MIT RETIREE WELFARE BENEFIT PLAN

A Note from the Plan Administrator

The following Summary Annual Report for the Massachusetts Institute of Technology (MIT) Retiree Welfare Benefit Plan is required by the Employee Retirement Income Security Act of 1974 (ERISA) to be furnished annually, by the plan administrator, to each member of the plan and each beneficiary receiving benefit under the plan. The report conforms to the reporting requirements, set forth in ERISA.

SUMMARY ANNUAL REPORT FOR MIT RETIREE WELFARE BENEFIT PLAN

This is a summary of the annual report for the MIT Retiree Welfare Benefit Plan, EIN 04-3177556, Plan No. 507, for the period July 1, 2013 through June 30, 2014. The annual report has been filed with the Employee Benefits Security Administration, as required by ERISA.

Insurance Information

Medical and Prescription Drug Benefits

The plan has contracts with Blue Cross Blue Shield of Massachusetts, Inc., Tufts Associated Health Maintenance Organization, Inc., and Tufts Health Plan Medicare Preferred to pay certain medical claims incurred under the terms of the contracts. The total premiums paid for the plan year ending June 30, 2014 were $1,612,877.

MIT will continue to provide and sponsor your Part D prescription drug coverage and Express Scripts will continue to administer the plan. Your coverage will continue to conform to the federal government’s Medicare Part D guidelines.

Life Insurance

The plan has a contract with Metropolitan Life Insurance Company to pay all claims incurred under the terms of the plan. The total premiums paid for the plan year ending June 30, 2014 were $539,963.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $495,458,410 as of June 30, 2014, compared to $414,980,819 as of July 1, 2013. During the plan year, the plan experienced an increase in net assets of $80,477,591. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year.
During the plan year, the plan had total income of $106,900,077, including employer contributions of $28,520,729, retiree contributions of $4,346,187, net loss from sale of assets of ($5,708,326), earnings from investments of $75,938,147 and other income of $809,206. Plan expenses were $26,422,486. These expenses included $25,116,233 of benefits paid to participants and beneficiaries and $1,306,253 of administrative expenses.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request at no charge. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Insurance information including sales commissions paid by insurance carriers; and
5. Information regarding any common collective trusts in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write to:

MIT Benefits Office
77 Massachusetts Avenue, Building E19-215
Cambridge, Massachusetts 02139-4307

You can also email the Benefits Office at benefits@mit.edu or call (617) 253-6151 to request a copy of the annual report.

You also have the legally protected right to examine the annual report at the main office of the plan, MIT Benefits Office, 400 Main St., Building E19-215, Cambridge, Massachusetts, 02139 and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington D.C. 20210. You may also view and/or download a copy of the annual report at the U.S. Department of Labor’s website at www.efast.dol.gov. To do so, type “Massachusetts Institute of Technology” in the “Sponsor “Name” field and then click on “Search” at the bottom of the “Form 5500/5500-SF Filing Search” page.