

Summary Plan Description

Prepared for

Saint Francis University Retirement Plan

Revised 7-09

INTRODUCTION

Saint Francis University sponsors the Saint Francis University Retirement Plan (the “Plan”) to help you and other Employees save for retirement. The Plan’s investment vendor is the Teacher’s Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF).

To become a Participant in the Plan, you must meet the Plan's eligibility requirements. Once you become a Participant, the Plan will maintain an Individual Account for you. Each Plan Year, your account will be adjusted to reflect contributions, gains, losses, and other investment activity. Features of the Plan are explained further in the following pages.

You may be able to elect to reduce your annual taxable income by deferring a portion of your Compensation into the Plan as Elective Deferrals. Saint Francis University may match contributions to this Plan. 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. Individual agreements are issued to you by TIAA-CREF upon enrollment in 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 TIAA-CREF to obtain copies of the Individual Agreements or to receive more information regarding the investment options available under the Plan.

The University sponsored the Plan by signing a complex legal agreement – the Plan document - which contains all of the provisions that the Internal Revenue Service (IRS) requires, and to which is referred to as the Basic Plan Document. 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. The University also has 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.

This document is called a Summary Plan Description (SPD) and explains and summarizes the important features of the Basic Plan Document. This Summary Plan Description (SPD) summarizes the important features of the Plan document, including your benefits and obligations under the Plan. If you have questions or want more detailed information regarding certain Plan features or have questions about the information contained in this SPD, you should contact the University’s Human Resources Office. You may also examine a copy of the plan document by contacting the Human Resources Office. 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 the University, the terms of the Plan document – not this SPD - will govern.

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DEFINITIONS

ELIGIBILITY

Am I eligible to participate in the Plan?

There are two levels of Plan participation.

First, eligible employees may make voluntary contributions to the Plan on a pre-tax basis. These are called "Deferrals."

Second, the University will match a portion of any pre-tax contribution that you make if you meet the necessary eligibility requirements.

Deferrals: Anyone hired by the University will be eligible to make voluntary pre-tax contributions or Deferrals to the Plan (except for students who are not eligible to the extent that they receive wages that are not subject to FICA taxation). You are not required to meet any eligibility requirements to make voluntary pre-tax contributions or Deferrals. You may begin to make Deferrals to the Plan as soon as administratively feasible after your date of hire.

Matching Contributions: Your ability to receive Matching Contributions may be a separate matter. If you are hired as Full-Time Faculty or Full-Time Staff and you do not fall into one of the categories of excluded employees listed below, you are eligible to receive Matching Contributions as soon as feasible after your date of hire.

If you are not hired as Full-Time Faculty or Full-Time Staff and you do not fall into one of the categories of excluded employees listed below, you will not be eligible to receive any Matching Contributions until you have been credited with one Year of Service. Once a Year of Service is credited, you will become eligible for Matching Contributions the first day of the month immediately following completion of the Year of Service.

Categories of employees who will never be eligible for Matching Contributions under the Plan include the following:

- Adjunct faculty (who are defined as faculty who do not meet the definition of Full Time Faculty)
- Graduate assistants
- Head coaches in women's golf, men's and women's tennis and cheerleading
- Assistant coaches in all sports whose contracts are not for a 12 month term
- Campus ministers whose contracts are not for a 12 month term
- All students (whether subject to FICA taxation or not)
- Nonresident aliens with no U.S. source income

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

Once you satisfy the eligibility requirements and enter the Plan, you will continue to participate while you are still employed by the University, even if you have a break in eligibility service. A break in service occurs when you do not work more than 500 hours during a Plan Year. If you had not yet satisfied the eligibility requirements and had a break in eligibility service, periods before your break in service will not be taken into account and you will have to satisfy the eligibility requirements following your break in service. Periods during which you have a break in eligibility service will not count against you if you were absent while on approved leave because you were pregnant, had a child or adopted a child, were serving in the military, or provided service during a national

emergency and re-employment is protected under federal or state law, and you return to employment within the time required by law.

If you terminate employment and are later rehired, you will be able to defer a portion of your Compensation as a Deferral as soon as administratively feasible after being rehired. If you had met the eligibility requirements for Matching Contributions and were a Participant in the Plan before terminating employment or having a break in eligibility service, and are later rehired, you will enter the Plan immediately. If you were not a Participant before the break in eligibility service, and are rehired, you will need to again satisfy the Plan's eligibility requirements for Matching Contributions.

CONTRIBUTIONS & VESTING

What amount may I contribute to the Plan?

Deferrals: You will be able to contribute a portion of your Compensation as a pre-tax Deferral. The maximum dollar amount that you can contribute to the Plan each year is \$16,500 for 2009 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 earnings) are always fully vested and cannot be forfeited. So if you were to leave the University, you would be entitled to the full Deferral balance (plus earnings).

The amount of your Compensation that you decide to defer into the Plan will be contributed on a pre-tax basis. That means that, 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 the 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.

EXAMPLE: Assume your Compensation is \$25,000 per year. You decide to contribute 5% of your Compensation into the Plan. The University will pay you \$23,750 as gross taxable income and will deposit \$1,250 (5%) 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.

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 2009) into the Plan as a pre-tax contribution. 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 years for the 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 the University) minus (the total amount of Deferrals made while you worked for the University)

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 the related earnings) are considered Deferrals and are always fully vested. So if you were to leave the University, you would be entitled to the full catch-up balance (plus earnings).

May I make after-tax contributions or rollover after-tax contributions to the Plan?

The Plan will not accept any after tax contributions or rollovers of after-tax contributions.

How do I start making contributions?

You should contact the University's Human Resources Office and follow procedures to begin deferring a portion of your Compensation into the Plan.

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% or you simply fail to follow the procedures established by the University for making a Deferral election, you will not be enrolled in the Plan as a deferring Participant (i.e., 0% 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?

You may change the amount you are deferring into the Plan or stop making Deferrals altogether at the times determined by the University. Generally, once you stop your Deferrals, you will not be able to reenroll in the Plan and begin making Deferrals again until the first day of the next Plan Year, or the first day of the seventh month of the Plan Year, unless the University decides to allow more frequent re-entry.

Example: Assume you are enrolled in the Plan and deferring 6% of your Compensation into the Plan as a pre-tax Deferral. On October 1 you decide to stop making Deferrals. You will not be able to re-enter and begin making Deferrals again until January 1.

What if I contribute too much to the Plan?

If you contribute too much 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 year the money was contributed to the Plan. You must notify the 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 make Deferrals to the Plan, what will the University's Matching Contribution equal?

Each pay period that you contribute a portion of your Compensation into the Plan as a pre-tax Deferral, the University will make a contribution to the Plan as a Matching Contribution on your behalf if you are eligible for Matching Contributions based on the following formula.

If your Deferral Contributions equals: Then the University Match will equal:

5% or more, but less than 6%	7%
6% or more	8%

For example, if you contribute less than 5%, the University will make no Matching Contributions on your behalf. If you contribute 5%, the University will contribute 7% as a match. If you contribute 6% or more, the University will contribute 8% as a match.

All Matching Contributions made under the Plan on your behalf are always 100% vested. They cannot be forfeited. So if you were to leave the University, you would be entitled to the full Matching Contribution balance (plus earnings).

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

The University may allow you to rollover dollars you have saved in other retirement arrangements into this Plan after you become eligible to participate in the Plan. The 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 nonforfeitable. You may only rollover the pre-tax portion of the other plan or IRA.

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 \$49,000, plus any age 50 catch-up contributions, in 2009 or an amount equal to 100% of your Compensation, whichever is less, allocated to the Plan for your benefit each year. The \$49,000 limit will be increased as the cost of living increases, and is the total amount that can be contributed across all retirement plans sponsored by the University.

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

If you are reemployed by the University after completing military service, you may be entitled to missed Matching Contributions if you are willing to make Deferrals.

If you are reemployed after military service, contact the University's Human Resources Office for more information about your options under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Will I be able to keep my Matching Contributions if I terminate employment or am no longer eligible to participate in the Plan?

Contributions that you receive from the University will always be fully vested and cannot be forfeited, even if you terminate employment or become ineligible to participate in the Plan.

What happens if I become Disabled?

The University will make University Contributions to the Plan on behalf of Disabled Participants that shall be allocated as follows:

A Participant shall receive an allocation of University Contributions if the Participant:

- has suffered a Disability while employed by the University,
- is entitled to long-term disability (LTD) payments under the University's LTD policy and
- was contributing at least 5% of Compensation to the Plan at the time of the Disability.

This allocation shall equal the sum of:

- the amount of Matching Contributions being allocated under the Plan on behalf of the Participant based on the Participant's base compensation (excluding items of compensation such as overtime, etc.) at the time of the Disability, plus
- an amount equal to 5% of the Participant's base compensation (excluding items of compensation such as overtime, etc.) at the time of the Disability.

If payments are made by the LTD insurance carrier under the LTD policy to the University equal to the amount of the 5% contribution described above and the amount of the payments made by the LTD insurance carrier increases, the amount of the total allocation made to the Participant under the Plan shall increase by an equal amount. There shall be no increase to the amount of the total allocation due to any similar increase to the Matching portion since such Matching portion shall remain fixed.

These allocations shall be made as frequently and as long as payments are received by the University from the LTD insurance carrier under the LTD policy and shall cease no later than when the Participant is no longer Disabled, returns to active employment with the University or attains Normal Retirement Age (65).

Any University Contribution made and allocated under this subsection F. for a Plan Year are made pursuant to Treas. Reg. section 1.403(b)-6(d)(3), as amended from time to time.

WITHDRAWALS AND LOANS

When may 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
- On account of hardship

You may request a distribution of the Matching Contributions that you received from the University at the times listed below.

- You terminate employment
- You become Disabled
- You reach age 59½

In spite of the distribution events listed above, Matching Contributions that are held in annuity contracts issued after 2008 will generally not be available to you while you are still employed unless you have participated in the Plan for at least five years.

Your right to receive a distribution is always subject to the restriction in the Individual Agreements. You may elect a distribution of your rollover contributions at any time subject to the restrictions in the Individual Agreements.

Hardship

If you experience a financial hardship, you may take a distribution from the Deferrals which you have contributed to the Plan, unless restricted under the terms of the Individual Agreements.

The following events qualify as a hardship distribution under the Plan:

- medical expenses for you, your spouse or your dependents, or your beneficiary,
- payment to purchase your principal residence,
- tuition and education-related expenses for you, your spouse or your dependents, or your beneficiary
- payments to prevent eviction from your principal residence,

- funeral expenses for you, your spouse or your dependents, or your beneficiary,
- payments to repair your principal residence that would qualify for a casualty loss deduction.

Before you take a hardship distribution, you must take all other distributions and all nontaxable loans available to you under the Plan. If you take a hardship distribution of Deferrals, you may not be eligible to make Deferrals for the next six months. If you are under age 59½, the amount you take out of the Plan as a hardship distribution may be subject to a 10% penalty tax.

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 the investment options that you selected for your Plan contributions may contain additional limits on 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 TIAA-CREF if you have questions regarding your distribution options.

How do I request a payout?

You must complete a payout request form provided by TIAA-CREF. If you are taking a hardship distribution, you must provide documents to verify that you have a hardship event that qualifies for a Plan distribution.

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 that is 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. TIAA-CREF will provide you with more information regarding your annuity options when it comes time for you to make a decision. Follow the procedures established to document your spouse's consent to waive the annuity and take the payment in some other form permitted by the Plan. Your spouse must also consent to any Plan loans that you request.

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
- 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 the 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 the University for information regarding rollover procedures.

Do any penalties or restrictions apply to my payouts?

Generally, if you take a payout 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% penalty. Your tax adviser can assist you in determining whether you qualify for a penalty exception.

If your payout is eligible to be rolled over, 20% of the taxable portion of your payout will be withheld and remitted to the IRS as a credit toward the taxes you will owe on the payout amount *unless* you do a direct rollover.

EXAMPLE: You request a \$10,000 payout from the pre-tax portion of your Plan balance. If the amount is eligible to be rolled over to another plan, but you choose not to roll it over directly, you will receive \$8,000 and \$2,000 will be remitted to the IRS.

May I take a loan from the Plan?

Although the Plan is designed primarily to help you save for retirement, you may take a loan from the Plan as outlined below, subject to the terms and restrictions in the Individual Agreements. Please review your annuity contracts or custodial agreements before requesting a loan. Contact (TIAA-CREF if you have questions regarding your loan options.

The Individual Agreements governing the investment options that you selected for your Plan contributions may contain additional limits on when you can take a loan. Please review both the following information in this Summary Plan Description and your annuity contracts or custodial agreements before requesting a loan. Contact the University or the investment vendor if you have questions regarding your loan options.

Generally the minimum loan amount that you may take is \$1,000 and the maximum loan amount is \$50,000. The maximum amount you can borrow may be less, however, depending on two factors: 1) the amount of your accumulation under the Plan, and 2) whether you have taken other loans from any of the University's plans within the last year. If you have not had a plan loan in the previous year, your maximum loan cannot be greater than one-half of your vested account balance or \$50,000, whichever is less. If you have had another loan, the \$50,000 maximum will be reduced by the highest outstanding loan balance in the 12 month period prior to the new loan.

If your loan is being taken from a TIAA-CREF Annuity, your maximum loan amount is further limited to

- 1) 45% of your combined TIAA and CREF accumulation attributable to participation under this Plan; or
- 2) 90% of your CREF and TIAA Real Estate accumulation attributable to participation under this Plan for Retirement Loan (RL) loans or
- 3) 90% of your TIAA Annuity accumulation attributable to participation under this Plan for a Group Supplemental Retirement Annuity (GSRA) loan.

If you default on a loan, your right to a future loan may be restricted. Further, the maximum amount that you can borrow from the Plan will be reduced by the amount in default (plus interest) until the defaulted amount can be deducted from your Plan accumulation.

If your loan is based on amounts invested in your TIAA-CREF mutual funds, you may not have more than three loans at any one time.

If your loan is used to purchase a primary residence, you must repay it within ten years. Other loans must be repaid within one to five years.

How do I apply for a loan?

To apply for a loan you must contact TIAA-CREF and complete a loan application. TIAA-CREF administers the loan program.

What is the interest rate for my loan?

The interest rate for your loan will vary, as described below, depending upon how your retirement balance is invested.

- Group Supplemental Retirement Unity-Annuity (GSRA) contract - The interest rate is variable and can increase or decrease every three months. The interest rate you pay initially will be the higher of 1) the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued; or 2) the interest rate credited before your annuity starting date, as stated in the applicable rate schedule, plus 1 percent. Thereafter, the rate may change quarterly, but only if the new rate differs from your current rate by at least ½ percent.
- Retirement Loan (RL) contract - For all Employers except those located in Arkansas, Hawaii, or New Jersey, the interest rate you pay initially will be the higher of 1) the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued; or 2) the interest credited before your annuity starting date, as stated in the applicable rate schedule, plus 1 percent. Thereafter the rate will change annually, but only if the Moody's Corporate Bond Yield Average for the calendar month ending two months before the anniversary of your loan differs from your current rate by at least a half percent. If the latest average differs by less, your interest rate will remain the same for the next year. For Employers located in Arkansas, Hawaii, or New Jersey, the interest rate will be a fixed rate of 8 percent.
- TIAA-CREF mutual funds - The interest rate for loans from TIAA-CREF mutual funds will be fixed for the term of the loan and will be equal to the Federal Reserve Board Bank prime loan rate plus 1 percent at the time of the loan origination.

What if I don't repay my loan?

You will be required to repay the loan amount (plus interest) to the Plan. If you default on the loan, you will be taxed on the amount of the outstanding loan balance and will be subject to a 10% penalty if you are under age 59 ½. In addition, the University has the right to foreclose its security interest in the portion of your vested account under the Plan that you pledged as security for the loan, when an event allowing a Plan distribution occurs. The following events will cause a loan default:

- Not repaying your loan as set forth in your loan agreement.
- Breaching any of your obligations under your loan agreement.
- Severing your employment (for loans from mutual funds in custodial accounts)

If your loan is defaulted, the University has the right to foreclose the security interest in your vested account balance pledged for repayment, when an event which triggers a distribution of your benefits occurs. In addition, the loan administrator will report the loan default to the IRS and the outstanding loan amount and accrued interest will be treated as a taxable distribution. If you are under age 59½, this could result in a 10% penalty on the taxable portion of the default.

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 the 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 do not name a beneficiary, 50% of your balance will be paid to your spouse and 50% 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 their 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 beginning age 70½ distributions, as described in the following question, your beneficiary must continue taking distributions from the plan at least annually. If you die before beginning age 70½ payments, 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 they take the entire amount remaining amount during that fifth year.

How long can I leave the money in my Plan?

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

Age 70½ Required Distributions

When you reach age 70½ you will generally need to begin taking a distribution each year based on your balance in the Plan. However, you can delay required distributions 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 your 403(b) plans and taking the required minimum distribution from any one or more the individual 403(b) plans.

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?

The University (or someone appointed by the University) will select the investment vendors and investment options that will be 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 the University considers appropriate. The 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 are responsible for selecting the investments for my contributions under the Plan. In accordance with procedures adopted by the Plan Administrator, you have certain rights to direct the investment of portions of your account balance.

With regard to Deferral and Matching Contributions and all rollover accounts, this Plan is intended to constitute an ERISA §404(c) plan, which means that to the extent that you have the ability to choose how to invest your account, the fiduciaries of the Plan may be relieved of liability for any losses which result from following your investment instructions.

Your investment options will consist of a variety of investment options. The investment options are not listed here so that the University will not need to amend this SPD every time that an investment option is added, dropped, or has a name change.

Upon becoming a participant, you should receive an information packet from the Human Resources Office, which contains all of the following information (Ask for it if you do not receive it.):

1. A list of all of the available investment options.
2. A prospectus or detailed financial information for each investment option.
3. A toll free telephone number (1-800-842-2252) and Internet access information (www.tiaa-cref.org.)

You have the right to receive the following information upon request (based on what is available to the trustees):

1. The current prospectus or financial information for each investment option in which you have invested,
2. The annual operating expenses for each such investment option,
3. A list of assets for each investment option.
4. The past investment performance of each investment option.

Changing Investment Decisions: If you want to transfer dollar amounts or number of shares or percentages among the various investment options but subject to the terms of the Individual Agreements, contact TIAA-CREF at 1-800-842-2252.

You may change your investment allocation for any future contributions on a daily basis without any percentage restrictions. You also may change your allocation of previously invested funds on a daily basis, subject to the terms of the Individual Agreements.

Plan Expenses: There is no load or other charge for investing in any of the investment options available under this plan. Therefore, no fee will be deducted from your account because you choose any particular investment options. Nevertheless, the funds do pay management fees and other expenses that reduce your rate of return. These expenses should be listed in the financial information for an investment option.

Default Investments: If you do not choose an investment option, future Contributions made to your Plan account will be invested in the Plan's Default Investment Fund until you change your investment election. The Plan's current Default Investment Fund is the TIAA-CREF Target Date Funds with the target date closest to the year in which you attain age 65.

It is intended that the Plan's Default Investment Fund constitute a "qualified default investment alternative" under ERISA §404(c)(5). A brief description of the Plan's Default Investment Fund, including the fund's investment objectives, risk and return characteristics is provided below. A brief description of any expenses, fees and restrictions related to a withdrawal or transfer out of the Fund is provided above.

Subject to the Individual Agreements, you have the right to change your investment election to any other investment alternative under the Plan at any time by calling TIAA-CREF at 1-800-842-2252 or by logging in to your account at www.tiaa-cref.org

You may obtain investment information about the Plan's Default Investment options and other investment options by contacting TIAA-CREF at 1-800-842-2252 or at www.tiaa-cref.org.

Objective: The objective of each TIAA-CREF Target Date Fund is the highest total return over time consistent with an emphasis on both capital growth and income. The funds pursue their objectives by investing in a diversified portfolio of TIAA-CREF stock and bond funds. Each fund's allocation between TIAA-CREF stock and bond funds will change over time in relation to its target retirement date. Generally, these funds' investment programs assume a retirement age of 65. As time elapses and an investor's retirement date approaches, the funds' allocations to stocks will decrease in favor of fixed income securities.

The objective of the TIAA-CREF Target Date Funds is the highest total return over time consistent with an emphasis on both capital growth and income.

Risk and Return Characteristics: The performance and risks of each TIAA-CREF Target Date Fund will directly correspond to the performance and risks of the underlying funds in which it invests. By investing in many underlying funds, the TIAA-CREF Target Date Funds have partial exposure to the risks of many different areas of the market. The more a TIAA-CREF Target Date Fund allocates to stock funds, the greater the expected risk.

ADMINISTRATION INFORMATION AND RIGHTS UNDER ERISA

Who established the Plan?

The official name of the Plan is Saint Francis University Retirement Plan
The University who adopted the Plan is:

Saint Francis University
117 Evergreen Drive, PO Box 600
Loretto, PA 15440-0600
814-472-3264
Federal Tax Identification Number: 251024358
Fiscal Year End: 06/30

The University has assigned Number 001 to the Plan.

The DiSepio Institute for Rural Health and Wellness also has adopted the Plan to cover its employees.

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?

The University has amended and restated the Saint Francis University Retirement Plan which was originally adopted 09/01/1979. The effective date of this amended Plan is 01/01/2009.

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

The University is responsible for the day-to-day administration of the Plan. To assist in operating the Plan efficiently and accurately, the University may appoint others to act on its behalf or to perform certain functions. Questions regarding the Plan should be directed to the Human Resources Office at 814-472-3264.

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 fees and expenses related to processing your distributions or loans (if applicable), qualified domestic relations orders, and your ability to direct the investment of your Plan balance, if applicable.

Does the University have the right to change the Plan?

The Plan will be amended from time to time to incorporate changes required by the law and regulations governing retirement plans. The University also has the right to amend the Plan to add new features or to change or eliminate various provisions. The University cannot amend the Plan to take away or reduce protected benefits under the Plan (e.g., the 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, and does not provide, any additional rights to employment or constitute a contract for employment. The purpose of the Summary Plan Description 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 there are any inconsistencies between this Summary Plan Description 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 Internal Revenue Service) and others generally may not request a distribution from your Plan balance. One major exception to this rule is that the 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. The 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 the 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 TIAA-CREF. The claim must set forth the reasons you believe you are eligible to receive benefits and you must authorize TIAA-CREF 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, TIAA-CREF 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. If the University determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial ninety (90) day period. In no event shall such extension exceed a period of ninety (90) days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the plan expects to render the benefit determination.

In the case of a claim for disability benefits, if the 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 time period may be extended by the Plan for up to 30 days if the University determines that an extension is necessary due to matters beyond the control of the Plan. The University will notify you, before the end of the 45-day period, of the reason(s) for the extension and the date by which the Plan expects to make a decision regarding your claim.

If, before the end of the 30-day extension, the 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 the 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.

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

- i. The specific reason or reasons 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; and
- v. In the case of a Plan providing disability benefits, if the 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 that 2) 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 similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

May I appeal the decision of the University?

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

However, in the case of a claim for disability benefits, if the University is deciding whether you are Disabled under the terms of the Plan, you will have at least 180 days following receipt of notification of a claim denial within which to appeal the University's decision.

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.

If the claim is for disability benefits:

- i. Your claim will be reviewed independent of your original claim and will be conducted by a named fiduciary of the Plan other than the individual who denied your original claim or any of his or her employees.
- ii. In deciding an appeal of a claim denial that is based in whole or in part on a medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment;
- iii. The University will provide you with the name(s) of the health care professional(s) who was consulted in connection with your original claim, even if the claim denial was not based on his or her advice. The health care professional consulted for purposes of your appeal will not be the same person or any of his or her employees.
- iv. You will be notified of the outcome of your appeal no later than 45 days after receipt of your request for the appeal, unless the University determines that special circumstances require an extension of time for processing the claim. If the University determines that an extension is required, written notice of the extension will be provided to you before the end of the initial 45-day period. The notice will identify the special circumstances requiring an extension and the date by which the Plan expects to make a decision regarding your claim.

If the claim is not for disability benefits, the decision on review will be made within sixty (60) days after the request for review is received by the University, unless the University determines that special circumstances (such as the need to hold a hearing, if the Plan's procedures provide for a hearing) require an extension of time for processing the claim. If the University determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial sixty (60) day period. In no event shall such extension exceed a period of sixty (60) days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review.

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

- i. The specific reasons for any denial
- ii. 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;
- iii. 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; and
- iv. If the 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 similar situation, either an explanation of the scientific or clinical basis for the denial, applying the terms of the Plan to your medical circumstances, or a statement that an explanation will be provided free of charge upon request.

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

The 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?

You are always vested in your entire balance under the Plan. Accordingly, 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 Corporate, the government agency that insures certain pension plan benefits upon plan termination.

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

As a Participant in this Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants shall be entitled to do the following.

Receive Information About Your Plan and Benefits

1. Examine, without charge, at the University's Human Resources Office, all Plan documents governing the Plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
2. Obtain, upon request to the University, copies of documents governing the operations of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description (SPD). The University may charge a reasonable fee for the copies.
3. Receive a summary of the Plan's annual financial report. The University is required by law to furnish each Participant with a copy of this Summary Annual Report.
4. Obtain, once a year, a statement of the total pension benefits accrued under the Plan. 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 the 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 University 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 University. 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 University's Human Resources 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 University, 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.

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 the 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 a 403(b) tax-sheltered annuity plan or under a flexible benefits (or cafeteria) plan.

The definition of Compensation used under the Plan has been further adjusted to exclude severance pay and to exclude any reimbursements or other expense, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits, *except* that the definition of Compensation shall include

- life style return bonus payments, and
- cash car allowances

If you receive payments from the University within 2 ½ 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 time 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.

The maximum amount of Compensation that will be taken into account under the Plan is \$245,000 (for 2009). This amount increases as the cost of living rises.

Deferrals – Deferrals are the dollars you choose to contribute to the Plan through payroll deduction on pre-tax basis.

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.

Full-Time Faculty shall mean faculty with full teaching and/or research responsibilities as identified in the faculty member's employment contract with the University.

Full-Time Staff shall mean non-faculty employees who are scheduled to work a minimum of 35 hours per week and 52 weeks per years, except as otherwise scheduled by the terms of appointment such as 9 or 10 appointments.

Highly Compensated Employee – A Highly Compensation Employee is any employee who for the previous year had Compensation from the University greater than \$110,000 (for 2009). The \$110,000 threshold is increased as the cost of living rises.

Hour of Service – For purposes of determining Plan eligibility, Hours of Service shall be credited as follows. For employees for whom the University counts actual hours, an Hour of Service shall be credited for each hour for which the employee is paid or entitled to payment. For those employees for whom the University does not count hours, 10 Hours of Service shall be credited for each day or partial day that they work.

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 TIAA-CREF and the 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.

Matching Contribution – The University may make Matching Contributions to the Plan based on the amount of Deferrals you contribute to the Plan.

Normal Retirement Age – Age 65 is considered the Normal Retirement Age under the Plan.

Participant – An employee of the University who has satisfied the eligibility requirements and entered the Plan is referred to as a Participant.

Plan – The Saint Francis University Retirement Plan is the Plan described in this Summary Plan Description.

Plan Administrator – The University is responsible for the day-to-day administration of the Plan. To assist in operating the Plan efficiently and accurately, the University may appoint others to act on its behalf or to perform certain functions. Questions regarding the Plan should be directed to the Human Resources Office at 814-472-3264.

Plan Year – The calendar year will serve as the Plan Year.

Qualified Nonelective Contribution – The University may make Qualified Nonelective Contributions to satisfy certain nondiscrimination tests that apply to the Plan. These contributions are discretionary and are 100 percent vested when made.

University – The University is Saint Francis University and other businesses sharing common ownership who choose to adopt the Plan. The 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 University, as used in this Summary Plan Description, will also mean Plan Administrator, as that term is used in ERISA.

Year of Eligibility Service – Means a 12-consecutive month period that coincides with an Eligibility Computation Period during which an Employee completes at least 1,000 Hours of Service. An Employee does not complete a Year of Eligibility Service before the end of the 12 consecutive month period regardless of when during such period the Employee completes the required number of Hours of Service.

Questions regarding the Plan should be directed to the Human Resources Office at 814-472-3264.