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Benefits Office, copies of documents governing the operation of the Plan, including collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Benefits Office may make a reasonable charge for the copies.

Receive a notice of the Plan's funding status. The Plan Administrator is generally required by law to furnish each participant with a copy of this notice no later than 120 days after the close of each plan year.

Receive a benefit statement once every three years upon becoming a Vested Participant or a notice at least annually of the availability of a benefit statement and the manner in which you can obtain at least annually. The Plan Administrator is also required to furnish a benefit statement to you upon written request, limited to one request during any 12-month period. The Benefits Office must provide the statement free of charge.

#### **Prudent Action by Plan Fiduciaries**

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

#### **Enforce Your Rights**

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or

Federal court. In addition, if you disagree with the Plan Administrator's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## **Assistance with Your Questions**

If you have any questions about the Plan, 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, 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.

**SECTION XIII**  
**PLAN REFERENCES**

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<b>Plan Sponsor</b>	<p>Yale University          221 Whitney Avenue          New Haven, CT 06511          Phone: 203-432-5550          Fax: 203-432-5153          Email: <a href="mailto:employee.services@yale.edu">employee.services@yale.edu</a></p> <p>Employer Identification Number: 06-0646973</p>
<b>Plan Name and Plan Number</b>	<p>Yale University Retirement Plan for Staff          Employees Plan Number: 002</p> <p>When requesting additional information about the Plan from the Department of Labor, refer to the plan number.</p>
<b>Plan Administrator</b>	<p>Vice President of Human Resources and Administration          221 Whitney Avenue          New Haven, CT 06511          Phone: 203-432-5550          Fax: 203-432-5153</p>
<b>Plan Trustee</b>	<p>Northern Trust          50 S. La Salle Street B-8          Chicago, IL 60603</p>
<b>Agent for Service of Legal Process</b>	<p>Yale University          Attn: General Counsel          2 Whitney Avenue          P.O. Box 208255          New Haven, CT 06520-8255          203-432-4949</p> <p>Legal process may also be served on the Trustee if applicable.</p>
<b>Plan Year</b>	<p>July 1 through June 30</p>