



Massachusetts Institute of Technology

**Summary Plan Description
for the
Massachusetts Institute of Technology
Basic Retirement Plan**



October 2005



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Introduction

This *Summary Plan Description* summarizes the main features of the M.I.T. Basic Retirement Plan (the Plan). It does not explain all of the Plan's technical details or cover all aspects of the Plan or its administration, but it is intended to give you a good understanding of your benefits and rights under the Plan. Additional information about the Plan is available at <www.mit.edu/hr/benefits>.

The actual terms of the Plan are stated in the Plan document, the legal document governing your rights and benefits under the Plan. Copies of the Plan document are available without charge from the M.I.T. Benefits Office. If there are any conflicts between this *Summary Plan Description* and the Plan document, the Plan document will control.

If you have questions about how the Plan applies to you, contact the M.I.T. Benefits Office.

For Assistance or More Information

For assistance or more information, contact the M.I.T. Benefits Office:

On campus

77 Massachusetts Avenue
E19-215
Cambridge, MA 02139-4307
Telephone: 617-253-4272
TTY: 617-258-9344

At Lincoln Laboratory

244 Wood Street
S2-170
Lexington, MA 02420-9108
Telephone: 781-981-7072

Internet: <www.mit.edu/hr/benefits>

Email: benefits-www@mit.edu



The M.I.T. Basic Retirement Plan

The M.I.T. Basic Retirement Plan is a "defined benefit" pension plan, which generally provides a benefit payable as lifetime, monthly income at retirement.

Eligibility

Generally, you are eligible to participate and earn a benefit under the Plan if you (1) are scheduled to work at least 50% of the regular normal full-time work schedule in your department, laboratory, or center; (2) are appointed to work for M.I.T. for three consecutive months or more; and (3) are paid by M.I.T. as an employee.

The following are not eligible: visitors; students and coop students; fellows; summer employees; affiliates; trainees; teaching or research assistants; officers, enlisted personnel and civilian employees of the military assigned to the Institute; employees on the voucher payroll; employees categorized by M.I.T. as casual labor; and employees hired for a period of less than three consecutive months.

Union Members

Benefits under the Plan are subject to collective bargaining. If you are a union member, you may examine, without charge, at the M.I.T. Human Resources Office, a copy of your bargaining group's collective bargaining agreement. You also may contact your bargaining group for a copy of its collective bargaining agreement.

Participation/Earning Your Benefit

You become a participant in the Plan and begin earning your benefit on the first day you become eligible; for most employees, this is the first day of work. However, you are not vested in the Plan until you have worked for M.I.T. for five years (See Vesting).

Your enrollment in the Plan is automatic. As soon as you become a participant, you should complete a M.I.T. Basic Retirement Plan Beneficiary Designation form to ensure that your vested benefit is paid according to your wishes in the case of your death.

Funding of the Basic Plan

M.I.T. pays the full cost of the Plan. You may not contribute to this Plan. Contributions made by M.I.T. to the Plan are held in a trust fund maintained for the purpose of providing Plan benefits. These funds are invested under the direction of the Plan's Trustees.

Amount of Your Benefit

Your accrued benefit is determined in two ways, and you receive whichever benefit is greater:

The Career Pay Method

Under this method, your annual benefit at normal retirement date is 1.65% of the pay you receive while participating in the plan. This annual benefit assumes that the monthly benefit payments will start at your normal retirement date and will be paid to you monthly for as long as you live in the form of a single life annuity. If you elect to commence benefits earlier or elect a form of benefit other than a single life annuity, there will be a reduction in the benefit.

The Cash Balance Method

Under this method, a cash balance account is established for you under the Plan. Each month you are a participant, your account is credited with a cash amount equal to 5% of your pay. In addition, your account is credited with interest equal to the equivalent monthly market value rate of return of the "fixed fund" for the 12 consecutive month period ending on the June 30th of the prior calendar year. The "fixed fund" is a hypothetical investment portfolio based 75% on the Lehman Aggregate Bond Index and 25% on the Russell 3000 Index. This account is then converted to a monthly lifetime benefit in the form of a single life annuity.





When you elect to commence benefits, the benefit derived under this Cash Balance method will be compared to the Career Pay method and the basis of your benefit will be the greater of the two calculations.

When benefits commence, you elect the payment option (see Benefit Payment Options). If you elect to provide survivor benefits, your benefits will be reduced.

If you worked at M.I.T. prior to July 1, 1989, the following benefits are maintained under the Basic Plan:

- M.I.T. funded portions of benefits under the Retirement Plan for Employees (RPE)
- the Retirement Plan for Staff Members' (RPSM) Early Retirement Supplement
- the Retirement Plan for Staff Members' (RPSM) Qualified Spouse's Benefit

Once your accrued benefit has been determined, your actual benefit payments will depend on your age, when payments begin, and the form of payment you choose.

Cost-of-Living Adjustment after Commencement of Benefits

Starting the third July 1st after you attain age 65 (the adjustment date), your benefit payments may increase every three years to reflect a cost-of-living adjustment. The adjustment is 75% of the cumulative increase, if any, on the Consumer Price Index during the three year period ending on the March 31st immediately preceding the adjustment date, but not to exceed 10%.

Beginning July 1, 2004, this cost-of-living adjustment will apply to your benefit payments, if any, from the pre-1989/1990 Retirement Plan for Employees if you were an M.I.T. employee on June 30, 2003.

Normal Retirement Date

In general, your normal retirement date is the first day of the month coinciding with or next following your 65th birthday. However, if you were an M.I.T. employee between January 1, 1999 and December 31, 2003, your normal retirement date for all of your benefits earned prior to January 1, 2004 is the first of the month coinciding with or next following your 62nd birthday.

What Pay Counts

Your pay while you participate in the Plan is used to determine your benefit. This pay includes regular base pay or salary plus overtime, bonuses, shift differentials, summer session pay, and temporary rates; but does not include incentives, awards, site differentials, other payments for additional services or any other similar items. In addition, federal law limits the amount of pay in any calendar year that may be recognized for accumulating your benefit. This limit is \$210,000 in 2005 and will be \$220,000 in 2006.

Vesting

You are vested in your benefit (i.e., your benefit cannot be forfeited) after you are employed by M.I.T. for 5 years. Your employment also may include certain periods when you are not actually at work, such as jury duty, some military duty, illness, and approved leaves-of-absence. If, when your employment ends, you have 4 years and 8 months of service at M.I.T., it will satisfy your 5 year vesting requirement.

You become automatically vested if you are an M.I.T. employee participating in the Plan and you reach normal retirement date, become totally disabled, or die. In addition, if you accrued a benefit under the plan at any time on or after January 1, 1999 and before January 1, 2004, you become vested when you reach age 62 while an employee.



When Your Benefit is Paid

Your benefit payments may begin at any time after your employment at M.I.T. has ended or you reach age 65 and are scheduled to work 50% or less of the regular normal full-time work schedule in your department, laboratory or center. Furthermore, federal law requires that payments begin no later than:

- the April 1st following the year you attain age 70 ½; or if later
- the April 1st following the year you are no longer employed at M.I.T.

Benefit Payment Options

Your Plan benefit must be paid to you as a monthly lifetime income (an *annuity*), except:

If you have been an M.I.T. employee for 10 years or less; or; effective January 1, 2006, if your cash balance account is \$10,000 or less at the time you receive a distribution, your Plan benefit may be paid to you as either . . .

- a monthly lifetime income (an *annuity*); or
- a single lump sum in lieu of a monthly lifetime income.

If your benefit has a lump sum value of less than \$1,000 it will be paid to you in a single lump sum payment.

Monthly Lifetime Income Option (*Annuity Option*)

Under this form of payment, your benefit is paid monthly for as long as you live. This payment form is known as an annuity. You may choose to have payments continued after your death to your survivor(s).

Single Life Annuity

Payments are made to you for as long as you live. After your death, no payments are made to your survivors. Since no payments are made to your survivors, this option provides you with the largest monthly lifetime income.

If you are married when payments begin, your spouse's written consent is required for this form of payment.

Joint and Contingent Life Annuity

Reduced payments are made to you for as long as you live. Upon your death, an "elected percentage" of your reduced payments continues to a survivor you designate when payments begin. You decide the "elected percentage" to be continued to your designated survivor, which may be 50%, 66 2/3%, 75%, or 100% of your reduced payment. Your designated survivor's payments continue as long as the survivor lives. This designated survivor is known as your *joint annuitant*.

If you are married when payments begin and your spouse is not your joint annuitant, your spouse's written consent will be required for this form of payment.

Period Certain





To either a single life annuity or a joint and contingent life annuity, you may add the requirement that payments be made for a minimum number of years. This minimum payment period is known as a *period certain*. You may elect a period certain of 5, 10, 15, or 20 years, subject to limitations imposed by federal regulations.

This option will reduce the amount of your annuity payment.

If you are married when payments begin, your spouse's written consent is required for this form of payment.

Single Lump Sum Payment Option

A single lump sum payment is calculated using assumptions about current interest rates and life expectancy; therefore, results will change over time (they may increase or decrease).

You may direct the Plan to roll over your lump sum payment to an Individual Retirement Account or other retirement plan. Once rolled over, your money will be subject to the rules of the Individual Retirement Account or other retirement plan.

If you are married when payment is made, your spouse's written consent is required for this form of payment.

Requesting Benefit Payments

You must complete the appropriate forms to request payment of your benefits. Contact the M.I.T. Benefits Office for these forms. Generally, forms must be completed at least 45 days, but no more than 90 days, before payments begin.

Annuity payments are paid by direct deposit to your bank account. The Plan Administrator may require that certain single lump sum payments be paid by direct deposit.

Taxes and Your Benefit Payments

Tax rules are complex and contain many conditions and exceptions not included in this *Summary Plan Description*. The following is only a summary. Therefore, you should consult with a professional tax advisor before you take payment from the Plan.

Monthly Lifetime Income Option (*Annuity*)

The full amount of annuity payments is taxable as regular income upon receipt. You may decide to have income taxes withheld from your annuity payments.

Single Lump Sum Payment Option

The full amount of a lump sum payment will be taxable upon receipt. In addition, if you are under age 59½ when payment is made, you may be subject to an additional 10% penalty tax for early withdrawal, unless you are age 55 or older in the year you terminate employment from M.I.T. Federal law requires that 20% of the lump sum payment be automatically withheld to help pay the federal income taxes you may owe. State income taxes will also be withheld if you are a Massachusetts resident when the lump sum is paid.

To avoid the income tax withholding and defer income taxes and penalty taxes, you may direct the Plan to roll over your lump sum payment to an IRA or other retirement plan. Once rolled over, your money will be subject to the rules of the IRA or other retirement plan.



If You Are Rehired After Benefit Payments Begin

If--after benefit payments begin--you are rehired prior to age 65 and you are scheduled to work more than 50% of a regular full-time schedule, your benefit payments will be suspended until the earlier of age 65 or termination of your reemployment.

When suspended payments resume, you will receive the suspended benefit in the same form as was paid to you immediately prior to the suspension (and if the form of benefit had a period certain option, the period certain will be determined as if the benefit had not been suspended).

You will also receive the amount of benefit you earned on or after the date you were rehired.

In the Event of Your Death

If you die before you begin to receive benefit payments, the full value of your benefit will be payable to your beneficiary(ies). However, if you were receiving annuity payments prior to your death, survivor benefits depend on the annuity option you chose.

Federal law imposes certain deadlines for payment. Failure to meet such deadlines could result in severe tax consequences for your beneficiary(ies).

Your Beneficiary is Your Spouse

Your spouse may choose to receive payment in one of the following forms:

- single lump sum, generally due no later than the December 31st following the 5th anniversary of your date of death (this payment may be rolled over to an IRA);
- monthly lifetime income (single life annuity) whose payments generally must begin no later than the April 1st of the year following the year you would have attained age 70½.

Your Beneficiary is Not Your Spouse

Your beneficiary(ies) will receive payment as a single lump sum. Payment of this lump sum must be made by the December 31st following the 5th anniversary of date of death.

Death after benefit payments begin

If you received a single lump sum payment in lieu of monthly lifetime income prior to your death, no payments are due after your death.

In the Event You Become Disabled

If you become totally disabled and receive disability benefits from M.I.T.'s Long Term Disability Plan, you will continue to earn your Plan benefit for as long as you receive such disability payments, based on your rate of pay in effect immediately before you became totally disabled.

In the Event You Become Divorced

Under the terms of a *Qualified Domestic Relations Order*, the Plan may be required to transfer all or part of your benefit to your former spouse as part of a marital property settlement. In addition, a *Qualified Domestic Relations Order* may require that all or part of your benefit be used to satisfy your child support obligations.

Copies of the Plan's procedures and model documents pertaining to *Qualified Domestic Relations Orders* are available to you and to your (former) spouse or children from the Benefits Office.

You will be notified if the Plan receives a *Qualified Domestic Relations Order* that affects your benefit.



Sabbaticals and Leaves-of-Absence/Military Leave

While you are on sabbatical or paid leave-of-absence, you will earn additional benefits, as if you were actively at work. Newly earned benefits will reflect the actual pay you receive.

While you are on unpaid leave-of-absence (including unpaid leaves under the Family Medical Leave Act and military leave to which your rights under the Uniformed Services Employment and Reemployment Rights Act apply), you will not earn additional benefits.

If you return to M.I.T. from military service and meet the requirements of the Uniformed Services Employment and Reemployment Rights Act, you will earn benefits for the time you were on military leave and your leave will count for purposes of vesting.

Your Benefits Are Insured

Your benefits under the Plan are insured up to guaranteed limits by the Pension Benefit Guaranty Corporation ("PBGC"), an agency of the federal government.

If the Plan terminates (i.e., ends) without enough money to pay all the benefits, the PBGC will pay benefits. Most people will receive all of the pension benefits they would have received under the Plan, but some people may lose certain benefits. The PBGC guarantee generally covers vested normal retirement age benefits, early retirement benefits, and certain survivors' benefits. However, 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 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; and (4) certain early retirement payments.

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

For more information about the PBGC and the benefits it guarantees, contact the M.I.T. 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 (not a toll-free number). TTY 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 at <www.pbgc.gov>.

Your Benefits Are Protected From Creditors

With limited legal exceptions including the requirements of a *Qualified Domestic Relations Order*, your benefit may not be attached, garnished, or levied by creditors or courts. See *In Case You Become Divorced*, above, for more information about *Qualified Domestic Relations Orders*.

You, yourself, may not assign (i.e., give away) your benefit to another party. However, in retirement, you may authorize or cancel deductions from your benefit payments to pay premiums for certain M.I.T. benefit plans such as group life insurance and health insurance.

Administration of the Plan

The *Plan Administrator* is M.I.T. The Plan Administrator is assisted in carrying out its duties and responsibilities by the Administrative Committee.

Administrative Committee

On behalf of M.I.T., the Administrative Committee oversees the management and operation of the Plan except for the investment of Plan assets and the design and amendment of the Plan. The Committee determines eligibility for participation and for benefits, directs the Plan's Trustees to pay Plan benefits, prepares reports and statements for government agencies and for Plan





participants, and interprets the provisions of the Plan. Generally, the Administrative Committee's decisions will be final and binding.

Benefits Office

Acting under the direction of the Administrative Committee, the Benefits Office furnishes information to participants and beneficiaries and maintains certain records. The Benefits Office keeps you informed about the Plan and explains the choices to be made as you approach retirement.

Annual Report

The Plan operates on a calendar year basis. After the end of each Plan year, a copy of the Summary Annual Report of the Plan will be sent to you.

Future of the Plan

M.I.T. intends to maintain the Plan indefinitely, but it reserves the right to terminate the Plan or discontinue contributions at any time. M.I.T. also reserves the right to change the Plan at any time.

If the Plan is terminated, the benefits you have earned to the termination date will become fully vested. If assets exceed all liabilities under the Plan, any remaining assets may be returned to M.I.T., as permitted by federal law.

Your Rights

You enjoy certain rights and protections under the Plan. However, the Plan is not an employment contract and your participation in the Plan does not affect M.I.T.'s authority to terminate your employment.

If You Are Denied a Benefit

If you (or your beneficiary) believe you are entitled to a benefit under the Plan that you are not receiving, you (or your duly authorized representative) should file a written claim with the Plan Administrator. Within 90 days (or up to 180 days in special circumstances), the Plan Administrator will determine the benefits to which you are entitled, and will send you a written notice of its decision. If your claim is wholly or partly denied, the Plan Administrator's notice will specify: (1) the reasons for the denial; (2) the Plan provisions on which the denial is based; (3) any additional material you need to complete your claim and the reason it is needed; (4) the steps to take if you wish to have the denial reviewed; and (5) your right to file suit in state or federal court if your claim is denied on review.

If you disagree with the denial, you have a right to a review of your claim. To obtain this further review, you (or your duly authorized representative) must file a request in writing within 60 days after you receive the initial notice from the Plan Administrator that your claim has been denied. You also may request to review pertinent documents (or to receive copies of such documents free of charge). The Plan Administrator's final written decision will be sent to you within 60 days (or up to 120 days in special circumstances) after receipt of your request for review. If your claim is again denied, the notice will specify the reasons for the denial and the Plan provisions on which the denial is based, and will also include a statement of your rights to review pertinent documents (or to receive copies of such documents free of charge) and to file suit in state or federal court.

Your Rights Under ERISA

You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

Right to Information

ERISA provides that all Plan participants shall be entitled to certain information. You have the right to:





- (1) Examine, without charge, at the M.I.T. Benefits Office, all documents governing the operation of the Plan, including insurance contracts, and all documents filed by the Plan with the federal government, such as the detailed annual report (Form 5500);
- (2) Obtain, on written request to the M.I.T. Benefits Office, copies of all documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest detailed annual report (Form 5500) and updated Summary Plan Description. A reasonable charge for the copies may be made.
- (3) Receive a summary of the Plan's annual financial report, if any is required by ERISA to be prepared. The Plan Administrator is required by law to furnish each participant with a copy of any required Summary Annual Report.

Prudent Actions by Plan Fiduciaries

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

Enforcing Your Rights

If your claim for a Plan benefit is ignored or denied in whole or in part, you have the 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 these rights. For example, if you request materials to which you have a right from the M.I.T. Benefits Office and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require that you be provided the materials and may order that you be paid 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, but if you file suit in a state court, that suit may be removed to the 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 if, for example, it finds that your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the M.I.T. Benefits Office. 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 visit <www.dol.gov/pwb> or contact the nearest office the Pension and Welfare Benefits Administration of U.S. Department of Labor listed in your telephone directory or:

Division of Technical Assistance and Inquiries
Pension and Welfare Benefits Administration





U.S. Department of Labor
 200 Constitution Avenue, N.W.
 Washington, D.C. 20210

You may also obtain certain publications about your right and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

Your Responsibilities

You are responsible for providing truthful and accurate information to the best of your knowledge. If you willfully and knowingly provide untruthful or inaccurate information, benefits will be determined according to the true facts, and disciplinary action may be taken.

Directory

Plan Name	Massachusetts Institute of Technology Basic Retirement Plan
Plan Sponsor	Massachusetts Institute of Technology (“M.I.T.”) 77 Massachusetts Avenue Cambridge, Massachusetts 02139-4307
Employer Identification Number	04-2103594
Plan Number	002
Plan Administrator and Agent for Legal Process	M.I.T. c/o The Administrative Committee of the M.I.T. Basic Retirement Plan 77 Massachusetts Avenue, E19-215 Cambridge, Massachusetts 02139-4307 Telephone: (617) 253-4272
Type of Plan	A defined benefit plan with a cash balance plan feature, intended to qualify under section 401(a) of the Internal Revenue Code.
Plan Year	Calendar year
Insurance Carriers, Group Annuity Contracts	John Hancock Mutual Life Insurance Company, Hartford Life Insurance Company, College Retirement Equities Fund, Travelers Life & Annuity
M.I.T. Benefits Office	<i>On campus:</i> 77 Massachusetts Avenue, E19-215 Cambridge, MA 02139-4307 Telephone: (617) 253-4272 <i>At Lincoln Laboratory:</i> 44 Wood Street, S2-170 Lexington, MA 02420-9108 Telephone: (781) 981-7072





Participating Employers

M.I.T.

Plan Funding Medium

M.I.T. contributes to a trust fund created under the Plan. M.I.T.'s contributions are based on an independent actuary's determination. Assets from which benefits and Plan administrative expenses will be paid are held and invested in the trust fund. To the extent there are excess assets in the event of Plan termination, the excess may revert to M.I.T.

Trustees

The members, as named from time to time, of the Investment Committee of the M.I.T. Corporation.

Trustees' Address

Trustees of the M.I.T. Basic Retirement Plan
c/o M.I.T. Benefits Office, E19-215
77 Massachusetts Avenue
Cambridge, Massachusetts, 02139-4026

Plan Insurer

Pension Benefit Guaranty Corporation
1200 K Street, N.W.
Washington, DC 20005-4026



Appendix

Benefits under Prior Plans (RPE and RPSM)

Early Retirement

Retirement Plan for Employees (RPE)

The Plan assumes that benefit payments will commence on your normal retirement date. If payments commence earlier, they are reduced to reflect the longer payment period.

However, benefits will not be reduced for certain participants who earned benefits under the former RPE if, when they retire, they are at least age 55 with at least 25 years of service at M.I.T. or at least age 62 with at least 20 years of service at M.I.T.

Retirement Plan for Staff Members (RPSM)

An Early Retirement Supplement (ERS), payable as a lifetime monthly annuity, is available to certain participants who earned benefits under the RPSM if they retire on or after age 60 but before age 65, and after at least 20 years of M.I.T. employment. The amount of the ERS will depend on your age at retirement.

The ERS benefit is \$625 per month if you terminate employment anytime after attaining age 60 until the June 30th coinciding with or following your 60th birthday. Thereafter, the supplement reduces each month based on your termination date and is \$0 after the June 1st following age 65.

For purposes of the ERS, retire or retirement means M.I.T. employment ends.

Effect of Post-Retirement Employment on ERS

If a participant starts receiving (or becomes eligible to receive) an ERS on or after January 1, 2003 and subsequently is scheduled to work for M.I.T. at more than 50% of the normal full-time schedule in his/her department, laboratory, or center, s/he will forfeit the ERS permanently.

RPSM Qualified Spouse's Benefit

A Qualified Spouse's Benefit (QSB) is payable upon the death of certain participants who earned benefits under the RPSM. The QSB is a single life annuity benefit payable to your qualified spouse regardless of the benefit payment option you elect, even if the option you elect does not provide for survivor benefits.

Generally, your spouse is eligible to receive a QSB paid upon your death if you participated in the RPSM Plan, and you are at least age 55 with at least 10 years of retirement plan eligible service on the earlier of your termination date, date of death or the July 1st coinciding with or following your 65th birthday.

Your qualified spouse is your surviving spouse from whom you are not legally separated or divorced at your death, and to whom you were married the 3 years immediately prior to the earliest of:

- your date of death;
- the date your M.I.T. employment ends; or,
- the July 1st coinciding with or next following your 65th birthday.

Generally, the amount of this benefit will be 50% of the monthly annuity benefit available to you if you were to convert your December 31, 1998 RPSM balances in the M.I.T. Supplemental 401(k)—adjusted for an assumed rate of return—to a single life annuity on the earliest of:

- your date of death;





- your retirement date; or,
- the July 1st coinciding with or next following your 65th birthday.

There are certain reductions to the benefit amount if your spouse is more than ten years younger than you.

The amount of the QSB may increase if you elect the “grandfathering option.” However, under this “grandfathering option” your Basic Plan benefit will be based on the Cash Balance Benefit and will not have a cost-of-living increase.

Rights of Certain Participants who Ceased Employment Prior to January 1, 2005

Generally, a Participant’s right to benefits will be determined in accordance with the provisions of the Plan in effect at the time the Participant terminates employment. For a Participant who terminated employment but did not commence benefits prior to January 1, 2005, his or her right to retirement benefits will be determined in accordance with the Plan in effect on or after January 1, 2005, except that the Participant’s normal retirement age will be determined under the terms of the Plan in effect on the date of the Participant’s termination of employment.