SUMMARY PLAN DESCRIPTION

FOR

THE CLAREMONT COLLEGES

STAFF RETIREMENT PLAN

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What is The Claremont Colleges Staff Retirement Plan?

Introduction

Financial security after retirement is a common goal shared by all. To help you achieve this goal, The Claremont Colleges (referred to throughout this document as the "Colleges") sponsors The Claremont Colleges Staff Retirement Plan (referred to throughout this document as the "Plan"). Effective June 30, 2005, the Plan was frozen and active participants began participating in the Colleges' Academic Retirement Plans. As a result of the Plan freeze, participants accrue no new benefits under the Plan, and no new participants are admitted to the Plan, after June 30, 2005.

Some of the advantages of the Plan are as follows:

- The Colleges currently pay the entire cost of the Plan. Participant contributions are neither required nor permitted after June 30, 1989.
- The Plan's assets are professionally managed.
- When you leave the Colleges, your Plan benefit is determined by using a formula based on your compensation and service with the Colleges. Therefore, you will know how much income you will receive from the Plan at retirement. Additionally, your vested accrued benefit is protected under the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974.
- Benefit payments from the Plan are paid to you in equal monthly installments over your lifetime.
- Benefits accrued under the Plan are non-taxable until paid out, generally at retirement.

This Summary Plan Description (the "SPD") highlights the major provisions of the Plan and tells you how the Plan works. Be sure to keep this SPD even if you leave the Colleges. If you work for the Colleges for at least five years, you may be eligible to receive monthly retirement benefits when you reach age 65.

Plan document

Any conflict or discrepancy between this SPD and the Plan document is inadvertent. Should such a discrepancy occur, the terms of the Plan document shall always govern. A complete copy of the Plan document is available for inspection during normal business hours in the Retirement Services office of the Pendleton Business Building of Claremont University Consortium ("CUC"). You may also obtain a complete copy of the Plan document upon request from the CUC Retirement Services office. A reasonable charge may be made for copies.

This SPD is not intended to give tax advice. Please contact your personal tax advisor for more information regarding the effect of Plan benefits on your income taxes.

Questions You should read the entire SPD to understand your rights and benefits under the Plan. If you have questions about the Plan, please write to:

Retirement Plans Manager
Claremont University Consortium
150 E. Eighth Street
Claremont, CA 91711

Who Pays For the Retirement Plan?

Your Contributions Prior to July 1, 1989, participants were required to contribute to the Plan a monthly amount equal to 2.5% of their Monthly Earnings through after-tax payroll deduction. Participant contributions are neither required nor permitted after June 30, 1989.

Contributions by the Colleges Since July 1, 1989, the Plan has been funded entirely by contributions from the Colleges. The Colleges make contributions to the Plan as recommended by a certified actuary to provide for Plan benefits and reasonable expenses of administering the Plan.

Who Is Eligible to Participate in the Plan?

Eligible Employees "Eligible Employees" include non-exempt staff in salary grades A-H and exempt staff in salary grades 1-4. However, no new participants are admitted for participation in the Plan after June 30, 2005, the date the Plan was frozen.

Ineligible Employees You are an ineligible employee if:

- You are covered under a collective bargaining agreement that does not entitle you to retirement benefits under this Plan.
- You have an employment contract or similar agreement with the Colleges that specifically excludes you from participation in the Plan.
- You are a participant in any other tax-qualified pension, profit sharing, or retirement plan to which the Colleges contribute on your behalf (except a federal, state or similar program, including Social Security).

When Does My Plan Participation Begin?

Automatic participation Prior to the freeze of the Plan effective June 30, 2005, you became a Plan participant on the first day of the month following your attainment of age 21 and the completion of one "Year of Service," which is defined as each 12-month period (measured from your date of hire) in which you complete 1,000 Hours of Service. Your participation in the Plan began automatically.

> ***Example*:** If you began working for the Colleges on April 15, 2002 at age 35 and you were credited with at least 1,000 Hours of Service between that date and April 15, 2003, you became a Plan Participant effective May 1, 2003.

Service prior to age 21 If you satisfied the one Year of Service requirement before you attained age 21, you became a Plan participant on the first of the month following attainment of age 21.

> ***Example*:** If you were hired on August 10, 1992 and first credited with one Year of Service (1,000 Hours of Service) between August 10, 1992 and August 10, 1993, and your 21st birthday was in September 1994, you became a Plan participant effective October 1, 1994.

When participation ends Your active participation in the Plan will cease when one of the following occurs:

- You have a Break-in-Service (see the section entitled "How Does a Break-In-Service Occur?").
- You move to an ineligible status, such as to a salary grade that is not eligible for Plan participation.
- You move to a College that does not participate in the Plan, such as Keck Graduate Institute.

How is My Service Determined under the Plan?

Definition of "Cumulative Service" "Cumulative Service" is used to determine if and when you are entitled to receive benefits under the Plan. Cumulative Service measures the time elapsed between your date of hire and your employment termination date. If you have a Break-in-Service, your period of Cumulative Service ends and, if you are subsequently reemployed with the Colleges, a new period of Cumulative Service starts on your date of reemployment.

Definition of "Hour of Service" An "Hour of Service" is earned for each hour you are paid or entitled to payment for working at the Colleges. You also earn one Hour of Service for each hour you are paid or entitled to payment for periods during which you perform no duties because of vacation, holidays, illness, disability, a layoff, jury duty, military duty, or a leave of absence. You can earn no more than 501 Hours of Service for a continuous period of time during which you do not perform the duties of your job (for example, an extended period of military duty).

How Does a Break-in-Service Occur?

Definition of "Break-in-Service" You will incur a "Break-in-Service" if you complete 500 or fewer Hours of Service in a Plan Year. This means that you will not accrue any Cumulative Service in such a Plan Year.

When a Break-in-Service does not occur You will not be considered to have a Break-in-Service if your absence is due to maternity or paternity leave, an approved unpaid leave, or military duty (so long as you return to employment with the Colleges within 90 days of the end of your duty).

Break-in-Service before you are vested If a Break-in-Service occurs before you become vested in your Plan benefits, you will lose the Cumulative Service you earned before your break. However, your Cumulative Service will be restored if you ***both***:

- Are rehired prior to five one-year Breaks-in-Service occurring.
- Complete one year of employment with the Colleges (with at least 500 Hours of Service in such year) after the Break-in-Service.

Example: Bill's employment with the Colleges terminated on May 10, 1994 and up to his termination date he had earned 3 years of Cumulative Service. Bill was not vested. Bill returns to work on May 10, 1998 (the fourth anniversary of his termination). Four one-year Breaks-in-Service have occurred. After Bill satisfies the Plan's eligibility requirements (beginning on his rehire date), and if he completes at least 500 Hours of Service during his first year of reemployment, he will again be credited with his prior years of Cumulative Service because the number of one-year breaks (four) is less than five.

Break after you are vested If a Break-in-Service occurs after you become vested, and if you have not received a total distribution of your Plan benefits, you will not lose any previously earned Cumulative Service. Your past years of Cumulative Service will be restored immediately upon rehire.

> **Example:** John's employment with the Colleges terminated after he had earned 6 years of Cumulative Service. He was a vested Plan participant and he did not receive his retirement benefits when he left the Colleges. John returns to work after an absence of ten years. The years of Cumulative Service that John previously earned will be reinstated immediately upon his date of rehire.

When Do I Earn a Right to the Benefits I've Accrued Under the Plan?

Vesting "Vesting" means your nonforfeitable right to your accrued benefit under the Plan. You become 100% vested in your accrued benefit if:

- You complete five years of Cumulative Service.
- You are an active Plan participant upon reaching your 65th birthday (even if you have earned fewer than five years of Cumulative Service).
- You were hired by the Colleges after you had reached age 65 and you satisfied the Plan's eligibility requirements before July 1, 2005.

When Can I Receive Retirement Benefit Payments From the Plan?

Retirement Dates Under the Plan, there are several dates upon which you can terminate employment and receive retirement benefits if you are vested:

- **Normal Retirement Date:** Your Normal Retirement Date is the first day of the month coinciding with or next following the later of your 65th birthday or your 5th anniversary of Plan participation.
- **Early Retirement Date:** You may begin receiving actuarially reduced benefits on the first day of any month before your Normal Retirement Date provided that you have reached age 55 and have earned 10 years of Cumulative Service.
- **Special Early Retirement Date**: If you work at the Colleges until you reach age 60 and you have earned at least 25 years of Cumulative Service, you may elect to retire on the first day of any month after you reach age 60. If you qualify for Special Early Retirement, your benefit will not be actuarially reduced for early commencement.
- **Late Retirement Date:** If you continue to work for the Colleges past your Normal Retirement Date, your Late Retirement Date is the first day of the month following your separation from service. Your benefit will be actuarially increased to reflect late commencement. However, if you continue to work for the Colleges past your Normal Retirement Date, you can also elect to commence your benefit on your Normal Retirement Date, in which case your benefit will not be actuarially increased because it will not be commencing late.

Your Plan benefit is payable in addition to Social Security Benefits. To find out what your estimated social security benefit will be, call the Social Security Administration at **(800) 772-1213** and ask for a *Request for Earnings and Benefits Statement.*

Pre-retirement termination If your employment with the Colleges terminates before you are eligible to retire, but after you are vested, you may begin receiving payments when you reach your Normal Retirement Date (or earlier as noted above under "Early Retirement Date," if you have reached age 55 and have earned 10 years of Cumulative Service). If for some reason your benefits do not commence on or before your Normal Retirement Date, then you will be treated as having a Late Retirement Date, as described above.

How is My Normal Retirement Benefit Calculated?

Benefit factors The value of your Plan benefit is equal to the sum of your Past Service Benefit (if any), Earned Service Benefit (if any) and Current Service Benefit as described below:

- **Past Service Benefit** – your benefit (if any) based on your service with the Colleges before July 1, 1983.
- **Earned Service Benefit** – your benefit (if any) based on your service with the Colleges between July 1, 1983 and June 30, 1989.
- **Current Service Benefit** – your benefit based on your service with the Colleges since the later of July 1, 1989 or the start of your participation in the Plan, up to June 30, 2005, the date that the Plan was frozen.

Past Service Benefit The monthly Past Service Benefit is calculated using your Monthly Earnings as of July 1, 1983 and your number of full years of "Credited Past Service." Credited Past Service is only granted to participants who became participants under the "prior plan" before January 1, 1969, or upon reaching age 30. It is measured from the first day of the month after completing three years of service up to a maximum of 15 years. The "prior plan" for this purpose is the plan for non-academic employees of the Colleges in effect prior to June 30, 1976.

You have a Past Service Benefit if you were a contributing participant on July 1, 1983. This benefit is calculated using three factors:

A. Your full years of Credited Past Service (up to a maximum of 15).
B. Your years or fractions of years of Cumulative Service from July 1, 1968 to July 1, 1983 during which you were a contributing participant.
C. 1.5% of either your Monthly Earnings as of July 1, 1983 (if you were making contributions as of that date) or your Monthly Earnings as of the last day before July 1, 1983 on which you were making contributions.

The Past Service Benefit is (A+B) x C. It cannot be less than the total benefit you earned before July 1, 1983 as calculated under the Plan's provisions prior to July 1, 1984.

Earned Service Benefit The monthly Earned Service Benefit is 5% of your total Participant Contributions (without interest) made from July 1, 1983 through June 30, 1989.

Current Service Benefit The monthly Current Service Benefit is 1.8% of your Monthly Earnings paid since the later of July 1, 1989 or the start of your participation in the Plan.

Monthly Earnings "Monthly Earnings" is your monthly rate of pay (or its equivalent) excluding bonuses, overtime pay and other forms of special and extra compensation, subject to IRS maximums.

Plan Benefits Benefit amounts calculated under these formulas are payable to you as a lifetime monthly annuity beginning on your Normal Retirement Date. Plan benefits are paid to you *in addition* to Social Security benefits.

Benefit Calculation Examples

About the examples The following examples illustrate how benefits are calculated under three different scenarios.

Example 1 For purposes of this example, assume Susan was hired by the Colleges on July 1, 1960 and had a Monthly Earnings rate of $2,000 as of July 1, 1983, at which time she retires. Her entire benefit under the Plan is a Past Service Benefit.

Example 1	
Employee Data	
A – Years of Credited Past Service earned from July 1, 1963 (i.e., starting 3 years after hire date) to July 1, 1968	5
B – Years of Cumulative Service from July 1, 1968 to July 1, 1983	15
C – Monthly Earnings rate as of July 1, 1983	$2,000
A + B	5 + 15 = 20
C	1.5% x $2,000 = $30
(A + B) x C	20 x $30 = $600

Susan will receive $600 per month from the Plan at age 65.

Example 2 In this example, assume Susan was hired by the Colleges on July 1, 1983. Assume her total contributions to the Plan through June 30, 1989 are $5,000. She works for the Colleges until June 30, 1990 with total Monthly Earnings in the Plan Year beginning July 1, 1989 and ending June 30, 1990 of $24,000 (i.e., $2,000 per month). She has no Past Service Benefit since she was not hired until July 1, 1983.

Example 2	
Employee Data	
Participant contributions through June 30, 1989	$5,000
Total Monthly Earnings between July 1, 1989 and June 30, 1990	$24,000 ($2,000 per month)
Calculation of Earned Service Benefit	
$5,000 in contributions from July 1, 1983 to July 1, 1989 x 5%	$5,000 x 5% = $250
Calculation of Current Service Benefits	
Total Monthly Earnings from July 1, 1989 to July 1, 1990 divided by 12 and then multiplied by 1.8%	($24,000 ÷ 12) x 1.8% = $36
Total Monthly Benefit (Earned Service Benefit Plus Current Service Benefit)	
$250 + $36	$286

Susan will receive $286 per month from the Plan at age 65.

Example 3 In our final example, assume Susan was hired July 1, 1990 and worked until June 30, 2002. Her participation in the Plan started July 1, 1991. Her entire benefit under the Plan is a Current Service Benefit.

Example 3			
Employee Data (all periods shown are from July 1 through June 30)		**Calculation of Current Service Benefit**	
Total Monthly Earnings 1991/92	$25,000	$25,000 ÷ 12 x 1.8% =	$37.50
Total Monthly Earnings 1992/93	$25,700	$25,700 ÷ 12 x 1.8% =	$38.55
Total Monthly Earnings 1993/94	$26,500	$26,500 ÷ 12 x 1.8% =	$39.75
Total Monthly Earnings 1994/95	$27,500	$27,500 ÷ 12 x 1.8% =	$41.25
Total Monthly Earnings 1995/96	$28,500	$28,500 ÷ 12 x 1.8% =	$42.75
Total Monthly Earnings 1996/97	$29,000	$29,000 ÷ 12 x 1.8% =	$43.50
Total Monthly Earnings 1997/98	$29,500	$29,500 ÷ 12 x 1.8% =	$44.25
Total Monthly Earnings 1998/99	$30,500	$30,500 ÷ 12 x 1.8% =	$45.75

Total Monthly Earnings 1999/00	$31,500	$31,500 ÷ 12 x 1.8% =	$47.25
Total Monthly Earnings 2000/2001	$32,000	$32,000 ÷ 12 x 1.8% =	$48.00
Total Monthly Earnings 2001/02	$33,000	$33,000 ÷ 12 x 1.8% =	$49.50
		Sum of Earned Monthly Benefits:	$478.05

Susan will receive $478.05 per month from the Plan at age 65.

How Is My Benefit Adjusted If I Receive Early Retirement Benefits From The Plan?

You can elect early retirement between age 55 and age 65 if you have completed at least ten years of Cumulative Service. If you elect early retirement, but do not qualify for Special Early Retirement as described previously, your benefits will be actuarially reduced to reflect the fact that they will be paid over a potentially longer period of time than if your payments began on your Normal Retirement Date.

The chart below shows the early retirement reduction factors used when your Early Retirement Date falls on your birthday. These factors are prorated if your Early Retirement Date falls between the ages shown. To determine your early retirement benefit, multiply the amount of your Normal Retirement Benefit by the applicable factor.

EARLY RETIREMENT (ER)
REDUCTION FACTORS

Retirement Age	% of Normal Retirement Date Benefit
65	100
64	92.3
63	85.4
62	79.2
61	73.5
60	68.3
59	63.6
58	59.3
57	55.3
56	51.7
55	48.3

Note: If you leave the Colleges after becoming eligible for early retirement, but prefer to defer commencement of your benefits to age 65, the above factors will not be applied to your Normal Retirement Date benefit.

Example: Using the same assumptions as in Example #3 of the above Benefit Calculation Examples, if Susan retires at age 65 her Normal Retirement Date benefit will be \$478.05. If Susan wants to receive her retirement benefits beginning at age 60 instead of 65, her Normal Retirement Benefit will be reduced by the early retirement reduction factor applicable to a participant whose benefits begin at age 60, as follows:

Normal Retirement Date benefit (\$478.05) x ER Factor or 68.3% = \$326.51

How Is My Benefit Calculated If I Retire After I Reach Age 65?

You may work beyond your Normal Retirement Date, subject to the same conditions for continued employment that apply at any age. Your late retirement benefit will be actuarially increased to reflect late commencement.

How Will My Benefits Be Paid to Me?

Benefit payment options

There are various methods by which benefits are distributed from the Plan. However, all methods of distribution have actuarially equivalent values. Upon your retirement, you will choose a method of payment under which your benefits will be paid to you on a monthly basis. Other than a return of your own contributions and interest (if any), the Plan contains no lump sum benefit election, except as described in the "Payment of Small Benefits" section.

For all payment options other than the Single Life Annuity, your monthly benefit will be reduced to take into account the combined life expectancies of you and your designated beneficiary under a Joint and Survivor Annuity option, or the potential for payments after your death in the case of the 10-Year Certain Annuity option.

The Plan has several payment options, as described below:

- **Single Life Annuity:** The Single Life Annuity provides a monthly income payable during your lifetime. Upon your death, all payments will stop. Since no monthly payments continue after your death, the Single Life Annuity provides the highest monthly benefit of any of the options available.
- **Joint and Survivor Annuities:** The Joint and Survivor Annuity provides for a reduced monthly benefit to you during your lifetime. If your spouse or other designated beneficiary is living at the time of your death, then he or she will continue to receive either 50%, 75%, or 100% (as elected by you before your retirement) of the monthly benefit you had been receiving. These payments will continue throughout your beneficiary's lifetime. If your spouse or designated beneficiary's death precedes your own, then benefits will cease when you die.
- **Ten-Year Certain Annuity:** The Ten-Year Certain Annuity provides you with a reduced monthly income for life. If you die before receiving 120 payments, the balance will be paid to your designated beneficiary. If you receive more than 120 payments, your beneficiary will not receive a benefit upon your death. **Note:** Under this option, you may designate more than one

beneficiary and decide how they will share any remaining portion of the 120 payments. If a beneficiary dies before receiving all payments due, the remainder will be paid to any surviving contingent beneficiary, or if none, to his or her estate.

Timing of benefit election All elections must be made within 90 days of your benefit commencement date. Once payments begin, you are not permitted to change your benefit election. In addition, you may not change your beneficiary designation after your payments commence (unless benefits are paid in the form of a Ten-Year Certain Annuity option).

If you or your beneficiary die after you make an election, but before your benefits commence, your election is automatically revoked.

Withdrawal of participant contributions Prior to July 1, 1989, participants were required to contribute to the Plan through after-tax payroll deduction. These contributions are credited with interest, compounded annually, under the Plan's terms. Upon termination or retirement, you may withdraw your contributions with interest in a lump sum. However, these contributions are intended to fund part of your benefit, and if they are withdrawn in a lump sum, your monthly retirement benefit will be reduced by the actuarial value of the withdrawn contributions and interest.

If you choose to withdraw your participant contributions, the original contributions will not be taxable. The interest earned on those contributions is considered taxable income in the year of distribution. You may roll over the interest portion to an IRA and defer tax liability to some future date.

Payment of small benefits If you are vested when you separate from service, the CUC Retirement Services office will determine the actuarial present value of your benefit. If this value does not exceed $1,000, you will automatically receive your full retirement benefit in a single lump sum payment as soon as practicable after your termination of employment. If the value is between $1,000 and $5,000, you must consent in writing to receive your benefit, which will be paid in the form of a single lump sum.

Taxation Distributions (other than a return of after-tax contributions) are normally subject to income taxes. If you receive a single cash payment from the Plan, 20% of the taxable portion of your distribution must, by federal law, be withheld to pay federal taxes ***unless*** you elect to have your distribution transferred directly to another qualified plan or an Individual Retirement Account (IRA). (See the "Direct Rollover" section below.) Single sum distributions paid before you reach age 59½ may be subject to an additional 10% penalty tax.

Direct rollover If you receive a single lump sum payment from the Plan, you may elect to transfer all or any portion of the taxable portion directly to an Individual Retirement Account (IRA) or to another employer's eligible plan that accepts rollovers. This is known as a "direct rollover." If you elect a direct rollover, the Trustee will issue you a check in the transfer amount made payable to the trustee of the other eligible plan or the bank sponsoring the IRA. You are responsible for delivering the check to the new trustee or bank. When your Plan benefit is transferred in this manner to an IRA or another eligible plan, your benefit will not be subject to 20% federal tax withholding.

Regular rollover Alternatively, if you receive a single lump sum payment, you may elect to receive a check made payable to you, with 20% of the taxable portion of your Plan benefit withheld for federal taxes, and then deposit the remaining 80% into an IRA within 60 days after receipt of the distribution. This is known as a "regular rollover." However, unless you also contribute to the IRA from your own funds an amount equal to the 20% that was withheld, the 20% that is not rolled over will be subject to income taxes in the year of receipt.

Are Benefits Paid From the Plan in the Event of My Death?

Death before retirement If you die before retiring from the Colleges, the Plan provides the following types of automatic death benefits.

Pre-retirement survivor annuity If you are not married or have been married less than one year at your death, the only pre-retirement death benefit is a return of your own contributions and interest (if any) to your designated beneficiary (or your estate, if there is no beneficiary).

If you die after you become vested, but before you are eligible for early or normal retirement, your surviving spouse will receive a monthly benefit provided you have been married to your spouse for at least one year at the time of your death. The monthly benefit will equal the survivor portion of a Joint and 50% Survivor Annuity.

Payments will begin on the date which would have been your earliest possible retirement date and will continue until your spouse dies.

Enhanced death benefit If you die after becoming eligible for early retirement, but before any benefit payments have commenced, then a monthly benefit will be paid to your surviving spouse provided you have been married to your spouse for at least one year at your death and have not made a previous withdrawal from the Plan.

The monthly benefit payable to your surviving spouse will be equal to 120% of the survivor portion of a Joint and 50% Survivor Annuity, and will be calculated as if you had:

a. terminated employment on the date of death and
b. survived until age 65 and
c. elected to receive your benefit in the form of a Joint and 50% Survivor Annuity.

Payments made to your surviving spouse will commence as of the month following your date of death and continue for as long as your surviving spouse lives.

Can I Designate a Beneficiary?

Beneficiary election The only designation of a beneficiary possible before retirement is for return of participant contributions plus interest with respect to unmarried participants (or participants married for less than one year) who die before retirement, or with respect to married participants who have been married for at least one year and who are not yet vested in their Plan benefit who die before retirement. In these cases, participants can obtain beneficiary designation forms from the CUC Retirement Services office. If you are married (and have been married for at least one year), die before retirement and are vested in your Plan benefit, your spouse will receive a monthly benefit from the Plan (see the preceding section entitled "Are Benefits Paid From The Plan In The Event Of My Death?").

Upon your retirement, you will elect a method for distributing your Plan benefits. Some distribution methods pay a monthly benefit to your beneficiary upon your death. Whichever method is elected, you must complete an Election Form for Retirement Benefits, and designate your beneficiary if applicable.

Spousal consent If you are married, your spouse's written consent is required if you do *one* of the following:

- Elect the Single Life Annuity option.
- Elect the 10-Year Certain Annuity option.
- Name a beneficiary other than your spouse under one of the Joint and Survivor options.

Your spouse's written consent is required in the presence of a Notary Public or a Plan representative in the CUC Retirement Services office.

Are Benefits Payable From the Plan in the Event of My Disability?

Definition of "Totally and Permanently Disabled" "Totally and Permanently Disabled" means that, based on medical evidence satisfactory to the Committee, you are found to be totally and permanently physically or mentally disabled and unable to engage in any regular substantial gainful occupation or employment.

Eligibility for Disability Retirement Benefit Under a special rule of the Plan, you continue to accrue a benefit in the Plan during your disability period through the date of the Plan freeze, June 30, 2005, if ***all*** of the following apply:

- You become Totally and Permanently Disabled.
- You earned at least ten years of Cumulative Service prior to your disability.
- You have not withdrawn your own contributions and interest (if any).

Disability Retirement Benefit The Disability Retirement Benefit will be calculated at your rate of Monthly Earnings in effect prior to becoming totally and permanently disabled and as if you had continued to participate in the Plan until your Normal or Early Retirement Date, or until you recover from being totally and permanently disabled. The Committee, at its discretion, may require medical evidence of continuing disability.

How Do I Apply for Retirement Benefits From the Plan?

It is your responsibility to apply for benefits. Once you have fulfilled all eligibility requirements and have determined your date of retirement, you must send a letter of notification to the CUC Retirement Services office to start your benefits. The CUC Retirement Services office will provide you with forms that you must complete and promptly return. It may take up to three months to process your application, so make sure you allow enough time.

When Are Benefits Not Payable From the Plan?

Benefits may not be payable if:

- You terminate employment before you become vested (unless you have any of your own contributions and interest under the Plan).
- You have no participant contributions and you die after qualifying for early or normal retirement benefits but you are not married, or are married for less than a year at your death.
- All or a portion of your benefits are assigned to an alternate payee under a QDRO (see the section below entitled "Alienation of Benefits/QDROs").
- You or your beneficiary fail to make a timely appeal of denied benefits.
- The plan terminates. It is possible you may not receive the entire benefit you have earned, although benefits are guaranteed under certain circumstances by the Pension Benefit Guaranty Corporation (see the section entitled "Benefits Insured by the Pension Benefit Guaranty Corporation.").

Miscellaneous Information about the Plan You Should Know

The Claremont Colleges The Claremont Colleges ("Colleges") is an affiliated group of institutions which includes the Claremont University Consortium, Claremont Graduate University, Claremont McKenna College, Harvey Mudd College, Pitzer College, Scripps College, Pomona College and the Rancho Santa Ana Botanic Garden.

As of January 1, 1998, the Board of Trustees of Rancho Santa Ana Botanic Garden and, as of July 1, 1999, The Tomas Rivera Policy Institute, a former affiliate, elected to cover their employees under separate retirement plans. As of these respective dates, the employees of these entities began to earn benefits under the new plans and ceased to accrue additional benefits under the Plan.

Plan continuance The Colleges reserve the right, under the Plan's terms, to amend or terminate the Plan, in whole or in part, at any time. The Plan is purely voluntary on the part of the Colleges.

Amendment The Colleges shall ensure that no amendment:

- Provides in any way for the use or diversion of Plan assets for any purpose other than the exclusive benefit of Plan participants and their beneficiaries, and to defray reasonable Plan expenses.
- Shall cause a reduction in any benefits you have already earned, except when required to comply with an act of Congress or as otherwise required by applicable law.

Plan termination If the Plan is terminated, you will become 100% vested in your Plan benefit. The Colleges may, subject to the Plan's terms, recover any assets which remain after satisfaction of all participants' vested benefits. The withdrawal of any participating College will not necessarily result in the Plan's termination or in the acceleration of benefit payments to any affected Plan participants.

Benefits insured by the Pension Benefit Guaranty Corporation (PBGC) Benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, ask the CUC Retirement Services office or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, PBGC, 2020 K Street NW., Washington, DC 20006. The PBGC Office of Communications may also be reached by calling (202) 326-4000 or (800) 400-7242.

Participant's rights The terms of your employment are not affected in any way by the Plan. The Plan is not an employment contract. Nothing in the Plan or in this SPD is to be interpreted as giving any person a right to remain an employee of the Colleges and nothing in the Plan or this SPD affects the right of the Colleges to terminate anyone's employment at any time, with or without cause.

Nothing expressed or implied in the Plan can be construed as providing you or any other person with any legal or equitable right against the Colleges or the Plan, except as explicitly stated in the Plan, or as required by law.

Alienation of Benefits/QDROs Under federal law, you do not have the right to assign or pledge any of the monies or benefits which are or may become payable to you or your beneficiary under the Plan. In addition, to the extent provided by law, your creditors cannot attach, garnish, or otherwise subject your Plan benefits to legal or equitable process. An exception to this rule is a payment made pursuant to a Qualified Domestic Relations Order (QDRO). A QDRO is a court order or decree that compels the Plan Administrator to pay or allocate a portion of your Plan benefits to an "alternate payee," namely your spouse, ex-spouse, child or other dependent. The Committee for the Plan will promptly notify any participant whose benefits are the subject of a court order and will determine within a reasonable period of time whether the court order is in fact a QDRO. You may obtain a copy of the Plan's QDRO Procedures from the Committee at no charge.

Benefit Limitation Rules The Internal Revenue Code limits the amount of benefits a participant may earn under a Plan, and the amount of compensation that may be used for purposes of calculating benefits. The Internal Revenue Service has issued special rules to administer these limitations, which generally would apply to certain key or highly-compensated employees of the Colleges. If your benefits under the Plan, or your compensation used for calculating your benefits, becomes subject to these limitations, you will be notified.

How Can I Appeal a Decision Which Affects My Plan Benefits?

Committee The Claremont Colleges Retirement Plans Committee (the "Committee"), which is appointed by the Council of The Claremont Colleges, consists of designees from each institution. The Committee is responsible for the Plan's day-to-day management and for settling all questions that may arise regarding the administration of the Plan.

If a question arises about the interpretation of the terms of the Plan, the Committee has sole discretionary authority to construe, interpret and apply the terms of the Plan and to decide any question, including but not limited to, a question about an employee's eligibility to participate in or receive benefits under the Plan. You must rely ***only*** on the Committee's interpretations of the Plan. You must not rely on any interpretation of the Plan by other employees or supervisors.