

# Defined Benefit Retirement Plan

Summary Plan Description

**This booklet is not the Plan document, but only a summary of its main provisions and not every limitation or detail of the Plan is included. Every attempt has been made to provide concise and accurate information. However, if there is a discrepancy between this booklet and the official Plan document, the Plan document shall control.**

**This booklet is part of the summary plan description required by the federal pension laws. The other part is the Dartmouth College Employee Benefit Plan Claims and Appeal Procedures booklet, a copy of which is distributed to participants.**

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# Overview

The Defined Benefit Retirement Plan for Dartmouth College Staff is designed to provide you with a monthly benefit when you retire after your career at Dartmouth College. Dartmouth pays the full cost of the Plan. The Plan has the following key features which are explained in greater detail in this booklet:

- Your Plan benefit will be based on your earnings at Dartmouth.
- If you have completed at least 3 years of service when you leave Dartmouth, you are vested and will receive a monthly Plan benefit starting at age 65, or you may elect to receive a reduced benefit at an earlier age.
- If you become disabled and cannot work, you will continue to earn a retirement benefit under this Plan. Alternatively, if you have at least 15 years of service, you can receive a monthly benefit from this Plan while you are disabled regardless of your age.
- If you die before retirement, but after completing at least 3 years of service, your spouse or designated beneficiary will receive a Plan benefit.
- You can generally receive your Plan benefit in one of the following forms:
  - As an annuity (monthly payments) during retirement for your lifetime.
  - As an annuity for your lifetime which also provides monthly payments after your death for your beneficiary.
  - In a one time lump sum payment.

This summary describes the Plan in effect as of January 1, 2006.

Please read this booklet carefully and share it with your family. Your spouse, family member or other designated beneficiary may be eligible for a Plan benefit in case of your death. If you need additional information about any part of the Plan, or if you have a question about how the Plan applies to you, please contact the Benefits Office (603-646-3588).

## Participation

As you go through this summary, keep in mind which category of participant you fall into:

- Certain employees are *Active Participants*. These are employees who are continuing to earn additional benefits under the Plan in accordance with its terms. You are an Active Participant if you are in any of the following groups:
  - You were classified as a service employee participant in the Plan on December 31, 2005 and are a member of Local 560 of the Service Employees' International Union and you chose to continue your participation in this Plan when given an opportunity to transfer to Dartmouth's Defined Contribution Retirement Plan. (Note: If you failed to return an election form, your participation in this Plan continued.)
  - You were a participant in the Plan on December 31, 1997, and you chose to continue your participation in this Plan when given an opportunity to transfer to Dartmouth's Defined Contribution Retirement Plan. (Note: If you failed to return an election form, your participation in this Plan continued.)
  - You were a participant in the Plan when your employment classification was changed by Dartmouth from non-exempt to exempt and your participation in this Plan continued notwithstanding your opportunity to transfer to the Defined Contribution Retirement Plan. Such an opportunity to continue participating in this Plan or to transfer to the Defined Contribution Retirement Plan applied only to employees whose employment classification change occurred after July 1, 2001.

If you are an Active Participant in one of the three groups listed above, you will continue to participate in this Plan as long as you are an eligible employee and continuously employed by Dartmouth.

- Some employees or former employees are *Inactive Participants*. They participated in this Plan for a period of time and their active participation then ceased. These employees may have a vested benefit under this Plan, calculated under the Plan's benefit formula as of the time their active participation ceased. These vested benefit amounts will be payable in accordance with the terms of the Plan. You are an *Inactive Participant* if you fall in any of the following groups:
  - You were a participant in this Plan on December 31, 1997, and you elected to transfer to Dartmouth's Defined Contribution Retirement Plan effective as of January 1, 1998. You continue to have your December 31, 1997 vested benefit under this Plan, which will be paid to you at retirement (or earlier if eligible).

- You were a participant in this Plan on December 31, 2005, and you elected to transfer to Dartmouth's Defined Contribution Retirement Plan effective as of January 1, 2006. You continue to have your December 31, 2005 vested benefits under this Plan, which will be paid to you at retirement (or earlier if eligible).
- You elected to continue to participate in this Plan in 1997, but your employment classification subsequently was changed by Dartmouth from non-exempt to exempt. Such employees were offered an opportunity to transfer participation to Dartmouth's Defined Contribution Retirement Plan. If your participation was transferred, you became an Inactive Participant in this Plan as of the effective date of your participation in the Defined Contribution Retirement Plan. You continue to have your vested benefit under this Plan as of the transfer date, which will be paid to you at retirement (or earlier if eligible).
- You are no longer employed by Dartmouth but continue to have a vested benefit in the Plan.

If you are not sure which type of participant you are, call the Benefits Office at 603-646-3588 or email them at [Human.Resources.Benefits@Dartmouth.edu](mailto:Human.Resources.Benefits@Dartmouth.edu).

## Eligibility

**Eligible Employees.** You are eligible to participate in this Retirement Plan if:

- you are an Active Participant in the Plan because your participation in this Plan continued during the 1997 election period and/or in connection with your reclassification from non-exempt to exempt.
- you are an active Participant in the Plan because your participation in this Plan continued during the 2005 election period.

**Participation Ends.** It is important to note that your active participation in the Plan will end when:

- you are no longer scheduled to work at least half of the hours of a full-time equivalent (FTE) position; or
- you are no longer employed by Dartmouth.

If you were an Active Participant in this Plan at one point and then (either in 1997 or 2005, or in connection with the reclassification of your position from non-exempt to exempt) your participation was transferred to the Defined Contribution Retirement Plan, you will continue to be credited with the benefit you earned while you were an Active Participant in this Plan. You will also continue to earn additional service to become vested in that benefit; however, you are not considered an Active Participant and you do not earn additional benefits under the Plan.

## Service

Your length of service at Dartmouth is used to determine if and when you become eligible for a Plan benefit. Your service generally includes any periods of employment by Dartmouth. It also includes:

- Any period during which you are totally and permanently disabled (as defined in the Plan), provided you were an Active Participant in this Plan at the onset of your disability (unless you are receiving benefits from this Plan).
- Any period of authorized leave of absence, provided you return to active work at Dartmouth at the end of the leave, and any period of leave for required service in the U.S. Armed Forces, provided you return to active work at Dartmouth while you have re-employment rights under the veterans' re-employment law. If you do not return from a leave, only the first year of absence counts in your service.
- The period following a termination of employment at Dartmouth, provided you return to work at Dartmouth within 12 months.

Note: Service before 1985 and breaks in service which began before July 1, 1976, are governed under the Plan provisions in effect at that time.

If you transferred to the Defined Contribution Retirement Plan, your service will continue to be credited for purposes of vesting under this Plan, but you will no longer earn additional benefits from this Plan.

## Re-employment at the College

**Active Participants.** If you remained an Active Participant in this Plan, and you terminate employment with Dartmouth and then return to work within one year after termination, you will participate in this Plan again only if the following conditions are met:

- you are reemployed by Dartmouth as a non-exempt employee or SEIU Member with an appointment of 50% or more of full-time hours following a termination due to disability or layoff, and
- you submit a written request to resume participation in this Plan within 60 days of your re-employment.

If the above conditions are not met, upon re-employment you will instead participate in the Defined Contribution Retirement Plan, provided you are then eligible (see the summary plan description for the Defined Contribution Retirement Plan for eligibility information about that plan).

**Reinstatement of Prior Service.** If you return to work and rejoin this Plan as described above, your prior service will be reinstated for purposes of determining the amount of your benefit. Prior service for vesting purposes will be restored even if you do not rejoin this Plan.

**Reinstatement After Payments Start.** If you return to work in a benefits eligible position or status after you've begun receiving Plan benefits, your monthly payments will be suspended while you are working. If you are over age 65, monthly benefit payments will be suspended only in a month during which you work 40 or more hours. When you retire, your monthly benefit from this Plan will be adjusted by the actuary to reflect your additional years of participation and any lump sum payment or monthly payments you received.

# How Your Benefit is Calculated

If you begin receiving your Plan benefit at your normal retirement date (the first day of the month on or after you attain age 65), it will be calculated based on your years of active participation using the following three steps. (Depending on when your active participation in this Plan ended, some steps or parts of a step may not apply to you.)

**STEP ONE.** Calculate your annual benefit earned through 1999. This is the sum of (a)(i) or (a)(ii) (whichever is greater) plus (b) plus (c) plus (d):

- (a)(i) \$ \_\_\_\_\_ (1.2% of your average pay for 1986, 1987 and 1988 multiplied by your number of years of active participation in the Plan up to 12/31/88), **OR**
- a)(ii) \$ \_\_\_\_\_ (125% of your accrued benefit as of 12/31/1988)
- + (b) \$ \_\_\_\_\_ (2.5% of your pay for 1989)
- + (c) \$ \_\_\_\_\_ (2.0% of your pay for each year after 1989 and before 1998)
- + (d) \$ \_\_\_\_\_ (2.5% of your pay for 1998 and for 1999)\*
- = \$ \_\_\_\_\_ Your annual benefit earned through 1999

**STEP TWO.** Calculate the January 1, 2000 increase (awarded by Dartmouth's Board of Trustees). This increase applied only to employees who were active participants in this Plan on both January 1, 2000 and July 1, 2000.\*

- (a) \$ \_\_\_\_\_ (1.5% of your average pay for 1997, 1998 and 1999 multiplied by your number of years of employment by Dartmouth before January 1, 2000, up to a maximum of 30 years)
- (b)(1) \$ \_\_\_\_\_ (the amount of your annual benefit earned through 1999 from STEP ONE-this amount applies to you if you had fewer than 20 years of service with Dartmouth on January 1, 2000), **OR**
- (b)(2) \$ \_\_\_\_\_ (105% of your annual benefit earned through 1999 from STEP ONE-this amount applies to you if you had at least 20 but less than 25 years of service with Dartmouth on January 1, 2000), **OR**
- (b)(3) \$ \_\_\_\_\_ (110% of your annual benefit earned through 1999 from STEP ONE-this amount applies to you if you had at least 25 years of service with Dartmouth on January 1, 2000)
- \$ \_\_\_\_\_ The *greater* of (a) or (b)(1), (b)(2) or (b)(3) (whichever applies to you). This is your annual benefit as of January 1, 2000 with the increase.

**STEP THREE.** Calculate your annual benefit earned after January 1, 2000.

- (a) \$ \_\_\_\_\_ (your January 1, 2000 annual benefit from STEP TWO)
- + (b) \$ \_\_\_\_\_ (2.5% of your pay for each year starting with 2000)\*
- = \$ \_\_\_\_\_ Total Annual Benefit (Paid as a Life Annuity starting at Normal Retirement)

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\* Note: These parts of the benefit formula will apply to you only if you continued to be an Active Participant after 12/31/97. This would include eligible Local 560, SEIU members and other eligible employees who decided to stay Active Participants in this Plan and not to transfer participation to the Defined Contribution Retirement Plan.

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For purposes of determining your Plan benefit, "pay" means your total pay from Dartmouth, including overtime, vacation and sick/personal leave, and any salary reduction contributions you make to the Supplemental Retirement Annuity or any other Dartmouth benefit plan (such as Dartflex). It does not include severance pay or any payments from a benefit plan.

Your average pay for 1986, 1987 and 1988 is your "pay" (as defined above) from Dartmouth during those three years divided by three. Your number of years of Plan participation up to December 31, 1988, is measured in completed years; any additional months of participation each count as 1/12 of a year. Regardless of your average pay and years of participation, your benefit for Plan participation before 1989 will not be less than the benefit you had earned under the Plan provisions in effect as of December 31, 1988, increased by 25%.

For purposes of the January 1, 2000 increase, your average pay for 1997, 1998 and 1999 is your "pay" (as defined above) from Dartmouth during those three years divided by three.

Please note that, in general, only service completed while you are an Active Participant in this Plan is included when determining your Plan benefit. If you are an Active Participant for part of a year, only the pay received while you are an Active Participant counts in the benefit formula. However, as an exception to the general rule, in applying the January 1, 2000 increase (part (a) of STEP TWO), use all years of Dartmouth employment from your date of hire, including any such employment before you actually joined the Plan, up to a maximum of 30 years.

Finally, if you were an Active Participant in this Plan and your participation was transferred to the Defined Contribution Retirement Plan, either effective as of January 1, 1998 or in connection with the reclassification of your position from non-exempt to exempt, you will continue to have your vested benefit under this Plan - which will be paid to you at your normal retirement date (or earlier if eligible). If you begin receiving your Plan benefit at your normal retirement date, it will be calculated using the above formula, but based solely on your years of active participation in **this** Plan. Employees who transferred from this Plan to the Defined Contribution Retirement Plan effective January 1, 1998 and who are still active Dartmouth employees on July 1, 2000 will have a recalculated annual benefit if this is greater than the amount

determined under the applicable parts of STEP ONE of the benefit formula. The recalculated annual benefit (paid as a Life Annuity at Normal Retirement) is 1.5% of average pay for 1995, 1996 and 1997 multiplied by your years of employment by Dartmouth before January 1, 1998 (up to a maximum of 30 years).

In addition, such transferred employees will continue to earn credit for vesting, if not already fully vested, at the time of transfer to the Defined Contribution Retirement Plan.

## Example of Benefit Calculations

The example below shows how a retirement benefit would be calculated using the Plan's benefit formula described above. The benefit calculated using the benefit formula is the annual amount payable in monthly installments as a single life annuity beginning at your normal retirement date. If you elect a payment method which also provides a survivor benefit, the benefit paid during your lifetime will be reduced (see page 19). Similarly, if you elect payments starting before your normal retirement date, the amount will be reduced (see page 13).

### Normal Retirement Example

<b>Plan Participation:</b>	January 1, 1970 to December 31, 2003	
<b>Pay Record:</b>	1986: \$19,200	1995: \$30,400
	1987: \$20,500	1996: \$31,600
	1988: \$21,800	1997: \$32,800
	1989: \$23,000	1998: \$33,900
	1990: \$24,300	1999: \$35,100
	1991: \$25,600	2000: \$36,400
	1992: \$26,800	2001: \$37,700
	1993: \$28,100	2002: \$38,900
	1994: \$29,200	2003: \$40,000

### **Benefit Calculation:**

#### **STEP ONE: Annual benefit earned through 1999**

Pre-1989 benefit:	$\$20,500 \times 1.2\% \times 19 \text{ years}$	\$ 4,674.00
1989:	$\$23,000 \times 2.5\%$	\$ 575.00
1990:	$\$24,300 \times 2\%$	\$ 486.00
1991:	$\$25,600 \times 2\%$	\$ 512.00
1992:	$\$26,800 \times 2\%$	\$ 536.00
1993:	$\$28,100 \times 2\%$	\$ 562.00
1994:	$\$29,200 \times 2\%$	\$ 584.00
1995:	$\$30,400 \times 2\%$	\$ 608.00
1996:	$\$31,600 \times 2\%$	\$ 632.00
1997:	$\$32,800 \times 2\%$	\$ 656.00
1998:	$\$33,900 \times 2.5\%$	\$ 847.50
1999:	$\$35,100 \times 2.5\%$	\$ 877.50
	<b>Annual benefit earned through 1999</b>	<b>\$11,550.00</b>

**STEP TWO: January 1, 2000 Increase (Greater of (a) or (b)(3))**

- (a) 1.5% of average pay for 1997, 1998 and 1999 multiplied by years of Dartmouth employment as of January 1, 2000 (up to a maximum of 30 years):

$\$33,933.33 \times 1.5\% \quad \times 30 \text{ years} \quad \$15,270.00$

- (b)(3) 110% of benefit earned through 1999 (110% applies to this employee who has more than 25 years of service; (b)(1) and (b)(2) are not applicable to this employee):

$\$11,550 \times 110\% \quad \$12,705.00$

**Annual benefit earned at  
January 1, 2000 (after increase) \$15,270.00**

**STEP THREE: Annual Benefits earned after January 1, 2000**

January 1, 2000 benefit		\$15,270.00
2000	$\$36,400 \times 2.5\%$	\$ 910.00
2001	$\$37,700 \times 2.5\%$	\$ 942.50
2002	$\$38,900 \times 2.5\%$	\$ 972.50
2003	$\$40,000 \times 2.5\%$	\$ 1,000.00

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**Total Plan Benefit (paid as  
A Life Annuity starting at  
Normal Retirement Age) \$19,095.00 per year  
\$ 1,591.25 per month**

**NOTE:** SEIU Members annual benefit accrual is 3% effective January 1, 2006.

**Normal Retirement**

You are eligible for normal retirement benefits if you are age 65 when you leave employment with Dartmouth. You are fully vested in your benefit under this Plan if you retire from Dartmouth at or after age 65 even though you may have fewer than three years of service.

**Early Retirement**

You are eligible for early retirement benefits if you are at least 55 years old and have completed at least 10 years of service when you leave Dartmouth. Your benefit as calculated under the benefit formula on page 9 is the amount payable beginning on your normal retirement date at age 65. If you elect to begin payments before that, your monthly benefit is reduced 1/15 per year for each of the first five years, and 1/30 per year for each of the next five years that benefits begin before age 65. This

reduction is made because you will be receiving the value of the benefit over a longer period of time. The following table shows the percentage reduction factors:

Age When Benefit Payments Start	Early Retirement Reduction
65	None
64	6.67%
63	13.33%
62	20%
61	26.67%
60	33.33%
59	36.67%
58	40%
57	43.33%
56	46.67%
55	50%

For example, suppose you leave Dartmouth after 20 years of service and you have accrued a \$1,000 monthly Plan benefit payable as a life annuity beginning at age 65. If you wish to begin payment at age 58, your monthly life annuity benefit would be reduced by 40% to \$600 a month.

## Late Retirement

If you are an Active Participant and you work at Dartmouth past age 65, you will continue to participate in this Plan as long as you are an eligible employee. Your retirement benefit will be calculated in the same way as a normal retirement benefit, including the benefit you earn for each year of participation after age 65. As long as you have made timely application, benefit payments will begin the first day of the month after you actually retire (leave the employ of Dartmouth).

## If You Become Disabled

If you are an Active Participant in the Plan and you become disabled, there are two possibilities. First, you can continue to participate in this Plan and to earn additional retirement benefits. Alternatively, you can receive a disability benefit from the Plan if you qualify. These are described below. These Plan provisions apply only if you are “disabled,” as defined in the Plan. The disability definitions differ slightly for continued participation in the Plan versus receiving a disability benefit.

**Continued Participation in the Plan.** If you are an Active Participant in this Plan and become disabled, your participation will continue while you are receiving benefits from Dartmouth’s long-term disability plan (or would receive such benefits except for offsets against your long-term disability benefit under that plan) as well as during the waiting period before such benefits begin. During this period, you will earn a Plan benefit as if your pay rate at the time your disability began had continued until the earliest of the following dates:

- the last day of the month in which you are no longer disabled under Dartmouth’s long-term disability plan;
- the last day of the month of your final payment from Dartmouth’s long-term disability plan (generally age 65; however, the date may be later depending on when your disability began); or
- your date of death.

When your continued participation in this Plan ends under this special disability service provision, you can generally begin receiving your benefit under any form of payment available to other participants. Payments begin at normal retirement (age 65). If you are under age 65, but at least age 55 with at least 3 years of service (including the period you were disabled and earning additional Plan benefits), you can elect to begin receiving your monthly benefit on the first of any month after you reach age 55. Your benefit will then be reduced for early payment (see page 13 - Early Retirement), unless you are eligible for the special benefit described next). However, you cannot receive a benefit from this Plan while you are receiving benefits from Dartmouth’s long term disability plan unless you elect to waive those disability benefits.

**Receive a Disability Benefit from the Plan.** Instead of continuing your participation in the Plan and earning additional benefits, you may elect to begin receiving a monthly benefit from the Plan regardless of your age, as long as you satisfy all of the following requirements:

- you have at least 15 years of service (including any period of your continued participation described above),
- you have been disabled for at least six months and are expected to remain disabled indefinitely, and
- you are entitled to Social Security disability benefits.

If you qualify for and elect to receive this alternate benefit, you will receive a monthly disability retirement benefit equal to your benefit under the Plan's formula for all years of active participation (including any active participation while disabled as described above). Your benefit will begin on the first day of the month after you have met all of the requirements. No reduction will be made for early payment (before age 65) and you can elect a form of payment under the same provisions that apply to other participants. Your benefit will continue for your lifetime unless you cease to be disabled before age 65. If your disability ends before age 65, you will be treated as any other participant who is not disabled. This means you can start receiving benefit payments from the Plan at your normal retirement date on an unreduced basis or, if you qualify, on or after age 55 with a reduction for early payment.

Another disability retirement benefit is available if you have been disabled under the Dartmouth long-term disability plan but not for Social Security disability purposes (i.e., unable to perform your normal duties at Dartmouth) for at least six months, and are expected to remain disabled indefinitely. You must be at least age 55 to collect your benefits, but there is no minimum service requirement as with regular early retirement. If you start receiving benefit payments before your normal retirement date, there will be a reduction for early payment as described in the Early Retirement section on page 13.

Under either of these disability retirement alternatives, you must decide whether to elect to receive payments from the Plan or to continue your active participation in the Plan while you are disabled in order to earn a larger benefit that will be payable when you reach retirement age. Remember, you cannot collect disability benefits from Dartmouth's long-term disability plan and disability benefit payments from this Plan at the same time.

If you think you qualify for one of these alternative disability retirement benefits, consult the Benefits Office for assistance and additional information (telephone: 603-646-3588 email: [Human.Resources.Benefits@Dartmouth.edu](mailto:Human.Resources.Benefits@Dartmouth.edu)) to help you make this important decision. Remember, like other benefit elections you make, your election is irrevocable and cannot be changed.

**Periodic Examinations to Confirm Disability Status.** To qualify for any of the disability provisions of this Plan, you may be required to have a periodic examination by a physician or specialist selected and paid for by Dartmouth. If you are no longer considered disabled (including your failure or refusal to submit to a periodic examination), your eligibility for the disability benefits described in this section will end. If you do not return to work at Dartmouth, your eligibility for Plan benefits will be determined as if you had terminated employment when your disability ended.

## **If You Leave Before Retirement**

If you leave employment with Dartmouth before you are eligible for retirement, you will be entitled to a Plan benefit if you have completed at least three years of service. Your benefit payable at your normal retirement date (age 65) will be calculated under the benefit formula in the same way as a normal retirement benefit, based on your years of active participation as of your termination date.

If the value of your vested benefit payable as a lump sum is \$5,000 or less when you leave Dartmouth, you will automatically receive your benefit in a lump sum. You will have the choice of rolling over your lump sum into an IRA or other eligible retirement plan.

If the lump sum value of your vested accrued benefit is more than \$5,000, you may elect to receive your Plan benefit immediately. If you are married, your benefit will be paid as a joint and surviving spouse annuity; if you are unmarried, as a life annuity. Or, you can waive the annuity (with spousal consent if married) and elect a lump sum payment or a life annuity for your lifetime only. A lump sum is the calculated present value of your benefit at age 65 using your age and the applicable interest rate in effect on the date of distribution to you.

# Applying For Plan Benefits And How Benefits Are Paid

When you retire, you may choose to receive your retirement benefits under any one of several different payment methods. If you are single, you may choose any of the options noted below. If you are married and wish to choose a payment method other than the joint and surviving spouse annuity, Federal law requires that you obtain your spouse's written consent, witnessed by a Plan representative or a Notary Public. The Plan offers the following payment methods:

- Single Life Annuity
- Joint and Surviving Spouse Annuity
- Contingent Annuity
- 10-Year Certain and Continuous Annuity
- Lump Sum Payment

If you are considering retirement (or your employment terminated before retirement age and you are considering collecting your benefit now), you should contact the Benefits Office to obtain information that will help you make your decision. To have enough time to make your decision, you should call, write or email the Benefits Office 3 to 4 months before the date that you might want your benefits to start.

The Benefits Office will provide you with information on the payment methods, an estimate of your benefit amounts under the Plan's different payment methods, and information about spousal consent and income tax and withholding requirements. Your election to start your Plan benefits cannot be made more than 90 days before the date you want your benefits to begin. You may also revoke an election during this same period. However, on and after your "annuity starting date" (the date monthly benefits are scheduled to begin), you cannot change your election.

It is important to note that in some instances, your first payment under the Plan may occur after your annuity starting date. Dartmouth calculates your retirement benefit after you receive your final paycheck. Plan payment(s) of your retirement benefits, however, will date back to your annuity starting date. You must take at least 30 days to make your decision after you receive the information from the Benefits Office.

## Payment Options:

**Single Life Annuity.** This payment method provides you with a monthly payment during your retirement and all payments end with the monthly payment immediately before your death. Although this form of payment provides the largest dollar amount of monthly benefit to you during your lifetime, it is important to consider the other options under the Plan because the life annuity does not financially protect any survivors.

**Joint and Surviving Spouse Annuity.** This payment method provides you with a monthly benefit amount paid during your lifetime; the monthly amount is reduced from the single life annuity to provide a lifetime benefit for your spouse. Upon your death, your surviving spouse (to whom you were married on your annuity starting date) will receive a monthly benefit which is either 50%, 66 2/3%, 75%, or 100% of the monthly benefit you were receiving, as you choose. If your spouse dies first, you will continue to receive the reduced amount for the rest of your life. If you are married and fail to elect a form of benefit or a particular amount to be continued to your spouse, you will receive the 50% joint and surviving spouse annuity.

**Contingent Annuity.** Under a contingent annuity, the monthly benefit amount paid during your lifetime is reduced to provide a lifetime benefit for your non-spouse beneficiary after your death. If your beneficiary dies first, you will continue to receive the reduced amount for the rest of your life. You may not designate a replacement beneficiary. The amount by which your monthly payment is reduced to provide this death benefit depends on the percentage you choose to have continued (50%, 66 2/3%, 75%, or 100%), your age when payments begin, and the difference in age between you and your contingent annuitant.

**10-Year Certain and Continuous Annuity.** Under this payment method, you receive a reduced monthly benefit during your lifetime, but if you die before receiving payments for 10 years, the monthly benefits are paid to your beneficiary for the remainder of the 10-year period. If your beneficiary dies before you, you may name another beneficiary.

**Lump Sum Payment.** Under this payment method, you will receive a one time lump sum payment of the present value of your normal retirement benefit. The amount of the payment is calculated by the Plan's actuaries using assumptions specified in the Plan. Once your benefit is paid, there are no further payments from the Plan. (See page 19 - Taxation of Plan Benefits, for other considerations regarding the one time lump sum payment.)

### Example of Payment Methods

Jane, who is retiring at age 65, has earned a monthly Plan benefit of \$1,024 under the Plan's benefit formula based on her pay and years of active participation in the Plan. The amounts that would be paid to Jane and her husband, who is also age 65, under each payment option are shown below.

### Monthly payment to Monthly payment to

<u>Payment Method</u>	<u>Jane during her lifetime:</u>	<u>Spouse after Jane's death:</u>
Single life annuity	\$1,024.00	None
Surviving Spouse Annuities		
• 50%	\$978.94	\$489.47
• 66 2/3%	\$964.61	\$643.07
• 75%	\$957.44	\$718.08
• 100%	\$937.98	\$937.98
10-year certain and continuous annuity	\$995.33	\$995.33 for balance, if any, of 10 years

### Taxation of Plan Benefits

The income tax and withholding rules which apply to your Plan benefit payments depend upon the form of payment you receive.

**Annuity Payments.** If you receive an annuity form of payment, you are taxed on the payments as ordinary income in the year you receive them. You can submit a withholding certificate indicating your filing status and number of withholding exemptions to determine the amount of Federal and state (if applicable) tax which is withheld.

**Lump Sum Payment.** If you elect a lump sum form of payment, you may directly roll over the lump sum amount to an IRA or an eligible retirement plan of another employer. A direct rollover will avoid current Federal and usually state (if applicable) income taxation.

Amounts paid to you directly are subject to a mandatory 20% Federal income tax withholding. Depending on your state of residence at the time of payment, there may also be state income tax withholding.

If you are under age 55, there may be a 10% additional Federal income tax penalty imposed on your payment.

**Important:** You should consult a qualified tax advisor for more information concerning your particular situation before making your decision about when and how your benefits will be paid.

### Limitations of the Plan

Under certain circumstances, your Plan benefits may be denied or reduced. For instance:

- If you stop working for Dartmouth for any reason before age 65 and before you have completed three years of service, you will not be entitled to a benefit from this Plan (unless you are covered under the Plan's disability provisions).

- If you do not apply for benefits, benefits could be delayed or lost completely.
- If you fail to provide information requested by Dartmouth or the Plan Administrator, benefits could be delayed.
- If required by a qualified domestic relations order, your benefits may be assigned to meet payments for child support, alimony or marital property rights. Otherwise, your benefits generally may not be assigned away or attached by your creditors.

A “qualified domestic relations order” is an order of a court assigning some or all of your Plan benefits to your spouse, former spouse or child in connection with divorce or other domestic relations proceedings. If the Plan Administrator determines that the order is a qualified domestic relations order, the Plan Administrator will notify all affected parties and will assign your benefits as required by the order. In addition, if required by the order, the Plan will treat your former spouse as a spouse for purposes of receiving the qualified pre-retirement survivor annuity (see page 21) in the event of your death. Participants and their beneficiaries may obtain a copy of the Plan’s Qualified Domestic Relations Procedures, without charge, from the Benefits Office.

As indicated in the previous section, you can choose a form of payment that will provide a death benefit if you die after your Plan benefit payments begin. If you die before your Plan benefit payments begin, your spouse or designated beneficiary may be eligible for a “pre-retirement” death benefit, as described in this section.

## Pre-Retirement Death Benefit

If your Plan benefit is vested and you die while employed by Dartmouth, or if you leave Dartmouth (on or after January 1, 1998) with a vested accrued benefit, but before your benefit payments start, your spouse or designated beneficiary will be eligible for a death benefit under the Plan. The pre-retirement death benefit (only payable if Plan benefits have yet to begin) provides a benefit payable to your spouse or designated beneficiary equal to the actuarial value of your vested benefit as of your date of death. Your spouse or designated beneficiary may elect to receive a lump sum or a monthly annuity form of payment.

## Designation of a Beneficiary

The Plan allows you to designate in writing, on a form provided by the Benefits Office, a beneficiary to receive the death benefit in the event of your death. If you are not married, the death benefit will be paid to your designated beneficiary, or your estate in the event there is no designated beneficiary. If you are married, your surviving spouse is automatically the beneficiary to receive the death benefit (this is called a “qualified pre-retirement survivor annuity” and is required by Federal pension law). You may designate a beneficiary other than your spouse only if your spouse consents in writing to your beneficiary designation. Your spouse’s signature must be notarized or witnessed by a Plan representative. (If you are not yet age 35 when you designate a non-spousal beneficiary, this designation will expire at age 35 and you will have to execute another designation of a non-spousal beneficiary, again with your spouse’s notarized or witnessed signature; this is a tax law requirement.)

You may revoke your designation of a non-spousal beneficiary without anyone’s consent. However, any subsequent designation of a non-spousal beneficiary will again require your spouse’s consent. Your spouse’s consent to a beneficiary designation only applies to the specific beneficiary for which the consent was given.

In the event the designation of someone other than your spouse as beneficiary is invalid, your surviving spouse will be your beneficiary and will receive the value of your vested benefit in the form of a qualified pre-retirement survivor annuity, as required by law. Your spouse may elect to receive a lump sum payment instead of the qualified pre-retirement survivor annuity. In no event will the Plan pay more than the total value of your benefit under the Plan as of your date of death.

## **Payment of a Death Benefit**

Your spouse or designated beneficiary may receive the death benefit in the form of a single lump sum payment or in the form of an annuity. If a lump sum is elected, it will be paid as soon as administratively feasible after your death. In the event your spouse or designated beneficiary elects to receive the annuity form of death benefit, the annuity can commence at any time after your death, but no later than the date you would have attained age 65. The amount of the annuity will be determined based on the age of your spouse or designated beneficiary at the date the annuity is scheduled to begin. In the event the value of your death benefit is less than \$5,000 your spouse or designated beneficiary will receive a lump sum automatically.

This section contains information on how the Retirement Plan is administered and a statement of your legal rights as a Participant. This information, along with preceding summary of the Plan, is provided to meet the disclosure requirements of a federal law called the Employee Retirement Income Security Act of 1974 (ERISA).

**Claims and Appeals Procedures.** Benefits under this Plan will ordinarily be paid when due, as long as you file the necessary forms with the Benefits Office. However, if you believe that you are entitled to a right or benefit under the Plan that you are not receiving, you may file a formal claim with the Plan Administrator. If the Plan Administrator denies your claim, you have the right to appeal and have your claim reconsidered by the Claims Review Committee. The procedures for handling claims and appeals are set forth in the separate booklet entitled Dartmouth College Employee Benefit Plan Claims and Appeal Procedures.

**Plan Sponsor and Plan Administrator.** The sponsor of the Defined Benefit Retirement Plan for Dartmouth College Staff is:

Dartmouth College  
Office of Human Resources  
7 Lebanon Street, Suite 203  
Hanover, New Hampshire 03755  
(603) 646-3588  
[www.Dartmouth.edu/~hrs/](http://www.Dartmouth.edu/~hrs/)

Dartmouth is also the official “Plan Administrator” under ERISA, but the Director of Benefits, who may be contacted at (603) 646-3588 or the preceding address, has been designated to handle plan administration on a day-to-day basis. If you believe that legal action is necessary, the agent for service of legal process is the Director of Benefits.

As the designated Plan Administrator, the Director of Benefits has the authority and discretion to interpret and apply the terms of the Plan and to make all decisions under the Plan regarding eligibility, participation, vesting, benefits and other questions.

**Plan Identification.** The Defined Benefit Retirement Plan for Dartmouth College Staff is a defined benefit plan providing retirement, disability and survivor benefits under Internal Revenue Service rules; it is identified by the Dartmouth’s Employer Identification Number 02-0222111 and Plan Number 002. Plan records are kept on calendar year basis ending December 31. The Plan was formerly known as the Retirement Plan for Staff and Service Employees of Dartmouth College (prior to 1/1/1998).

**Plan Assets.** The Plan is funded solely by contributions by Dartmouth which are based on actuarial calculations using the life expectancy and service of all participants in the Plan and the benefits they are expected to receive. Contribution amounts for any particular Plan year are calculated by the Plan’s actuary in accordance with tax law rules. All

contributions are held in a trust fund which is set aside for the exclusive benefit of Plan participants and their beneficiaries. The Plan trustee is: Fleet Bank, 1155 Elm St., Manchester, NH 03101.

**Top Heavy Rules.** Under Federal law, an employee pension benefit plan is considered top heavy if 60% or more of all accrued benefits have been earned by certain highly paid employees. If the Retirement Plan becomes “top heavy,” special rules requiring minimum benefits may apply to some participants. The Retirement Plan is unlikely to become top heavy. However, if it does, you will be notified of any effect that this will have on your benefits.

**Future of the Plan: Termination or Amendment.** Dartmouth expects to continue the Plan, but reserves the right to change or end it any time. Dartmouth’s decision to change or end the Plan may be due to changes in law governing retirement benefits, the requirements of the Internal Revenue Code or any other reason. Amendment or termination of the Plan may be approved by Dartmouth’s Board of Trustees or the Executive Committee of the Board. In addition, amendments that do not substantially affect Dartmouth’s contributions or benefits accrued under the Plan may be approved by the President or by the Vice President and Treasurer (or another Dartmouth officer to whom either of them has delegated this authority).

If this Plan is terminated, you will have a vested right to your Plan benefit, to the extent funded, regardless of your length of service. The amount will depend on the Plan’s assets, the terms of the Plan and the benefit guarantee, if any, of the Pension Benefit Guaranty Corporation (PBGC).

Plan assets will be shared among Plan participants and beneficiaries according to ERISA in the following order:

- certain annuities that participants have been receiving or could have been receiving for three years prior to the Plan termination,
- other vested benefits guaranteed by the PBGC,
- other vested benefits, and any remaining Plan benefits.

If the Plan is fully funded, you will receive your full accrued benefit. Once your benefit has been determined, it may be paid in the form of one or more cash payments or an insurance company annuity contract which will pay you a monthly income.

The exact form of payment may be set by law; if there is a choice, the Plan Administrator will decide the type and timing of payment.

After all benefits have been paid and legal requirements have been met, the Plan will turn over any remaining Plan money to Dartmouth.

## Pension Benefit Guaranty Corporation (PBGC)

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

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

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked for Dartmouth long enough (for purposes of the PBGC guaranty, benefits that vest solely as a result of the Plan's termination are considered nonvested); (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay. (Not all of these benefits or coverages are provided under this Plan.)

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your Plan has and on how much the PBGC collects from the employer.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, DC 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

## ERISA Statement

As a participant in the Defined Benefit Retirement Plan for Dartmouth College Staff, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

**Receive Information About Your Plan and Benefits.** You may examine, without charge, at the Benefits Office, 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.

You may obtain, upon written request to the Plan Administrator, 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 Plan Administrator may make a reasonable charge for the copies.

You may receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

You may obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

**Prudent Actions by Plan Fiduciaries.** In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, 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 pension 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 which 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'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 your 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.



**HR** The Office of Human Resources  
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