# Summary Plan Description

Effective as of January 1, 2011

# Gannon University
# Tax Deferred Annuity Plan

**INTRODUCTION**

Gannon University administers two retirement plans for the benefit of its colleagues:

Gannon University's Defined Contribution Plan
Gannon University's Tax Deferred Annuity Plan

Every colleague that meets age and service requirements must participate in the Defined Contribution Plan and receives a University contribution. All colleagues, including part-time employees and adjunct faculty may enroll in the Tax Deferred Annuity Plan regardless of age or service. Contributions to the Tax Deffered Annuity Plan are made on a voluntary basis by the colleague.

A Summary Plan Description (SPD) for each Plan summarizes the important features of the two plans, including benefits, obligations and rights under the plans. The complete ERISA Specimen 403(b) Plan document and Adoption Agreements for each Plan, are also available at the Human Resources Department.

This SPD summarizes the Tax Deferred Annuity Plan. Please contact the Human Resources Department if you want more detailed information regarding certain Plan features, have questions about the information contained in this SPD, or wish to examine a copy of the Plan document.

Gannon University adopted and restated the Plan by signing a complex legal agreement - the Plan document - which contains all of the provisions required by the Internal Revenue Service (IRS). The Plan document must follow certain federal laws and regulations that apply to retirement plans. The Plan document may change as new or revised laws or regulations take effect. Gannon University maintains the right to modify certain features of the Plan from time-to-time. You will be notified about changes affecting your rights under the Plan.

Certain terms in the SPD have a special meaning when used in the Plan. These terms are capitalized throughout the SPD and are defined in more detail in the DEFINITIONS section of the SPD. If any information in this SPD conflicts with the terms of the Plan document adopted by Gannon University, the terms of the Plan document - not this SPD - will govern.

All dollars contributed to the Plan will be invested either in annuity contracts or in mutual funds held in custodial accounts. The agreements constituting or governing the annuity contracts and custodial accounts (the "Individual Agreements") explain your rights under the contracts and accounts and the unique rules that apply to each Plan investment which may, in some cases, limit your options under the Plan. You should review the Individual Agreements along with this SPD to gain a full understanding of your rights and obligations under the Plan. Contact Gannon University or the investment vendor to obtain copies of the Individual Agreements or to receive more information regarding the investment options available under the Plan.

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## ELIGIBILITY

### Am I eligible to participate in the Plan?

You will be eligible to contribute a portion of your pay to the Plan as a Deferral that may be pre-tax or after-tax, as you select, unless you fall into one of the following categories of excluded employees:

- You are a nonresident alien and you received no income from within the United States.
- Your primary relationship to Gannon University is that of a student enrolled and attending classes offered by Gannon University; and Gannon University is a school, college or university.

What requirements do I have to meet before I am eligible to participate in the Plan?

Unless you fall into one of the categories of excluded employees, you will be immediately eligible to participate in the Plan. There are no special age or service requirements that you need to satisfy.

When can I enter the Plan?

Unless you fall into one of the categories of excluded employees, you will be eligible to make contributions beginning with the first full pay period of the quarter following the date you were hired into an eligible classification.

What happens to my Plan eligibility if I terminate my employment and am later rehired?

If you terminate employment, are later rehired and do not fall into one of the categories of excludable employees, you will be able to defer a portion of your Compensation as a Deferral as soon as administratively feasible after being rehired.

## CONTRIBUTIONS & VESTING

What amount can I contribute to the Plan?

Deferrals

You will be able to contribute a portion of your Compensation as a Deferral unless you are a member of one of the excluded classes listed previously. The maximum dollar amount that you can contribute to the Plan each year is $17,500 for 2013 (plus catch-up contributions starting at age 50 and special 403b catch-ups – see below) and includes contributions you make to certain other deferral plans (e.g., other 401(k) plans, salary deferral SEP plans, and 403(b) tax-sheltered annuity plans). This amount will increase as the cost of living increases. Deferrals (and the related investment earnings) are always fully vested and cannot be forfeited. So, if you were to leave Gannon University, you would be entitled to the full Deferral balance (plus earnings).

The amount of your Compensation that you defer into the Plan may be contributed on a pre-tax basis or an after-tax basis, as you select.

Deferrals contributed on a pre-tax basis reduce your salary that is subject to federal income tax. Social Security taxes and Pennsylvania income taxes still apply. When you withdraw these funds at a later date, the total value of the amount withdrawn will be subject to federal income tax, as is the value of any income and gains earned by the funds while held in the Plan. Additional taxes will apply in the case of an early withdrawal.

Therefore, unlike the Compensation that you actually receive, the pre-tax contribution (and all of the earnings accumulated while it is invested in the Plan) will not be taxed at the time it is paid by Gannon University. Instead, it will be taxable to you when you take a payout from the Plan. These contributions will reduce your taxable income each year that you make a contribution but will be treated as Compensation for Social Security taxes. and Pennsylvania income taxes.

EXAMPLE: Assume your Compensation is $25,000 per year. You decide to contribute 5 percent of your Compensation into the Plan. Gannon University will pay you $23,750 as gross taxable income and will deposit $1,250 (5 percent) into the Plan. You will not pay federal income taxes on the $1,250 (plus earnings on the $1,250) until you withdraw it from the Plan.

Deferrals contributed on an after-tax basis are deposited into a Roth 403(b) account within the Plan. These Deferrals are taken from your pay after you have paid your federal taxes and they reduce your net pay at the time they are made. When you withdraw these funds at a later date the amount withdrawn is not subject to federal income tax, nor is there any federal income tax on the investment earnings on your after-tax deferrals held in the plan. Taxes and penalties will apply in the case of an early withdrawal.

These Deferrals are not eligible for non-elective University contributions.

Catch-up Contributions

Age 50 Catch-up Contributions - If you are eligible to make Deferrals and you turn age 50 before the end of any calendar year, you may defer up to an extra $5,500 each year (for 2013, subject to escalation in later years) into the Plan as a pre-tax or after-tax contribution (as you select) once you meet certain Plan limits. The maximum catch-up amount may increase as the cost of living increases.

Special 403(b) Catch-up Contributions – If you have worked at least 15 full-time years for Gannon University, you may make a special catch-up contribution equal to the smallest of the three amounts listed below:

1. $3,000

2. $15,000 minus the amount of Special 403(b) Catch-Up Contributions made in prior years

3. ($5,000 times the number of years you have worked for Gannon University) minus (the total amount of Deferrals made while you worked for Gannon University)
4. These Deferrals are not eligible for non-elective University contributions.

These catch-up contributions will not be eligible for non-elective University contributions.
If you qualify for both the Age 50 Catch-up Contributions and the Special 403(b) Catch-up Contributions, your catch-up contributions will be allocated first as special 403(b) catch-up contributions. Catch-up contributions (and related earnings) are considered Deferrals and are always fully vested. So, if you were to leave Gannon University, you would be entitled to the full catch-up balance (plus earnings).

How do I start making contributions?

To begin deferring a portion of your Compensation into the Plan, you must follow the procedures established by Gannon University.

What if I don't make a specific election to contribute some of my Compensation into the Plan?

You are not required to defer a portion of your Compensation into the Plan. If you elect 0 percent or you simply fail to follow the procedures established by Gannon University for making a Deferral election, you will not be enrolled in the Plan as a deferring Participant (e.g., 0 percent of your Compensation will be deferred into the Plan).

**Can I change my contribution rate or stop making Deferrals after I start participating in the Plan?**

Once you have begun to make a contribution into the Plan, you may increase, decrease, stop, or restart contributions into the Plan at the times determined by Gannon University.

What if I contribute too much to the Plan?

If you contribute more than the legally authorized amount to the Plan as a Deferral, you must take the excess amount (plus any earnings on the excess) out of the Plan by April 15 of the year following the calendar year during which the excess money was contributed to the Plan. You must notify Gannon University - in writing - of the excess amount by March 1 and request that it be removed. The excess amount is taxable to you in the year you contributed it to the Plan. If you do not remove it by the deadline, additional taxes will apply.

If I have money in other retirement plans, can I combine them with my accumulation under this Plan?

Gannon University may allow you to roll over dollars you have saved in other retirement arrangements into this Plan after you become eligible to participate in the Plan. Gannon University will provide you with the documents or other information you need to determine whether your prior plan balance is qualified to be rolled into this Plan.
The Plan will accept amounts rolled over from the prior plan to this Plan if the prior plan was a:

- Qualified retirement plan (e.g., 401(k) plan, profit sharing plan, money purchase pension plan, target benefit plan)
- 403(b) tax-sheltered annuity plan
- Government 457(b) plan
- Traditional IRA

Rollover contributions are always 100 percent vested and non-forfeitable.

Are there any limits on how much can be contributed for me?

In addition to the Deferral limit described previously, you may not have total contributions, including Deferrals, of more than $51,000in 2013, subject to escalation in later years (plus any Age 50 Catch-up Contributions) or an amount equal to 100 percent of your Compensation (whichever is less) allocated to the Plan for your benefit each year. The $51,000 limit will increase as the cost of living increases, and is the total amount that can be contributed across all retirement plans sponsored by Gannon University.

Will contributions be made for me if I am called to military service?

If you are reemployed by Gannon University after completing military service, you may be entitled to receive certain make-up contributions from Gannon University. If your Plan permits Deferrals or Nondeductible Employee Contributions, you may also have the option of making up missed Employee Contributions.

If you are reemployed after military service, contact your Plan Administrator for more information about your options under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

## WITHDRAWING MONEY FROM THE PLAN

When can I take a distribution from the Plan?

You may request a distribution of Deferrals at the times listed below:

- You terminate employment
- You become Disabled
- When you reach age 59½
- At any time with respect to pre-1989 Deferrals invested in an annuity contract

You may elect a distribution of your transfer contributions and/or rollover contributions at any time subject to the restrictions in the Individual Agreements.

You may be able to take a penalty-free distribution from your Deferrals if you were called to active military duty after September 11, 2001. In order to qualify for these penalty-free distributions, you must have been ordered or called to active duty for a period of at least 180 days, or an indefinite period; and your distribution must have been taken after you were called to duty and before your active duty ended.

**The Individual Agreements governing investment options that you selected for your Plan contributions may contain additional limits regarding when you can take a distribution, the form of distribution that may be available as well as your right to transfer among approved investment options. Please review both the following information in this Summary Plan Description and the terms of your annuity contracts or custodial agreements before requesting a distribution. Contact Gannon University or the investment vendor if you have questions regarding your distribution options.**

How do I request a payout?

You must complete a payout request form provided or approved by Gannon University or follow other procedures established by Gannon University for processing distributions.

If I am married, does my spouse have to approve my distributions from the Plan?
If you are married, you must get written consent from your spouse to take a distribution from the Plan in any form other than a qualified joint and survivor annuity. Your spouse's consent is also needed if you want to name someone other than your spouse as your beneficiary. The annuity would need to be structured to provide a benefit while you are both alive; and then to provide a survivor benefit equal to 50 percent of the amount you received while you were both living. You can designate a different survivor percentage subject to certain limits under the qualified optional survivor annuity regulations. Gannon University will provide you with more information regarding your annuity options when it comes time for you to make a decision. Follow the procedures established by Gannon University to document your spouse's consent to waive the annuity and take the payment in some other form permitted by the Plan.

How will my money be distributed to me if I request a payout from the Plan?

If you obtain the proper consents, you may choose from the following options for your payout:

- Lump sum
- Partial payments
- Installment payments
- Annuity contract (if assets are held in a custodial account) or converted to an income option (if your assets are invested in an annuity contract)

**The Individual Agreements governing the investment options that you selected for your contributions may further restrict your payout options. Please review the annuity contracts or custodial agreements before requesting a distribution; and contact Gannon University or the investment vendor if you have questions regarding your distribution options.**

If your distribution is eligible to be rolled over, you may choose to have your distribution paid to another eligible retirement arrangement. Contact Gannon University for information regarding rollover procedures.

Do any penalties or restrictions apply to my payouts?

Generally, if you take a payout of pre-tax Deferrals from the Plan before you are age 59½, a 10 percent early distribution penalty will apply to the taxable portion of your payout. There are some exceptions to the 10 percent penalty.

Withdrawals of your after-tax deferrals are always free of federal income taxes and penalties. However, withdrawals of investment earnings and growth on your after-tax deferrals will be subject to a penalty and/or tax unless you meet these requirements:

1. If you are at least 59 ½ when receiving a distribution of your after-tax deferrals, then the investment earnings thereon will be free of a 10 percent penalty but not free of federal income tax unless

2. Your initial after-tax deferrals to the Plan were made at least five years prior to your withdrawal, in which case the investment earnings on your after-tax deferrals will also be free of federal income tax.

If you are under age 59 ½ when receiving a distribution of the earnings and appreciation on your after-tax deferrals, or they were held in the Plan less than five (5) years after your initial contribution, then the withdrawal of the investment earnings will generally be subject to both a 10 percent penalty and income tax.
The age 59 ½ requirement is waived if you retire, die, or become disabled before that age.

Consult your tax adviser when considering a withdrawal from the Plan.

Can I take a loan from the Plan?

No.

What if I die before receiving all of my money from the Plan?

If you die before taking all of your assets from the Plan, the remaining balance will be paid to your designated beneficiary. To designate your beneficiary, you must follow the procedures established by Gannon University. If you are married and decide to name someone other than your spouse as your beneficiary, your spouse must consent in writing to your designation. It is important to review your designation from time-to-time and update it if your circumstances change (e.g.; a divorce; death of a named beneficiary).

If you name a beneficiary in accordance with the preceding paragraph and the beneficiary does not survive you, 50 percent of your balance will be paid to your spouse and 50 percent will be paid to your estate. If you do not name a beneficiary and have no surviving spouse, your remaining balance in the Plan will be paid to your estate, unless a different alternative is provided in the Individual Agreement.

If your Plan balance is $5,000 or less at the time of your death, your beneficiary will generally have the same options regarding the form of the distribution that are available to you as a Participant. If the balance is greater than $5,000, your beneficiary may be required to take the payouts in the form of a life annuity, unless the annuity has been properly waived by you and your spouse during your lifetime. Your beneficiary may also have the option of rolling his or her distribution into an IRA. The Individual Agreements governing the investment options that you selected for your contributions may further restrict your beneficiary's options regarding the manner in which the accumulation will be distributed.

If you die after age 70½ required distributions begin, as described in the following question, your beneficiary must continue taking distributions from the Plan at least annually. If you die before age 70½ payments begin, your beneficiary may have the option of: 1) taking annual payments beginning the year following your death (or the year you would have reached age 70½, if your spouse is your beneficiary); or 2) delaying their distribution until the year containing the fifth anniversary of your death, provided he or she takes the entire remaining amount during that fifth year.

How long can I leave the money in my Plan?

When you terminate employment, your balance will generally not be paid out of the Plan until you request a payout from Gannon University.

<u>Age 70½ Required Distributions</u>

On April 1 of the year after you reach age 70½, you will generally need to take a distribution each year based on your life expectancy and the balance of your pre-tax deferrals and earnings thereon in the Plan. However, you can delay required distributions of pre-tax deferrals until you actually separate from service. Contributions for periods before 1987 (excluding earnings on those contributions) will generally not be subject to the required distribution rules until you reach age 75. You may also have the option to satisfy your required minimum distribution from the Plan by aggregating all of your 403(b) plans and taking the required minimum distribution from any one or more of the individual 403(b) plans.

You can avoid the required distributions of your after-tax deferrals and investment earnings thereon by rolling them over to a Roth IRA prior to the April 1 which follows your age 70½.

What if the Plan is terminated?

If the Plan is terminated, your entire account balance will be distributed from the Plan. To the extent you are invested in an annuity contract, you will receive a distribution of the contract.

**INVESTING YOUR PLAN ACCOUNT**

What investments are permitted?

Gannon University (or someone appointed by Gannon University) will select the investment vendors and investment options available under the Plan. The investment options will be limited to annuity contracts and mutual funds purchased through a custodial account. The list of approved investment options and vendors may change from time-to-time as Gannon University deems appropriate. Gannon University may restrict the list of vendors who may accept new contributions to the Plan and it may be different from the list of vendors and investment options available once the contributions have been made to the Plan through a contract exchange. You should carefully review the Individual Agreements governing the annuity contracts and custodial accounts, the prospectus, or other available information before making investment decisions.

Who is responsible for selecting the investments for my contributions under the Plan?

You have the right to decide how your Plan balance will be invested. Gannon University will establish administrative procedures that you must follow to select your investments. Gannon University will designate a list of vendors and investment options that you may select for new contributions to the Plan. You will have the ability to transfer your Plan balance among these vendors and investment options, to the extent permitted by the Individual Agreements. Contact Gannon University if you are not certain whether a particular vendor or investment option is permitted under the Plan.

Gannon University intends to operate this Plan in compliance with Section 404(c) of the Employee Retirement Income Security Act (ERISA), and Title 29 of the Code of Federal Regulations Section 2550.404c-1. This means that Gannon University and others in charge of the Plan will not be responsible for any losses resulting from investment instructions given by you or your beneficiary.

How frequently can I change my investment elections?

You may change your initial investment selections as frequently as permitted under the Individual Agreements.

**ADMINISTRATION INFORMATION & PARTICIPANT RIGHTS UNDER ERISA**

Who established the Plan?

The official name of the Plan is Gannon University TDA Plan The Employer who adopted the Plan is:

Gannon University
109 University Square
Erie, PA 16541-0001
814-871-5615
Federal Tax Identification Number: 250496976

Gannon University has assigned Number 002 to the Plan.

The Plan is a 403(b) Defined Contribution Plan, which means that contributions to the Plan made on your behalf (and earnings) will be separately accounted for within the Plan.

When did the Plan become effective?

Gannon University has amended and restated the Gannon University TDA Plan, which was originally adopted 04/01/1955. The effective date of this amended Plan is 01/01/2011.

Who is responsible for the day-to-day operations of the Plan?

Gannon University is responsible for the day-to-day administration of the Plan. To assist in operating the Plan efficiently and accurately, Gannon University may appoint others to act on its behalf or to perform certain functions.

Who pays the expenses associated with operating the Plan?

All reasonable Plan administration expenses - including those involved in retaining necessary professional assistance - may be paid from the assets of the Plan, to the extent permitted by the Individual Agreements. These expenses may be allocated among you and all other Plan Participants or, for expenses directly related to you, charged against your account balance. Examples of expenses that may be directly related to you include: general recordkeeping; qualified domestic relations orders; and your ability to direct the investment of your Plan balance (if applicable). Finally, Gannon University may, at its discretion, pay any or all of these expenses. For example, Gannon University may pay expenses for current employees; but may deduct the expenses of former employees directly from their accounts. Gannon University will provide you with a summary of all Plan expenses and the method of payment of the expenses upon request.

Does Gannon University have the right to change the Plan?

The Plan will be amended from time-to-time to incorporate changes required by laws and regulations governing retirement plans. Gannon University also has the right to amend the Plan to add new features, or to change or eliminate various provisions. Gannon University cannot amend the Plan to take away or reduce protected benefits under the Plan (e.g., Gannon University cannot reduce the vesting percentage that applies to your current balance in the Plan).

Does participation in the Plan provide any legal rights regarding my employment?

The Plan does not intend to provide, nor does it provide, any additional rights to employment. Further, it does not constitute a contract for employment. The purpose of the SPD is to help you understand how the Plan operates and the benefits available to you under the Plan. The Plan document is the controlling legal document with respect to the operation of, and rights granted under, the Plan; and if inconsistencies exist between this SPD and the Plan document, the Plan document will be followed.

Can creditors or other individuals request a payout from my Plan balance?

Creditors (other than the IRS) and others generally may not request a distribution from your Plan balance. One major exception to this rule is that Gannon University may distribute or reallocate your benefits in response to a qualified domestic relations order. A qualified domestic relations order is an order or decree issued by a court that requires you to pay child support or alimony, or to give a portion of your Plan account to an ex-spouse or legally separated spouse. Gannon University will review the order to ensure that it meets certain criteria before any money is paid from your account. You (or your beneficiary) may obtain, at no charge, a copy of the procedures Gannon University will use for reviewing and qualifying domestic relations orders.

How do I file a claim?

To claim a benefit that you are entitled to under the Plan, you must file a written request with Gannon University. The claim must set forth the reasons you believe you are eligible to receive benefits, and you must authorize Gannon University to conduct any necessary examinations and take the steps to evaluate the claim.

What if my claim is denied?

Except as described below, if your claim is denied, Gannon University will provide you (or your beneficiary) with a written notice of the denial within 90 days of the date your claim was filed. This notice will give you the specific reasons for the denial, the specific provisions of the Plan upon which the denial is based, and an explanation of the procedures for appeal.
In the case of a claim for disability benefits, if Gannon University is making a determination of whether you are Disabled, you will be notified of a denial of your claim within a reasonable amount of time, but not later than 45 days after the Plan receives your claim. The 45-day period may be extended by the Plan for up to 30 days if Gannon University determines that an extension is necessary due to matters beyond the control of the Plan. Gannon University will notify you before the end of the 45-day period of the reason(s) for the extension and the date when the Plan expects to make a decision regarding your claim.

If, before the end of the 30-day extension, Gannon University determines that, due to matters beyond the control of the Plan, a decision regarding your claim cannot be made within the 30-day extension, the period for making the decision may be extended for an additional 30 days, provided that Gannon University notifies you, before the end of the first 30-day extension, of the circumstances requiring the additional extension and the date as of which the Plan expects to make a decision. The notice will specifically explain the standards on which the approval of your claim will be based, the unresolved issues that prevent a decision on your claim, and the additional information needed to resolve those issues. You will have at least 45 days within which to provide the specified information.

The period of time within which approval or denial of your claim is required to be made generally begins at the time your claim is filed. If the period of time is extended because you fail to submit information necessary to decide your claim, the period for approving or denying your claim will not include the period of time between the date on which the notification of the extension is sent to you and the date on which you provide the additional information.

Gannon University will provide you with written or electronic notification if your claim is denied. The notification will provide the following:

i. The specific reason(s) for the denial.
ii. Reference to the specific section of the Plan on which the denial is based.
iii. A description of any additional information that you must provide before the claim may continue to be processed, and an explanation of why such information is necessary.
iv. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) following a claim denial on review
v. If Gannon University used an internal rule or guideline in denying your claim, either 1) the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim; and 2) that a copy of the rule or guideline will be provided free of charge to you upon request.

If the claim denial is based on a medical necessity, experimental treatment, or a similar situation, an explanation of the scientific or clinical basis for the denial applying the terms of the Plan to your medical circumstances will be provided upon request and free of charge.

May I appeal the decision of Gannon University?

You or your beneficiary will have 60 days from the date you receive the notice of claim denial in which to appeal Gannon University's decision. You may request that the review be in the nature of a hearing and an attorney may represent you.

You may submit written comments, documents, records, and other information relating to your claim. In addition, you will be provided, upon request and free of charge, reasonable access to and copies of all documents, records, and other information pertaining to your claim.

Your appeal will take into account all comments, documents, records, and other information submitted by you relating to the claim, even if the information was not included originally.

Gannon University will provide you with written or electronic notification of the final outcome of your claim. The notification will include all of the following:

i. 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 relevant to your claim.
ii. A statement describing any additional voluntary appeal procedures offered by the Plan, your right to obtain the information about such procedures, and a statement of your right to bring an action under Section 502(a) of ERISA.

iii. If Gannon University used an internal rule or guideline in denying your claim, either 1) the specific rule or guideline, or a statement that the rule or guideline was relied upon in denying your claim; and 2) that a copy of the rule or guideline will be provided free of charge to you upon request.

If the claim denial is based on a medical necessity, experimental treatment, or a similar situation, an explanation of the scientific or clinical basis for the denial applying the terms of the Plan to your medical circumstances will be provided upon request and free of charge.

If I need to take legal action with respect to the Plan, who is the agent for service of legal process?

Gannon University is the agent to be served with legal papers regarding the Plan.

If the Plan terminates, does the federal government insure my benefits under the Plan?

If the Plan terminates, you will become fully vested in your entire balance under the Plan, even though you would not otherwise have a sufficient number of years of vesting service to be 100 percent vested in your balance. You will be entitled to take your entire balance from the Plan following termination.

The type of plan in which you participate is not insured by the Pension Benefit Guarantee Corporation, the government agency that insures certain pension plan benefits upon plan termination.

What are my legal rights and protections with respect to the Plan?

You are entitled to the following rights and responsibilities:

*Receive Information About Your Plan and Benefits*

1. Examine, without charge, at Gannon University's Human Resources Department, all Plan documents governing the Plan, including insurance contracts.

2. Obtain, upon request to Gannon University, copies of documents governing the operations of the Plan, including insurance contracts and an updated Summary Plan Description (SPD). Gannon University may charge a reasonable fee for the copies.

3. Receive a summary of the Plan's annual financial report.

4. Obtain, once a year, a statement of the total pension benefits accrued and the vested pension benefits (if any), or the earliest date on which benefits will become vested. The Plan may require a written request for this statement, but it 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 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 Gannon University 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 may 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 Employer 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 Employer. 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 or a medical child support 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 the costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if the court finds your claim is frivolous.

*Assistance with Your Questions*

If you have any questions about your Plan, you should contact the Employer. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Employer, you should contact the nearest area 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.

Further, if this Plan is maintained by more than one Employer, you may obtain a complete list of all such Employers by making a written request to Gannon University.

**DEFINITIONS**

**Compensation –** The definition of Compensation under the Plan can vary depending upon the purpose (e.g., allocations, nondiscrimination testing, tax deductions).

In general, the amount of your earnings from Gannon University taken into account under the Plan is all earnings reported to you on Form W-2. Compensation will include amounts that are not included in your taxable income that were deferred under a cafeteria plan, a 401(k) plan, a salary deferral SEP plan, a 403(b) tax-sheltered annuity plan, a 457(b) Deferred Compensation Plan of a state or local government or tax-exempt employer, or transportation fringe benefits you received.

The definition of Compensation used under the Plan has been further adjusted to exclude the following amounts.

- Bonuses that you receive
- Stipend and overload compensation

If you receive payments from Gannon University within 2½ months after severing your employment, any regular pay for services you performed prior to severance will be included in Compensation. Other post-severance payments will affect your Compensation as described below:

- Unused accrued vacation leave that you are entitled to cash out will be included in Compensation.
- Amounts received under a nonqualified, unfunded deferred compensation program will be excluded from Compensation.

The measuring period for Compensation will be the Plan Year.

**Deferrals:** Deferrals are the dollars you choose to contribute to the Plan through payroll deduction on a pre-tax basis or after-tax basis, as you select.

**Disabled:** You will be considered Disabled if you cannot engage in any substantial, gainful activity because of a medically determined physical or mental impairment that is expected to last at least 12 months.

**Early Retirement Age:** You will reach the Early Retirement Age under the Plan when you reach age 55 and have completed five years of vesting service with Gannon University.

**Employer:** The Employer is Gannon University. Gannon University will also serve as the Plan Administrator, as defined in ERISA, who is responsible for the day-to-day operations and decisions regarding the Plan, unless a separate Plan Administrator is appointed for all or some of the Plan responsibilities. The term Employer, as used in this SPD, will also mean Plan Administrator, as that term is used in ERISA.

**Hour of Service:** An Hour of Service - for purposes of determining Plan eligibility, vesting and eligibility to receive Employer contributions - will be based on actual hours for which you are entitled to pay.

If Gannon University continues a plan from a prior employer, you will receive credit for time that you worked for the previous employer. Regardless, you will receive credit for your Hours of Service with an institution of higher education only for determining whether you have satisfied service requirements to participate in this Plan.

**Individual Agreements:** All contributions to the Plan will be invested either in annuity contracts or in mutual funds held in custodial accounts. The agreements between the vendor and Gannon University or you that constitute or govern the annuity contracts and custodial accounts are referred to as Individual Agreements. The Individual Agreements explain the unique rules that apply to each Plan investment and may, in some cases, limit your options under the Plan, including your transfer and distribution rights.

**Normal Retirement Age:** Age 65 is considered the Normal Retirement Age under the Plan.

**Participant:** An employee of the Employer who has satisfied eligibility requirements and entered the Plan is referred to as a Participant.

**Plan:** The Gannon University Defined Contribution Plan is the Plan described in this SPD.

**Plan Administrator:** Gannon University is responsible for the day-to-day administration of the Plan. To assist in operating the Plan efficiently and accurately, Gannon University may appoint others to act on its behalf or to perform certain functions.

**Plan Year:** The calendar year serves as the Plan Year.

**Qualified Non-elective Contribution:** Gannon University may make Qualified Non-elective Contributions to satisfy certain nondiscrimination tests that apply to the Plan. These contributions are discretionary and are 100 percent vested when made.

**Taxable Wage Base:** The Social Security Administration sets a contribution and benefit base level each year which is referred to as the Taxable Wage Base.