

**UNIVERSITY OF SAN FRANCISCO
VOLUNTARY RETIREMENT PLAN
SUMMARY PLAN DESCRIPTION
(Effective as of August 1, 2012)**

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SECTION I

INTRODUCTION

The University of San Francisco Voluntary Retirement Plan (the “Plan”) is maintained by University of San Francisco (the “University”) for the benefit of Eligible Employees of the University. The Plan is funded solely by contributions made by Eligible Employees pursuant to salary reduction agreements (“Employee Contributions”).

The purpose of the Plan is to provide Eligible Employees of the University with the opportunity to save for retirement. Employee Contributions and any Rollover Contributions are allocated to Accounts established on behalf of each Participant by the Plan’s Investment Companies and are invested as directed by Participants.

The Plan is a retirement plan that is intended to satisfy the requirements of Section 403(b) of the Internal Revenue Code. Plan assets are held in annuity contracts that are intended to satisfy the requirements of Section 403(b)(1) of the Internal Revenue Code or custodial accounts that are intended to satisfy the requirements of Section 403(b)(7) of the Internal Revenue Code. The Plan is also intended to be a plan described in Section 404(c) of ERISA. This means that Participants are responsible for any investment losses or lack of investment gains that result from their investment decisions.

This summary plan description summarizes the key terms and features of the Plan effective as of January 1, 2012. The summary plan description is not intended as a substitute for the legal plan documents. If there is any ambiguity or inconsistency between the summary plan description and the legal plan documents, the terms of the plan documents will govern.

This summary plan description is for informational purposes and is not intended as an offer of employment or to establish the terms and conditions of employment in any way.

If you have any questions about the Plan, please visit the Human Resources-Benefits Office, Lone Mountain Main Building, Room 339 or contact the Human Resources-Benefits Office by telephone at (415) 422-6707, Monday-Friday, 8:30 a.m. to 5:00 p.m. or by email at benefits@usfca.edu.

SECTION II DEFINITIONS

As used in this Summary Plan Description, the following terms shall have the meanings set forth below:

“Account” means the recordkeeping account maintained by the Investment Companies to record your total interest in the Plan.

“Beneficiary” means the individual or entity designated by you to receive the entire value (or remaining value) of your Account upon your death. For information regarding the procedures to designate or change your Beneficiary, see Section VIII, Death Benefits.

“Disabled” or **“Disability”** means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. An impairment will not be treated as a Disability unless you provide such medical evidence as the Human Resources-Benefits Office may require to establish the degree and the permanence of your impairment.

“Eligible Employee” means any Employee of the University other than Employee who is a student worker who is enrolled at the University and regularly attending classes or a nonresident alien who receives no earned income from the University that constitutes income from sources within the United States.

“Eligible Salary” means the portion of your University compensation that can be contributed as Employee Contributions to the Plan as further described in Section III, Enrolling in the Plan.

“Employee” means any individual who is a W-2 employee of the University.

“Employee Contributions” means, together, Pre-Tax Employee Contributions and Roth Employee Contributions.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“Investment Company” or **“Investment Companies”** means Fidelity Investments (“Fidelity”) and Teachers Insurance and Annuity Association (“TIAA”) and College Retirement Equity Fund (“CREF”), together, “TIAA-CREF.” See Section V, Investing Your Contributions for contact information. Effective as of December 15, 2012, Variable Annuity Life Insurance Company (“VALIC”) is closed to future contributions. See Appendix A – VALIC Participants for contact information.

“Investment Company 403(b) Application Form” means the application form that you must complete for each Investment Company you select to allocate your Employee Contributions among the Investment Funds offered by the Investment Company. For

further information regarding Investment Company 403(b) Application Forms, see Section III, Enrolling in the Plan and Section V, Investing Your Contributions.

“Investment Fund Disclosures” means the separate disclosures that will be provided to you before you make your initial investment elections and, at least, annually thereafter. See Section V, Investing Your Contributions for further information.

“Investment Funds” means the investment funds offered under the Plan for the investment of Plan Contributions. See Section V, Investing Your Contributions for further information.

“Leave of Absence” means any paid or unpaid leave or sabbatical from active employment duly authorized by the University under its leave of absence or sabbatical policy as amended from time to time.

“Participant” means any Eligible Employee and any former Eligible Employee on whose behalf an Account is maintained under the Plan.

“Plan” means the University of San Francisco Voluntary Retirement Plan.

“Plan Administrator” means the University.

“Plan Contributions” means, together, Employee Contributions and Rollover Contributions made to the Plan.

“Plan Year” means the calendar year.

“Pre-Tax Employee Contributions” means before-tax voluntary contributions made to the Plan (as further described in Section IV, Employee Contributions) by Eligible Employees pursuant to Salary Reduction Agreements.

“Qualified Domestic Relations Order” or “QDRO” means a decree or order issued by a court that establishes the rights of another person (referred to as an “Alternate Payee”) to all or a portion of your Account. For further information regarding QDROs, see Section VII, Distributions from Your Account.

“Qualified Military Service” means a period of absence due to qualified military service (as defined in Section 414(u) of the Internal Revenue Code) following which you are entitled to full reemployment rights as prescribed by the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”) upon your return to employment with the University. Your absence will not be treated as Qualified Military Service unless prior to the commencement of your absence, you provide such information as the Human Resources-Benefits Office may require to establish that your absence from work is for military service and the number of days of your military service.

“Rollover Contributions” means amounts you roll over from another retirement plan to the Plan as further described in Section IV, Employee Contributions.

“Roth Employee Contributions” means after-tax voluntary contributions made to the Plan (as further described in Section IV, Employee Contributions) by Eligible Employees pursuant to Salary Reduction Agreements.

“Salary Reduction Agreement” means an agreement between you and the University pursuant to which you agree to reduce your Eligible Salary by an amount elected by you and the University agrees to contribute such amounts as Employee Contributions. For further information regarding Salary Reduction Agreements, see Section III, Enrolling in the Plan.

SECTION III ENROLLING IN THE PLAN

Enrollment by Auto-Enroll

If you are an Employee described below, you will be automatically enrolled in the Plan following your date of hire.

- **University of San Francisco Faculty Association (USFFA).** A member of the University of San Francisco Faculty Association.
- **Association of Law Professors.** A member of the University of San Francisco Association of Law Professors.
- **Office and Professional Employees Union (OPEIU), Local 3.** A member of the Office and Professional Employees Union, Local 3, of the AFL-CIO.
- **Service Employees International Union (SEIU), Local 1877.** A member of the Service Employees International Union, Local 1877, of the AFL-CIO and you are classified as a full-time employee by the University.
- **University of San Francisco Public Safety Officers Association.** A member of University of San Francisco Public Safety Officers Association and you are classified as a full-time employee by the University.
- **Non-Union Employees.** An Employee who is not a member of a collective bargaining unit and you are classified as an Exempt Administrator, a Non-Exempt Salaried Employee, or an Hourly Paid Employee working at the Regional Campus in a position that is at least a .53 Full Time Equivalent (“FTE”).

Auto-Enroll Election

Under the Plan’s auto-enroll feature, the University will automatically reduce your Eligible Salary by 3% each pay period (an “Auto-Enroll Election”) and contribute that amount as a Pre-Tax Employee Contribution to an Account established on your behalf by TIAA-CREF. Your Pre-Tax Employee Contributions will automatically be invested in the Plan’s auto-enroll default Investment Fund, currently, the TIAA-CREF Money Market Fund. You can opt out of the auto-enroll feature as described to the right.

Opt Out of Auto-Enroll Online:

Once you are notified of your automatic enrollment, you have 30 days to opt out by submitting a *403(b) Automatic Enrollment Opt-Out Form* through the Human Resources-Benefits website at:

www.usfca.edu/hr/benefits

If you cannot submit your 403(b) Automatic Enrollment Opt-Out Form online, contact the Human Resources-Benefits Office for assistance.

If you do not opt out and you are automatically enrolled in the Plan, you may increase or decrease your contribution percentage at any time by submitting a Salary Reduction Agreement as described below. You may also terminate an Auto-Enroll Election at any time. Keep in mind that you may select an Investment Fund or Funds other than the Plan’s auto-enroll default Investment Fund for future contributions (or transfer your prior contributions among the various Investment Funds) at any time as described in *Section V, Investing Your Contributions.*

Withdrawal Feature

If you do not opt out within the 30 day period describe above, you can terminate an Auto-Enroll Election and request a withdrawal of your prior automatic contributions if you submit an *Automatic Enrollment Opt Out and Withdrawal Form* to the Human Resources-Benefits Office within 90 days following your first automatic contribution.

The amount of the withdrawal as adjusted for gains or losses will be taxable in the year paid. If you miss the 90-day window, you cannot withdraw your automatic contributions but you can always terminate the Auto-Enroll Election by submitting a “0%” Salary Reduction Agreement as described below.

You must submit your completed *Automatic Enrollment Opt Out and Withdrawal Form* to the Human Resources-Benefits Office by hand delivery to the Lone Mountain Main Building, Room 339, by email attachment at benefits@usfca.edu, by facsimile at (415) 386-1074, or by U.S. Mail to the University of San Francisco, c/o the Human Resources-Benefits Office, 2130 Fulton Street, San Francisco, CA 94117.

Enrollment by Salary Reduction Agreement

If you are an Eligible Employee and you were not automatically enrolled in the Plan, you may enroll in the Plan at any time. Enrolling in the Plan is a two-part process:

First, you must complete a Salary Reduction Agreement by electing (in whole percentage increments or flat dollar amounts) the amount you want to contribute on a pay period basis to the Plan as Pre-Tax Employee Contributions, as Roth Employee Contributions, or a combination of both and selecting one or both Investment Companies.

Second, you must complete an Investment Company 403(b) Application Form for each selected Investment Company to allocate your Employee Contributions among the various Investment Funds. You may allocate your contributions to one or among any Investment Funds offered by the Investment Company.

To obtain an Automatic Enrollment Opt Out and Withdrawal Form:

You can download an *Automatic Enrollment Opt Out and Withdrawal Form* from the Human Resources-Benefits website at:

www.usfca.edu/hr/benefits

If you are unable to obtain an Automatic Enrollment Opt Out and Withdrawal Form from the Human Resources-Benefits website, contact the Human Resources-Benefits Office for assistance.

To obtain a Salary Reduction Agreement and Investment Company 403(b) Application Forms:

You can download a Salary Reduction Agreement and Investment Company 403(b) Application Forms from the Human Resources-Benefits website at:

www.usfca.edu/hr/benefits

If you are unable to obtain a Salary Reduction Agreement or an Investment Company 403(b) Application Form from the website, contact the Human Resources-Benefits Office for assistance.

It is important that you carefully review all the Investment Fund information that will be provided to you before you complete the Investment Company 403(b) Application Form because the benefits payable from the Plan depend on the performance of the Investment Funds you choose. For further information regarding the Plan's Investment Funds, and changing your Investment Fund selections, see [Section V, Investing Your Plan Contributions](#).

Once you submit your completed Salary Reduction Agreement and Investment Company 403(b) Application Form(s) to the Human Resources-Benefits Office, your Salary Reduction Agreement will be applied against your next paycheck if administratively practicable or the next paycheck thereafter following receipt.

Your Salary Reduction Agreement will not be put into effect until a completed Salary Reduction Agreement **and** completed Investment Company 403(b) Application Form(s) are received by the Human Resources-Benefits Office.

You can submit your enrollment materials to the Human Resources-Benefits Office:

By hand delivery to the Lone Mountain Main Building, Room 339, by facsimile at (415) 386-1074, or by U.S. Mail to the University of San Francisco, c/o the Human Resources-Benefits Office, 2130 Fulton Street, San Francisco, CA 94117.

Do not submit by email attachment because your Investment Company 403(b) Application Form(s) contains your social security number.

Changing Your Auto-Enroll Election or Salary Reduction Agreement

You may change your Salary Reduction Agreement or Auto-Enroll Election to increase, decrease or cancel your Employee Contributions at any time by submitting a new Salary Reduction Agreement to the Human Resources-Benefits Office. Changes will be applied against your next paycheck if administratively practicable or the next paycheck thereafter.

Once your Auto-Enroll Election or Salary Reduction Agreement is put into effect, your contribution percentage and Investment Company elections will remain in effect from calendar year to calendar year until you change or cancel it.

See the *Enrollment by Salary Reduction Agreement* section above for further information on how to obtain and submit a Salary Reduction Agreement.

Eligible Salary

If complete your Salary Reduction Agreement by electing a contribution percentage instead of a flat dollar amount, your contribution percentage will be applied against your Eligible Salary for each pay period. Eligible Salary means your gross cash compensation including payments upon termination for accrued but unpaid vacation but excluding any payments of deferred compensation, severance or salary continuation pay paid after termination of employment. This means that Eligible Salary does not include amounts that may be reported as taxable income on your Form W-2 including but not limited to, tuition remission, taxable fringe benefits such as group term life insurance, or expense reimbursements. As required by tax laws, Eligible Salary paid

after termination of employment cannot be treated as Eligible Salary unless paid by the end of the calendar year that includes your termination date or, if later, within 2½ months following your termination date.

Automatic Suspension of Auto-Enroll Election or Salary Reduction Agreement

Your Auto-Enroll Election or Salary Reduction Agreement will automatically be suspended as follows:

- **Contribution Exceeds Earnings.** If your elected contribution is greater than your paycheck, your Employee Contributions will be suspended for that pay period. For example, if you elected an Employee Contribution amount of \$100 and your Eligible Salary after all required withholdings, e.g., tax, health premiums, is \$75, no Employee Contributions will be taken.
- **Leave Without Pay.** During an unpaid Leave of Absence (including an unpaid sabbatical), your Employee Contributions will cease. If you return as an Eligible Employee and you **don't** change or terminate your Salary Reduction Agreement during your Leave, your agreement as in effect prior to your Leave will automatically be reinstated effective as of your first pay date following the end of your leave. If you **do** change or cancel your Salary Reduction Agreement during your Leave, your new contribution rate or zero contribution rate will be implemented as of the first pay date following the end of your Leave. In each case, your Salary Reduction Agreement will stay in effect until you change it.
- **Hardship Withdrawal.** If you take a hardship withdrawal from the Plan, the IRS requires that your Employee Contributions be suspended for six months. If you **don't** change or terminate your Salary Reduction Agreement during the six-month suspension period, your agreement as in effect prior to your suspension period will automatically be reinstated effective as of your first pay date following the end of the suspension period. If you **do** change or terminate your Salary Reduction Agreement during your suspension period, your new contribution rate or zero contribution rate will be applied to the first paycheck you receive following the end of your suspension period. In each case, your Salary Reduction Agreement will stay in effect until you change it. For further information regarding hardship withdrawals, see [Section VII, Distributions from Your Account](#).
- **Maximum Dollar Limit.** There are federal limits on how much you can contribute to the Plan. If your Employee Contributions to the Plan reach the Employee Contribution Limit as described in [Section IV, Employee Contributions](#) during the calendar year, your Employee Contributions will be suspended for the remainder of the calendar year. If you **don't** change or terminate your Salary Reduction Agreement prior to the beginning of the next calendar year, the agreement in effect prior to reaching your Employee Contribution Limit will automatically be reinstated and applied to your first paycheck in January unless you are notified otherwise. If your Salary Reduction Agreement is reinstated, it will stay in effect until you change it. If you **do** change or terminate your Salary Reduction Agreement after you reach your Employee Contribution Limit, your new contribution rate or zero contribution

rate will be applied to your first paycheck in January and will stay in effect until you change it.

SECTION IV EMPLOYEE CONTRIBUTIONS

Employee Contribution Limit

Dollar Limits

Your Employee Contributions cannot exceed the Employee Contribution Limit set by the IRS for each *calendar year*. The dollar limit is adjusted from time to time for cost of living increases.

To find out the dollar limit and age 50+ catch-up amount in effect for a calendar year, refer to the current year's Salary Reduction Agreement available on the Human Resources-Benefits website at:

www.usfca.edu/hr/benefits

- **Under Age 50 Limit.** If you will not attain age 50 by December 31 of the calendar year, the dollar limit is \$17,000 for 2012.
- **Age 50+ Limit.** If you will attain age 50 by December 31 of the calendar year, the dollar limit is \$22,500 for 2012 because it is increased by an age 50+ catch-up amount (\$5,500 for 2012).

The dollar limit is applied on an *individual* and *aggregate* basis. That is, your Employee Contributions made to the Plan and any elective before-tax or Roth contributions that you make to another employer's qualified 401(a) employer plan or 403(b) plan during the same calendar year count toward the dollar limit.

15-Year Catch-Up Amount (Unavailable After the 2012 Plan Year)

If you will complete 15 or more years of service with the University by the end of the 2012 calendar year, your dollar limit, regardless of age, may be increased by a 15-Year Catch-Up amount. The 15-Year Catch-Up is not available to all employees who have completed 15 or more years of service. It is a catch-up that is designed to allow long-term employees whose Employee Contributions in prior years are below certain thresholds to contribute up to an additional \$3,000 for the calendar year. For example, if your Employee Contributions in prior years averaged \$5,000 or more per year or you have already contributed the maximum 15-Year Catch-Up amount of \$15,000 in prior years, you are not or are no longer eligible for the 15-Year Catch-Up.

If you are eligible for the 15-Year Catch-Up, your catch-up amount for the calendar year may be less than the \$3,000. Unlike the age 50+ catch-up that is the same for everyone, the 15-Year Catch-Up calculation takes into account your Employee Contributions and 15-Year Catch-Up amounts made in prior years and, thus, will yield a different 15-Year Catch-Up amount for different individuals. The 15-Year Catch-Up is also subject to the following:

- **Additional Catch-Up.** The 15-Year Catch-Up is in addition to the age 50+ catch-up. For example, assume that you are age 50 and you have completed 15 years of service with the University. Assume further that you have not used the 15-Year Catch-Up in prior years. For 2012, you may contribute the amount available to all

employees (**\$17,000**) plus an additional 15-Year Catch-Up amount (**not to exceed \$3,000**) plus an additional age 50+ catch-up (**\$5,500**).

- **Hierarchy Between 15-Year Catch-Up and age 50+ Catch-Up.** Under the federal tax laws, any catch-up amount is applied first to your 15-Year Catch-Up. For example, assume that you will attain age 50 and you will complete 15 years of service with the University during 2012. Assume further that your 15-Year Catch-Up amount is \$3,000 and you make Employee Contributions of \$22,500. The first \$17,000 is applied to the under age 50 dollar limit, the next \$3,000 is applied to the maximum 15-Year Catch-Up amount of \$15,000, and the remaining \$2,500 is applied to the age 50+ catch-up limit.

Excess Employee Contributions

If your Employee Contributions made to the Plan exceed the maximum dollar limit described above, the excess as adjusted for any allocable income or loss (beginning first with Roth Employee Contributions) will be distributed to you by April 15th following the calendar year in which the excess employee contributions were made. Excess Pre-Tax Employee Contributions are taxable in the year made and, in the case of either Pre-Tax Employee Contributions or Roth Employee Contributions, any allocable income is taxable in the year of distribution. You will receive a Form 1099-R in the following tax year reporting that excess Employee Contributions occurred in the prior year. You are responsible for any tax obligation that you may have as the result of excess Pre-Tax Employee Contributions to the Plan.

You are responsible for notifying the Human Resources-Benefits Office if you have excess Employee Contributions as a result of before-tax contributions and/or Roth contributions made to a plan **not** maintained by the University. You must report any excess Employee Contributions to the Human Resources-Benefits Office by March 1st following the year in which your Employee Contributions exceed the maximum dollar limit.

- **Notify the Human Resources-Benefits Office.** Excess Employee Contributions reported by March 1st as adjusted for any allocable income or loss (beginning first with Roth Employee Contributions) will be distributed to you by April 15th. You will receive a Form 1099-R in the following tax year reporting that excess contributions occurred in the prior year.
- **Double Taxation.** If you do not report excess Employee Contributions to the Human Resources-Benefits Office by March 1st, then your excess Employee Contributions (including excess Roth Employee Contributions) are taxed twice: Once for the tax year in which you make the excess Employee Contributions, and later when the excess Employee Contributions are withdrawn or distributed from the Plan. In addition, any earnings allocable to excess Roth Employee Contributions are taxable even if they are part of a qualified distribution as described below.

To the extent that you have excess Employee Contributions as a result of contributions made to a plan not maintained by the University, the University is not liable for any tax

obligation that you may have as the result of excess Employee Contributions to the Plan.

Pre-Tax or Roth Employee Contributions

You can designate your Employee Contributions as Pre-Tax Employee Contributions, Roth Employee Contributions, or a combination of both. Both types of Employee Contributions are made pursuant to a Salary Reduction Agreement as described above.

Pre-Tax Employee Contributions

Pre-Tax Employee Contributions to the Plan are made on a before-tax basis. This means that your Eligible Salary for each pay period is reduced by your Employee Contributions before federal and most state taxes are withheld. This lowers your taxable income and allows you to pay less in income taxes. Employee Contributions, however, do not reduce your taxable compensation for purposes of computing your Social Security and Medicare taxes.

Let's assume your taxable compensation is \$60,000.			
When you contribute...	You pay taxes on	At an approximate tax rate of...	So, you pay in taxes...
Nothing (0%) of your taxable compensation	\$60,000	25%	\$15,000
5% of your taxable compensation	\$57,000	25%	\$14,250
Your tax savings would be \$750 per year.			

Roth Employee Contributions

Roth Employee Contributions are made on an after-tax basis but you will not have to pay taxes on any earnings on your Roth Employee Contributions if they are part of a qualified distribution.

A “**qualified distribution**” is generally a distribution that is made after a 5-taxable-year period AND is made:

- on or after the date you attain age 59½;
- after your death; or
- after you incur a Disability.

Not sure whether to designate your Employee Contributions as Roth Employee Contributions?

To commence the 5-taxable year period, you may want to designate that a portion of your Employee Contributions be made in the form of Roth Employee Contributions during your first participation year. You can always change your designation by submitting a new Salary Reduction Agreement as described above.

A “**5-taxable-year period**” begins on the first day of the calendar year in which you make your first Roth Employee Contribution to the Plan and ends when five consecutive calendar years have passed. For example, assume you designate a portion of your

Employee Contributions as Roth Employee Contributions during 2012. Your 5-taxable-year period will be completed on January 1, 2017. In addition, you do not have to complete your 5-taxable-year period as an employee of the University. Under the above example, if you terminated employment in 2014, a distribution of your Roth Employee Contributions will be a qualified distribution so long as the distribution is made on or after January 1, 2017. Also, if you elect a direct rollover of your Roth Employee Contributions to another employer plan, the 5-taxable-year period will include taxable years (and portions thereof) completed under the Plan.

Make-Up Employee Contributions Following Qualified Military Service

If you return to work following Qualified Military Service, you are eligible to contribute make-up Employee Contributions. The period during which you can contribute make-up Employee Contributions is equal to three (3) times the period of your Qualified Military Service, up to a maximum of five (5) years. For example, if your Qualified Military Service period was one year, you have three years following the date of your reemployment to contribute make-up Employee Contributions. The amount of your make-up Employee Contributions is subject to the Employee Contribution dollar limit(s) that applied during your Qualified Military Service. You may change, terminate, or resume your make-up Employee Contribution during the make-up period without penalty for termination.

You must timely provide the Human Resource Office with sufficient information prior to your military leave to establish that your leave from work is on account of Qualified Military Service. For further information regarding make-up Employee Contributions following Qualified Military Service, please contact the Human Resources-Benefits Office.

Rollover Contributions

You may rollover amounts from your previous employer's 403(b) plan, 401(k) plan or certain other retirement plans to the Plan. In order to do this you must select an Investment Company and complete its rollover form. All rollover contributions to the Plan are subject to rules established by the applicable Investment Company.

Want to make a Rollover Contribution to the Plan?

Rollover forms are available on the Human Resources-Benefits website at:

www.usfca.edu/hr/benefits

Generally, however, you may roll over all or a portion of an "eligible rollover distribution" from another retirement plan to the Plan. An eligible rollover distribution is typically any cash distribution from a qualified retirement plan other than an annuity payment, a required minimum distribution, a distribution that is part of a fixed period payment of ten years or more, or a hardship withdrawal.

In most cases, your Investment Company will approve the following type of rollovers:

- **Pre-Tax Contributions.** An eligible rollover distribution of pre-tax amounts from an individual retirement account or annuity (IRA) described in Section 408(a) or 408(b) of the Internal Revenue Code and pre-tax contributions from a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code, or an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- **After-Tax Contributions (Non-Roth Contributions).** An eligible rollover distribution of after-tax contributions from a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code or a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code; provided, that (1) the rollover is accomplished by a direct rollover and (2) the distributing employer plan provides sufficient information so that the Investment Company can separately account for your rollover of after-tax contributions. The Plan cannot accept rollovers of non-deductible contributions from an IRA (an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code).
- **Roth Contributions.** An eligible rollover distribution of Roth contributions from a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code or a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code; provided, that the rollover is accomplished by a direct rollover. The Plan can also accept a 60-day rollover by you if your distribution is not a qualified distribution (as defined in the *Roth Employee Contributions* section above) and the rollover does not exceed the amount of the earnings in the payment. In each case, the distributing employer plan must provide sufficient information so that your Investment Company can separately account for your rollover Roth contributions. The Plan cannot accept a 60-day rollover by you of any part of a qualified distribution from an employer plan and cannot accept any rollovers from a Roth IRA (a Roth individual retirement account or annuity described in Section 408A of the Internal Revenue Code).

Vesting of Plan Contributions

You are always fully and immediately vested in your Account. This means that your Employee Contributions and any Rollover Contributions as adjusted for earnings, losses, etc., belong to you and cannot be forfeited for any reason. However, the Plan Administrator retains the right to remove Plan Contributions and/or earnings from your Account that were allocated in error and you are responsible for any fees and charges that may be imposed by your Investment Company or under your selected Investment Funds.

Special Aggregation Rule for Outside Employment.

If a company controlled by you (generally, you own more than 50% of the company) makes contributions on your behalf to a tax-qualified defined contribution plan (e.g., a profit-sharing plan, 401(k) plan, money purchase pension plan), your Employee Contributions made under the Plan must be aggregated with amounts contributed under

your company plan in determining whether you have exceeded the Plan Contribution Limit. This limit is in addition to the Employee Contribution Limit described above.

- **Controlled Company.** Generally, if you own more than 50% of a company then the company is treated as a company controlled by you. For example, if you are a 100% shareholder of a corporation or operate a sole proprietorship, that corporation or sole proprietorship is a company controlled by you. *The tax laws regarding controlled companies are complex. If you are involved with or operate a business outside the University and you participate in a tax-qualified defined contribution retirement plan maintained by that business, you should consult with your tax advisor to determine whether these special aggregation rules apply to you.*
- **Plan Contribution Limit.** The Plan Contribution Limit for 2012 is the lesser of (1) \$50,000 dollar limit as adjusted from time to time for cost of living increases or (2) 100% of your “Includible Compensation.” To find out the dollar limit in effect for a calendar year, you can visit the IRS website at www.irs.gov/retirement/article/0,,id=96461,00.html. Includible Compensation generally means your gross compensation from the University. Employee Contributions that are age 50+ catch-up amounts and Rollover Contributions as each are described above are not counted towards the dollar limit.

Under federal tax laws, amounts in excess of the Plan Contribution Limit are attributable first to contributions made under the Plan and must be included in your taxable income for the year in which the excess contributions were made. Excess contributions held in your Account will not jeopardize the tax-deferred status of your remaining Account *if* your Investment Company separately accounts for your excess contributions.

It is your responsibility to notify the Human Resources-Benefits Office and your Investment Company as soon as you are aware that you will have excess contributions for the calendar year but in no event later than March 1st following the calendar year in which the excess contributions occurred.

If separate accounting is not maintained by your Investment Company for the year in which the excess contributions were made and each year thereafter, the IRS can treat your entire Account held under the Plan as taxable. If you do not notify the Human Resources-Benefits Office and your Investment Company, the University is not liable for any tax obligation that you may have as the result of excess contributions to the Plan. *The tax laws regarding aggregation are complex. If you are involved with or operate a business outside the University and you participate in a tax-qualified defined contribution retirement plan maintained by that business, you should consult with your tax advisor to determine whether these special aggregation rules apply to you.*

- **Distribution of Excess Contributions.** To the extent permitted by your Investment Fund, you may request a distribution of your excess contributions and allocable income at any time.
- **6% Excise Tax.** If your Account is invested in mutual funds, you may be subject to a 6% excise tax on the excess contribution. The excise tax does not apply to excess contributions invested in annuity contracts. This tax is more fully described in IRS Publication 571. You may also obtain a copy of IRS Publication 571 from the IRS web site at www.irs.gov.

An Example – Application of Special Aggregation Rule. Assume you are under age 50 and you contribute \$17,000 in Employee Contributions to the Plan for 2012. Assume you are also a 100 percent shareholder of a professional corporation that contributes \$50,000 in employer contributions on your behalf to a qualified defined contribution plan. Under the special aggregation rules, your contributions of \$17,000 to the Plan and your professional corporation's employer contributions of \$50,000 must be aggregated to determine whether you are within the Plan Contribution Limit because you control your professional corporation.

Your total aggregate contributions of \$67,000 ($\$17,000 + \$50,000$) exceed the 2012 Plan Contribution Limit of \$50,000 by \$17,000. The \$17,000 is considered an excess contribution and taxable to you in 2012. The excess contribution will not jeopardize the tax-deferred status of your remaining Account held under the Plan if you timely notify the Human Resources-Benefits Office and your Investment Company that separate accounting for the \$17,000 is required. However, a 6% excise tax may apply until the excess contribution is distributed.

SECTION V

INVESTING YOUR CONTRIBUTIONS

NOTE: The information provided in this Section is a summary only. Prior to making your initial Investment Fund selections and, at least annually thereafter, you will receive Investment Fund Disclosures that contain detailed information about the Plan's Investment Funds as described in the *Investment Fund Disclosures* section below.

Investment Companies

The Plan currently allows you to choose between two Investment Companies. The Investment Companies offer a similar variety of Investment Funds, ranging from conservative to aggressive. You can select, change, or monitor your Investment Funds by telephone or online using the contact information to the right.

You decide which Investment Company to use for investing your Plan Contributions. You can allocate your contributions to one Investment Company or between the two Investment Companies in such amounts (or in such percentages) as established by the University.

The University reserves the right to cease future Plan Contributions to an Investment Company or to add a new Investment Company.

Investment Funds

The Plan offers a wide range of Investment Funds. You can obtain the most current information regarding the Plan's Investment Funds and their share/unit values using the contact information to the right. The Investment Funds include mutual funds, variable annuity funds, and a guaranteed investment fund. The types of Investment Funds offered under the Plan are currently as follows:

To contact Fidelity Investments:

Call Fidelity at (800) 343-0860 or visit its website at www.fidelity.com/atwork. To enter the Plan's dedicated website, enter Plan No. 54569.

To contact TIAA-CREF:

Call TIAA-CREF at (800) 842-2252 or visit the TIAA-CREF/USFCA website at www.tiaa-cref.org/usfca.

For Fidelity Investment Funds:

Call Fidelity at (800) 343-0860 or visit the Fidelity website at <http://mv.participantdisclosure.com>, Plan No. **54569**.

For TIAA-CREF Investment Funds:

Call TIAA-CREF at (800) 842-2252 or visit the TIAA-CREF Web Center at www.tiaa-cref.org/planinvestmentoptions, Plan No. **100976**.

Mutual Funds. Each Mutual Fund has its own investment objective and portfolio of securities and the value of the units or shares changes each business day. There is no guaranteed rate of return. Transfers from the Mutual Funds may be subject to restrictions. Please refer to the Investment Fund Disclosures described below for the restrictions applicable to each Investment Fund.

TIAA Real Estate Account and CREF Accounts. The TIAA Real Estate Account and CREF Accounts are variable annuities. The TIAA Real Estate Account and CREF Accounts has its own investment objective and portfolio of securities and the value of the accumulation units changes each business day. There is no guaranteed rate of return. Transfers and distributions from the TIAA Real Estate Account and CREF Accounts may be subject to restrictions. Please refer to the Investment Fund Disclosures described below for the restrictions applicable to each Investment Fund.

TIAA Traditional Annuity. The TIAA Traditional Annuity is a guaranteed annuity contract issued by TIAA-CREF. Contributions invested in the TIAA Traditional Annuity are used to purchase a contractual or guaranteed amount of future retirement benefits. Once purchased, the guaranteed benefit of principal plus interest cannot be decreased, but it can be increased by dividends. Dividends, if any, may increase or decrease and changes are usually gradual.

The TIAA Traditional Annuity is currently offered through a group supplemental retirement annuity contract (GSRA). However, if you participated in the Plan prior to 1989, amounts invested in the TIAA Traditional Annuity were offered under a variety of contracts, *i.e.*, an individual supplemental retirement annuity contract (SRA), a group retirement annuity contract (GRA), or an individual retirement annuity contract (RA).

If all or a portion of your Account is invested in the TIAA Traditional Annuity and you do not know whether your TIAA Traditional Annuity is offered under a GSRA, SRA, GRA, or RA, contact TIAA-CREF directly.

Transfers to other Investment Funds and lump sum distributions following termination of employment may be restricted depending on the type of TIAA-CREF contract under which your TIAA Traditional Annuity is offered. Generally, however, the following applies:

- **Restriction on Transfers.** Whether restrictions apply to transfers from your TIAA Traditional Annuity depends on the TIAA-CREF contract under which your TIAA Traditional Annuity is held:
 - **Group Supplemental Retirement Annuity (GSRA) or Supplemental Retirement Annuity (SRA).** Transfers from your TIAA Traditional Annuity to other Investment Funds may be made at any time.
 - **Group Retirement Annuity (GRA) or Retirement Annuity (RA).** Transfers from your TIAA Traditional Annuity to other Investment Funds must be made over a 10-year period (Transfer Payout Annuity) and the minimum transfer is \$10,000 or your entire balance in the TIAA Traditional Annuity if less. However, if your total balance in the TIAA Traditional Annuity is \$5,000 or less (\$2,000 or

less if your TIAA Traditional Annuity is held under a RA), you can transfer your entire TIAA Traditional Annuity balance in a single sum as long as you do not have an existing Transfer Payout Annuity in force.

- **Restriction on Lump Sum Distributions Following Termination of Employment.** Whether restrictions apply to lump sum distribution of amounts invested in your TIAA Traditional Annuity following termination of employment depends on the TIAA-CREF contract under which your TIAA Traditional Annuity is held:
 - **Group Supplemental Retirement Annuity (GSRA) or Supplemental Retirement Annuity (SRA).** A lump sum distribution is available for amounts invested in the TIAA Traditional Annuity if held under a GSRA or SRA.
 - **Retirement Annuity (RA).** A lump sum distribution is *not* available for amounts invested in the TIAA Traditional Annuity if held under a RA. You can elect that distributions be made over a 10-year period or in the form of a lifetime annuity. However, if your total balance in the TIAA Traditional Annuity is \$2,000 or less, you can elect a lump sum distribution of your entire TIAA Traditional Annuity balance as long as (1) you do not have an existing Fixed Period Option or Transfer Payout Annuity in force and (2) you elect a lump sum distribution of all amounts invested in TIAA-CREF Investment Funds at the same time.
 - **Group Retirement Annuity (GRA).** A lump sum distribution is *not* available for amounts invested in the TIAA Traditional Annuity if held under a GRA unless (1) your total balance in the TIAA Traditional Annuity does not exceed \$5,000 and you do not have an existing Fixed Period Option (see *Section VII, Distributions from Your Account* for further information regarding the Fixed Period Option) or Transfer Payout Annuity in force or (2) you elect a lump sum distribution of your total balance in the TIAA Traditional Annuity within 120 days following your termination of employment and pay a 2½% surrender charge. If your total balance in the TIAA Traditional Annuity exceeds \$5,000 and you do not elect a lump sum distribution within 120 days following your termination of employment, you can elect that distributions be made over a 5-year period or in the form of a lifetime annuity.

Investment Fund Disclosures

It is important that you carefully review all the Investment Fund information that will be provided to you and carefully choose your Investment Funds because the benefits payable from the Plan depend on the performance of the Investment Funds you choose over the years. Before you make your initial investment elections and, at least annually thereafter, you will receive Investment Fund Disclosures that contain both “plan-related information” and “investment-related information.”

Plan-Related Information

Plan-related information includes the following:

- **General Plan Information.** General plan information consists of information about the structure and mechanics of the plan such as an explanation of how to give

investment instructions under the Plan and a current list of the Plan's Investment Funds. You can view any prospectus (if applicable) and financial statements and reports relating to an Investment Fund online through the Investment Companies' website or you can request a paper copy from the Investment Companies. Please note that on your Investment Company 403(b) Application Form, you will be asked to confirm that you have received and accessed the relevant prospectus(es) for your Investment Fund choices.

- **Administrative Expenses Information.** An explanation of any fees and expenses for general plan administrative services that may be charged to or deducted from your Account.
- **Individual Expenses Information.** An explanation of any fees and expenses that may be charged to or deducted from your Account based on services provided solely for your benefit, *e.g.*, service fees, if any, for taking a participant loan (see Section VI, Participant Loan Program) or processing a qualified domestic relations orders (see the Section VII, Distributions from Your Account).

Investment-Related Information

Investment -related information includes the following:

- **Performance Data.** Specific information about historical investment performance, 1-, 5- and 10-year returns of Investment Funds that do not have a fixed or stated rate of return, *e.g.*, the Mutual Funds, and for Investment Funds that have a fixed or stated rate of return, *e.g.*, the Traditional Annuity, the annual rate of return and the term of the investment.
- **Benchmark Information.** The name and returns of an appropriate broad-based securities market index over 1-, 5-, and 10-year periods so you can benchmark the Investment Funds.
- **Fee and Expense Information.** The total annual operating expenses expressed as both a percentage of assets and as a dollar amount for each \$1,000 invested, and any shareholder-type fees or restrictions that may affect your ability to purchase or transfer from Investment Funds that do not have a fixed or stated rate of return, *e.g.*, the Mutual Funds and any shareholder-type fees or restrictions on your ability to purchase or withdraw from Investment Funds that have a fixed or stated rate of return, *e.g.*, the Traditional Annuity.
- **Internet Web Site Address.** Information how to access additional or more current investment-related information online.
- **Glossary.** A general glossary of terms to assist you in understanding the Plan's Investment Funds or instructions on how to obtain a general glossary.

When appropriate, investment-related information will be furnished in a chart or similar format designed to facilitate a comparison of the Investment Funds offered under the Plan.

Initial Selection of Investment Funds

You may allocate your Employee Contributions among any of the Investment Companies. You must complete an Investment Company 403(b) Application Form for each Investment Company you select to allocate your Employee Contributions among the various Investment Funds offered by the Investment Company. You may allocate your contributions among any of the Investment Funds offered by the Investment Company.

Once you complete an Investment Company 403(b) Application Form, you can submit it to the Human Resources-Benefits Office by hand delivery to the Lone Mountain Main Building, Room 339, by facsimile at (415) 386-1074, or by U.S. Mail to the University of San Francisco, c/o the Human Resources-Benefits Office, 2130 Fulton Street, San Francisco, CA 94117. *Do not submit an Investment Company 403(b) Application Form by email attachment because it contains Personal Identifiable Information (PII) such as your social security number, and unencrypted e-mail transmission of PII is not permitted under the University's Information Security Policy.*

To obtain Investment Company 403(b) Application Forms:

You can download Investment Company 403(b) Application Forms from the Human Resources-Benefits website at:

www.usfca.edu/hr/benefits

If you are unable to obtain an Investment Company 403(b) Application Form from the Human Resources-Benefits website, contact the Human Resources-Benefits Office for assistance.

Monitoring Your Investment Funds

Once you have selected your Investment Funds, it is important that you regularly review your Investment Funds to ensure that they continue to meet your personal investment objectives. You can monitor your Investment Funds by:

Contacting the Investment Companies. You can access your Account information such as the share values, as updated each business day, for each Investment Fund as well as the current interest rates applicable to the TIAA Traditional Annuity. Once you commence participation in the Plan, your Investment Company will send you information how to access your Account information online. You will need to register and create a User ID as well as a password. If you have forgotten your User ID or password, you should contact your Investment Company directly.

Reviewing your Quarterly Statements. Your Investment Company provides either by mail or, at your election, electronic delivery, quarterly statements that show fund balances, a summary of transactions made during the quarter period and the number and value of the shares you own in each Mutual Fund. If you have amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account, your TIAA-CREF quarterly statement will also show the interest credited under the TIAA Traditional Annuity and the number and value of the accumulation units you own in the TIAA Real Estate Account and in each CREF Account. You may receive from time to time, *Premium Adjustment Notices* that summarize adjustments made to your

contributions invested in your TIAA Traditional Annuity. General information on diversifying the investment of your Account is also included on your quarterly statement.

Reviewing Your Annual Investment Fund Disclosures. Your Investment Company provides either by mail or, at your election, electronic delivery, annual disclosures of “plan-related information” and “investment-related information” described above.

Reallocating Your Future Contributions

Change in Investment Company or Reallocation between Investment Companies. Whether you selected your Investment Companies or were defaulted to TIAA-CREF under the Plan’s auto-enroll feature, you may change your allocation of future Employee Contributions among the Investment Companies at any time by submitting a Salary Reduction Agreement to the Human Resources-Benefits Office as described in Section III, Enrolling in the Plan. If you are adding a new Investment Company, you must also complete an Investment Company 403(b) Application Form for the new Investment Company to allocate your Employee Contributions among the various Investment Funds offered by that Investment Company. See the *Initial Selection of Investment Funds* section above for information regarding the Investment Company 403(b) Application Form. An Investment Company change or reallocation will become effective as of the next pay period or as soon as administratively practicable thereafter following receipt of your Salary Reduction Agreement and, if applicable, Investment Company 403(b) Application Form by the Human Resources-Benefits Office.

Change in Investment Funds. If you wish only to reallocate your future Employee Contributions among the various Investment Funds offered by your Investment Company, you may do so at any time by visiting the Investment Company’s website or by calling its representative. Changes in Investment Funds are generally effective as of the next pay period.

Transferring Amounts Among Investment Funds

Transfers within an Investment Company. You may transfer your fund balances among the various Investment Funds offered by your Investment Company at no charge by visiting the Investment Company’s website or by calling its representative using the contact information provided above.

Transfers between Investment Companies. You may transfer amounts from your Account with one Investment Company to another Investment Company at no charge by completing a transfer form that you can obtain from the recipient Investment Company (the Investment Company receiving your funds).

Restrictions on Transfers. Transfers among Investment Funds and transfers between Investment Companies may be subject to restrictions. Please refer to the Investment Fund Disclosures described above for the restrictions applicable to each Investment Fund. Generally, however, the following restrictions apply:

- **TIAA Traditional Annuity.** If your Traditional Annuity is held under a Group Retirement Annuity (GRA) or Retirement Annuity (RA), transfers to other Investment

Funds must be made over a 10-year period (Transfer Payout Annuity) and the minimum transfer is \$10,000 or your entire balance in the TIAA Traditional Annuity if less. However, if your total balance in the TIAA Traditional Annuity is \$5,000 or less (\$2,000 or less if your TIAA Traditional Annuity is held under a RA), you can transfer your entire TIAA Traditional Annuity balance in a single sum as long as you do not have an existing Transfer Payout Annuity in force. You can transfer amounts from the TIAA Traditional Annuity to another Investment Fund only in substantially equal annual amounts over a period of 10 years. Transfers are made through the Transfer Payout Annuity (TPA) and are subject to the terms of the TPA contract. The minimum transfer amount is \$10,000 (or your entire balance in the TIAA Traditional Annuity if it totals less than \$10,000). If the total amount invested in the TIAA Traditional Annuity is \$5,000 or less (\$2,000 or less if your TIAA Traditional Annuity is held under a RA), you can transfer your entire TIAA Traditional Annuity balance in a single sum as long as you do not have an existing TPA in force. If all or portion of your Account is invested in the TIAA Traditional Annuity and you do not know whether your TIAA Traditional Annuity is invested under group retirement annuity contract (GRA) or an individual retirement annuity contract (RA), contact TIAA-CREF directly.

- **Other Investment Funds.** You can transfer amounts invested in other Investment Funds, including the TIAA Traditional Annuity if held under a Group Supplemental Retirement Annuity (GSRA) or Supplemental Retirement Annuity (SRA), at any time, however, restrictions may apply. For example, minimum and/or maximum transfer amounts may apply. Each Investment Fund has or may adopt its own frequent trading policy as disclosed in its prospectus and the Investment Companies reserve the right, with or without notice, to implement restrictions or block fund transactions if such transactions are identified by the Investment Fund as violating its frequent trading policy. Generally, the Investment Companies will restrict and/or block fund transactions according to directions received from the Investment Fund. You can also read the prospectus (if available) issued for any Investment Fund, in which you invest, to determine if the fund imposes any trading restrictions or redemption fees.

Financial Planning and Retirement Education Resources

Investment Company representatives visit the University on-site throughout the year to discuss financial planning, investment strategies, portfolio reviews and retirement education, at no cost to you. These “One-on-One” meetings are personalized to meet your goals and objectives. If you meet with a counselor, your spouse or partner is welcome to attend your meeting. Dates and locations for all sessions are posted on the Human Resources-Benefits website at www.usfca.edu/hr so you can select the date and time that works best for you. **Please note – you need to register for these sessions by contacting the Investment Company directly using the contact information provided on the Human Resources-Benefits website.** If you have questions regarding the Investment Funds, you are encouraged to sign up for an on-site meeting.

Investing Your Account After Termination of Employment

If you terminate employment, your Account will remain invested in your designated Investment Funds until you start receiving benefit payments as explained in the Section VII, Distributions from Your Account. Therefore, it is important that you continue to regularly monitor and review your Investment Funds. Your Account will continue to participate in the market experience of its respective Investment Funds or, in the case, of amounts invested in the TIAA Traditional Annuity will continue to be credited with the same interest as it would have been had you continued employment with the University or continued participation in the Plan. Keep in mind that you continue to have flexibility to make transfers among the Investment Funds as described above.

Please note: The Plan is intended to be a plan described in Section 404(c) of ERISA. Under this ERISA provision, you are responsible for any investment gains or losses that result from your investment decisions because you are permitted to choose your own investments. This means that fiduciaries of the Plan are not liable if the value of your Account declines because of investment losses or fails to increase because of lack of gains based on your investment decisions. Accordingly, it is important that you review all available materials to ensure that your investment decisions meet your personal investment objectives. You also may want to consult your investment or financial advisor to assist you in making your investment decisions.

SECTION VI

PARTICIPANT LOAN PROGRAM

If you are a Participant (whether active or terminated), you may obtain a loan from TIAA-CREF based on the balance of your Account invested with TIAA-CREF. Amounts invested with other Investment Companies are not considered when applying for a loan from TIAA-CREF. If you wish to take a loan based on your amounts invested with other Investment Companies, you must transfer those amounts to TIAA-CREF.

Set forth below is a brief summary of the TIAA-CREF Loan Program. Detailed information regarding the TIAA-CREF Loan Program is contained in the *TIAA-CREF Retirement Plan Loans* pamphlet. You can request a copy from TIAA-CREF using the contact information to the right.

Contact TIAA-CREF:

If you wish to determine the amount you can borrow, the amount of your loan repayments, or to apply for a loan, you must contact TIAA-CREF directly:

- Visit the TIAA-CREF National Web Center at www.tiaa-cref.org/public/support/help/transactions/loans/#loan.
- Call TIAA-CREF at (800) 842-2252.

Loan Amount

Dollar Limits. The minimum amount that you may borrow is \$1,000, and the maximum amount is the lesser of: (1) **45%** of the balance of your Account invested with TIAA-CREF or (2) \$50,000 (reduced by your highest outstanding loan balance within the last 12 months). For example, if you have \$40,000 invested with TIAA-CREF, you may borrow up to \$18,000. Your maximum loan amount may be limited if all or portion of your University Contributions are invested in the TIAA Traditional Annuity.

Loan Aggregation. For purposes of computing your maximum loan amount, loans taken under the University's Defined Contribution Retirement Participant Loan Program and, if applicable, the VALIC loan program are taken into account.

Collateral

Amount of Collateral. A portion of your Account – that is, an amount equal to **110%** of the loan amount – must serve as collateral for your loan and will be invested in the TIAA Retirement Loan Contract. For example, if you have \$40,000 invested in your Account and you borrow \$18,000, \$19,800 (110% of \$18,000) must serve as collateral for your loan and will be invested in the TIAA Retirement Loan Contract; the remaining \$20,200 may be invested among any of the other Investment Funds. Also, amounts invested in the TIAA Retirement Loan Contract are not available for benefit payouts until you have repaid your loan.

Collateral Sweep. As you repay the loan, a portion of the collateral being held in the TIAA Retirement Loan Contract is “swept” out of that contract back to the CREF Money

Market. Once the sweep is completed, you may then request that the funds be transferred to other Investment Funds. The collateral sweep will take place only if/when a loan payment causes the amount in the TIAA Retirement Loan Contract to exceed 110% of the existing loan balance (*i.e.*, the collateral requirement) by at least \$100. If the excess collateral resulting from the loan payment is less than \$100, a sweep will not occur until a subsequent loan payment causes the excess collateral to equal or exceed \$100.

Interest Rate

You will be charged a variable rate of interest on your loan; the interest rate is subject to change after the first six months and then quarterly thereafter.

Loan Term

You can take up to five years to repay your loan (up to 10 years if the loan proceeds are used to purchase your principal residence). You can repay your loan early without penalty.

Loan Payments

Loans can be repaid either quarterly or monthly. Payments must be made by automatic deduction from your bank account if you choose to repay your loan on a monthly basis. Loan payments cannot be made by payroll deduction.

Default

If you miss a loan payment, you will be considered in default on the entire outstanding loan balance. Generally, if the total overdue amount is not paid by the end of the calendar quarter following the calendar quarter in which repayment was due, your loan will be in default and the outstanding loan balance (including accrued interest) will be reported to the IRS as current taxable income to you and may be subject to penalties for early distribution. Your loan will remain outstanding and that portion of your Account held as collateral for your loan, *e.g.*, the amount invested in the TIAA Retirement Loan Contract will not be available for benefit payments until you have repaid your loan. Repayment may be made either by direct repayment or by deemed repayment through a plan loan offset (that is, repayment of your outstanding loan by application of your loan collateral up to the amount that is due at such time as permitted by law).

Spousal Consent

If you are married at the time you make a loan request, your spouse must consent to the loan. Your spouse's consent must be in writing and witnessed by a notary public. Unless a Qualified Domestic Relations Order requires otherwise, your spouse's consent is not required if you are legally separated or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish that you have no spouse or that he or she cannot be located.

Qualified Military Service

At your request, loan payments will be suspended while you are performing Qualified Military Service. Also, if you take a loan and are then called to Qualified Military Service, the Servicemembers Civil Relief Act ("SCRA") requires that the interest rate on your loan cannot exceed 6% during your Qualified Military Service if you provide written notice of your call to military service and a copy of your military orders (or any order extending your military service) to TIAA-CREF within 180 days after you terminate service or are released from military service. You should contact TIAA-CREF for additional information prior to your Qualified Military Service if you wish to take advantage of these options.

Number of Loans

You can have no more than one loan outstanding at one time. If you have more than one loan outstanding as of January 1, 2013, they will continue in effect, however, you will not be able to obtain another loan until you repay your existing outstanding loans.

Loan Set-Up Fee

Currently, none. Please refer to your loan application materials for applicable fees, if any.

SECTION VII

DISTRIBUTIONS FROM YOUR ACCOUNT

Contact your Investment Company

The Investment Companies administer all withdrawals and distributions under the Plan. To request withdrawal or distribution election forms:

Fidelity. Visit Fidelity's website at www.fidelity.com/atwork or call (800) 343-0860 to speak with a representative.

TIAA-CREF. Visit the TIAA-CREF/USFCA website at www.tiaa-cref.org/usfca or call (800) 842-2252 to speak with a representative.

While You Are Employed by the University

You can take withdrawals from your Account while employed by the University as provided below.

Attainment of age 59½. You may withdraw all or a portion of your Account upon attaining age 59½.

Hardship Withdrawals. You may withdraw all or a portion of your Account upon hardship as provided below.

Disability. You may withdraw all or a portion of your Account if you become Disabled.

Rollover Contributions. You may withdraw all or a portion of your Rollover Contributions and any related earnings at any time.

Pre-1989 Employee Contributions. You may withdraw all or a portion of your pre-1989 Employee Contributions (but not any related earnings) at any time if your pre-1989 Employee Contributions were invested in an annuity contract and your Investment Company separately accounted for the Employee Contributions.

Hardship Withdrawals

You may request a hardship withdrawal of your contributions from your Account. You may not withdraw earnings credited after December 31, 1988 on account of hardship.

Hardship withdrawals are administered in accordance with the "safe harbor" rules set forth in Treasury Regulations. The amount of the hardship withdrawal cannot exceed the exact amount needed to cover your financial need, plus any income taxes or penalties reasonably anticipated to result from the hardship withdrawal. In addition, in order to receive approval for a hardship withdrawal:

- You must first obtain all other distributions, other than hardship distributions, and all nontaxable (at the time of the loan) loans from the University's Defined Contribution Retirement Plan; and
- You may not make Employee Contributions to the Plan for six months from the date of your hardship withdrawal.

The Investment Companies will approve a hardship withdrawal only on account of an "immediate and heavy financial need" arising from:

- Unreimbursed medical expenses for you, your spouse, a dependent, a properly designated primary beneficiary of the portion of your Account invested with the Investment Company;
- Purchase of your principal residence (vacation homes are excluded), excluding mortgage payments;
- Post-secondary education (e.g., college), tuition and related educational fees and room and board expenses for the next 12 months for you, your spouse, a dependent, or a properly designated primary beneficiary of the portion of your Account invested with the Investment Company;
- Amounts necessary to prevent foreclosure or eviction from your principal residence (e.g., unpaid rent or mortgage payments);
- Unreimbursed burial or funeral expenses for your spouse, a dependent, a properly designated primary beneficiary of the portion of your Account invested with the Investment Company, or a parent;
- Unreimbursed expenses for the repair of damage to your principal residence that qualifies for the casualty loss deduction under Section 165 of the Internal Revenue Code (without regard to whether the loss exceeds 10% of adjusted gross income); or
- Such other expenses that the IRS may later define as a hardship.

After You Terminate Employment

After you terminate employment with the University, you can receive distributions from your Account at any time. The value of your Account will depend on the amount of Employee Contributions and, if applicable, Rollover Contributions you made to the Plan and the investment performance under the Investment Funds you selected. Once you decide to start receiving distributions, you have the flexibility to start distribution from the various Investment Funds on different dates and you can elect different forms of payment under the various Investment Funds as follows:

Different Benefit Commencement Dates. If you have amounts invested in multiple Investment Funds, e.g., the TIAA Traditional Annuity, a CREF Account, and various Mutual Funds, you may be able to elect different benefit commencement dates for each Investment Fund. For example, you can elect that amounts invested in your Mutual Funds be distributed immediately following termination and defer distribution of amounts invested in the TIAA Traditional Annuity and the CREF Account.

Different Forms of Payment. If you have amounts invested in multiple Investment Funds, e.g., the TIAA Traditional Annuity, a CREF Account, and various Mutual Funds, you may also be able to elect different forms of payment under each Investment Fund. In the case of the TIAA Traditional Annuity, the TIAA Real Estate Account, and CREF Accounts, however, you must have at least \$10,000 for each form of payment. For example, assume you have \$20,000 in the TIAA Traditional Annuity and \$10,000 each in two CREF Accounts. You can elect up to four different forms of payment with spousal consent if applicable. If you elect to have amounts invested in Mutual Funds paid in the form of a lifetime annuity, you must transfer those amounts to an Investment Fund that offers annuities, e.g., the CREF Accounts. For further information regarding lifetime annuities, see *Normal Form of Payment* and *Optional Forms of Payment* sections below.

Distributions are subject to federal income tax when you receive them and you may be subject to penalty tax if you are under age 59½. See *Tax Information* section for further information.

Starting Distributions

To start distributions from one or more of your Investment Funds, you must contact your Investment Company. Your Investment Company will send you (by mail or electronic delivery) a distribution packet that will include a distribution election form, detailed information about the available payment options, and tax information on distributions from the Plan.

Your completed distribution election form must be sent to your Investment Company. You should submit your distribution election form to your Investment Company at least a month before the date on which you want your distributions to begin because your distribution election form will require certification by the Human Resources-Benefits Office.

Normal Forms of Payment

Unmarried Participants. If you are not married on the date you commence distribution from an Investment Fund, the Plan pays distributions in the form of a Single Life Annuity unless you waive the Single Life Annuity and elect an optional form of payment. Under a Single Life Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your lifetime, and at your death, all payments stop.

Married Participants. If you are married on the date you commence distribution from an Investment Fund, the Plan pays distributions in the form of a Qualified Joint and Survivor Annuity unless you and your spouse waive the Qualified Joint and Survivor Annuity and your spouse consents to an optional form of payment. Under a Qualified Joint and Survivor Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your lifetime and, at your death if your spouse survives you, he or she will receive payments equal to 50% of your lifetime payment. After your surviving spouse dies, all payments stop.

If you or your spouse do not waive the required form of payment for amounts invested in Mutual Funds, you must transfer those amounts to an Investment Fund that offers annuities, e.g., the CREF Accounts, when you are ready to start lifetime payments.

Optional Forms of Payment

The optional forms of payment vary depending on the Investment Funds in which your Account is invested and are governed by the terms of the Investment Funds. The optional forms of payment currently include:

- **Single Life Annuity Option.** This option allows you to receive amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account in the form of monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) for life with payments stopping at your death. A single life annuity provides you with a larger payment than the survivor annuity options. This option is also available with a 10, 15, or 20 year guaranteed payment period (but not exceeding your life expectancy at the time you begin annuity payments). If you die during the guaranteed period, payments in the same amount that you would have received continue to your beneficiary(ies) for the rest of the guaranteed period.
- **Survivor Annuity Option.** This option allows you to receive amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account in the form of monthly payment (or, in the case of small payments, quarterly, semi-annual, or annual payments) for life, and if your co-annuitant lives longer than you, he or she continues to receive a monthly payment (or, in the case of small payments, quarterly, semi-annual, or annual payments) for his or her life. The amount of the payment continuing to your co-annuitant depends on which of the following four options you choose:
 - **50% Benefit to Co-Annuitant.** Payments continue as long as you live. If you die and your co-annuitant survives you, he or she will receive one-half of the payment you would have received if you had lived.
 - **100% Benefit to Co-Annuitant.** Payments continue as long as either you or your co-annuitant is living.
 - **75% Benefit to Co-Annuitant.** Payments continue as long as you live. If you die and your co-annuitant survives you, he or she will receive 75% of the payment you would have received if you had lived.
 - **66-2/3% Benefit to Survivor.** At the death of either you or your co-annuitant, payments are reduced to two-thirds of the amount that would have been paid if both of you had lived, and the reduced payment is continued to the survivor for life.

All survivor annuities are available with a 10, 15, or 20 year guaranteed period, but not exceeding the joint life expectancies of you and your co-annuitant at the time you begin annuity payments.

- **Retirement Transition Benefit Option.** This option allows you to receive a one-time lump sum payment of up to 10% of amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account at the time you start

payments under an annuity option. The one-time payment cannot exceed 10% of the amounts then being converted to an annuity.

- **Interest Payment Retirement Option (IPRO).** This option allows you to receive payment from the TIAA Traditional Annuity equal to the contractual interest rate plus dividends that would otherwise be credited to your TIAA Traditional Annuity *and* is available only if (1) you are between the ages of 55 and 69½ and (2) you have at least \$10,000 in the TIAA Traditional Annuity. Under the IPRO, your invested amount is not reduced because monthly payments are limited to the interest earned. Interest payments made under the IPRO must continue for at least 12 months and thereafter will continue until you begin or must begin receiving payments under an annuity option. When you do begin annuity payments from the TIAA Traditional Annuity, you may choose any of the available annuity options. If you die while receiving interest payments under the IPRO, your beneficiary will receive the amount of your balance, plus interest earned but not yet paid.
- **Fixed Period Option.** This option allows you to receive amounts from the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account over a fixed-period of time. The fixed period that may be elected depends on the Investment Fund. You may select a fixed period between five (5) and 30 years for amounts invested in the TIAA Traditional Annuity and a fixed period between two (2) and 30 years for amounts in the TIAA Real Estate Account, or a CREF Account. At the end of the fixed period, all payments stop. If you die during the fixed period, payments will continue in the same amount to your beneficiary for the duration of your fixed period. This option is currently not available for amounts invested in Fidelity and TIAA-CREF Mutual Funds.
- **Lump Sum or Partial Lump Sum Distribution Option.** This option allows you to receive all or a part of your Account in the form of a lump sum distribution or partial lump sum distributions. Once you receive the entire amount in such Investment Funds, no future benefits from those Investment Funds will be payable to you, your spouse, or beneficiaries upon your death. This option does not apply to amounts invested in the TIAA Traditional Annuity that are held under a Group Retirement Annuity (GRA) or a Retirement Annuity (RA) except as provided immediately below. See *Section V, Investing Your Contributions* for further information regarding TIAA-CREF contracts.
- **One-Time Lump Sum Distribution Option.** This one-time lump sum option enables you to receive amounts invested in the TIAA Traditional Annuity that are held under a Group Retirement Annuity (GRA) or a Retirement Annuity (RA).
 - **Group Retirement Annuity (GRA).** You may elect a one-time lump sum: (1) at any time if the amount invested in the TIAA Traditional Annuity does not exceed \$5,000 and you do not have an existing Fixed Period Option or an existing Transfer Payout Annuity in force or (2) if you make an election to receive a one-time lump sum distribution of the amount invested in the TIAA Traditional Annuity **within 120 days following termination of employment and you pay a 2.5% surrender charge.**

- **Retirement Annuity (RA).** You may elect a one-time lump sum at any time if the amount invested in the TIAA Traditional Annuity does not exceed \$2,000 and (1) you do not have an existing Fixed Period Option (described above) or an existing Transfer Payout Annuity in force and (2) you elect a lump sum distribution of all amounts invested in TIAA-CREF Investment Funds at the same time.

Once paid, no future distributions from your TIAA-CREF Investment Funds will be paid to you, your spouse, or Beneficiary upon your death. See Section V, Investing Your Contributions for further information regarding TIAA-CREF contracts and Transfer Payout Annuity.

If you elect to have all or a part of amounts in Mutual Funds paid in the form of a lifetime annuity, you must transfer those amounts to an Investment Fund that offers annuities, e.g., the CREF Accounts. The above descriptions of the optional forms of payment are summaries. In the event there is an inconsistency between the above descriptions and the payment forms available under the terms of your Investment Funds, the terms of your Investment Funds will govern.

Amount of Lifetime Payments

If you elect to have all or a portion of your Account paid in the form of lifetime annuity payments, the amount of your annuity payments will depend on a number of factors – the amount subject to the payment option, the annuity option elected, your age, and if applicable, your co-annuitant’s age at time payments commence. For example, the amount of your lifetime annuity payments will be greater under the Single Life Annuity Option versus a Survivor Annuity Option. This is because your payments under a Survivor Annuity Option are reduced to take into account that payments continue to your spouse or other beneficiary after your death.

Contact TIAA-CREF:

The rules used to determine lifetime benefit payments under the different payment options are complex. Contact TIAA-CREF for details.

The type of TIAA-CREF Investment Fund may also affect your monthly income as described below:

The *TIAA Traditional Annuity* guarantees a monthly minimum amount which consists of guaranteed income and income from dividends. The TIAA Traditional Annuity invests in fixed-dollar investments to provide you with stable income that may vary from year to year but will not fall below a guaranteed minimum. You receive interest and dividends in one of three ways: the standard form of payment, the graded form of payment, or a combination of the two. Under the “standard” form, you receive all interest and dividends and, if the dividend rate stays constant, you will receive the same amount each year. Under the “graded” form, you receive only part of the dividends right away – the rest is reinvested to purchase more guaranteed annuity income. These payments start lower than the standard form but steadily increase over the years.

The *CREF Accounts* and *TIAA Real Estate Account* do not guarantee a monthly minimum amount. Instead, the amount you receive in future years depends on the investment experience of the account and will vary up and down. Your initial monthly income amount is calculated assuming a 4% investment return. The assumed 4% investment return is the “break-even” point; if an Investment Fund earns more than 4% your income will go up and if an Investment Fund earns less than 4%, your income will go down. You can choose to have your income change once a year or every month.

Also keep in mind that federal tax laws may limit the length of a guaranteed period or the amount of a survivor annuity if you name a co-annuitant who is not your spouse.

Electing an Optional Form of Payment

The election of an optional form of payment must be made during the 180-day period before distributions payments begin. If you are married when distributions begin and you wish to elect an optional payment form or a co-annuitant other than your spouse, your spouse must consent within the same 180-day period. The waiver also may be revoked during the same 180-day period but cannot be revoked after payments begin.

Your spouse’s consent must be in writing and witnessed by a notary public and must contain his or her acknowledgment as to the effect of the consent and that it is irrevocable. Your spouse must either consent to a specific form of payment or provide a general consent that expressly permits you to choose an optional form of payment without his or her consent. Your spouse’s consent is not required if you are legally separated unless a Qualified Domestic Relations Order (described below) requires otherwise or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish to the Human Resources-Benefits Office that you have no spouse or that he or she cannot be located.

Direct Rollovers

If you receive a distribution that is an “eligible rollover distribution,” you may roll over all or a portion of it either directly or within 60 days after receipt into an individual retirement account or annuity (IRA) described in Section 408(a) or 408(b) of the Internal Revenue Code, including a Roth IRA described in Section 408A of the Internal Revenue Code, a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code, a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, or an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts your eligible rollover distribution and to the extent required, separately accounts for your eligible rollover distribution. An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment, a payment that is part of a fixed period payment over ten or more years, or a hardship withdrawal.

Eligible rollover distributions are subject to a mandatory federal income tax withholding rate of 20% *unless* it is rolled over directly to an IRA or other eligible retirement plan; this process is called a “direct rollover.” If you have an eligible rollover distribution paid

to you, then 20% of the distribution must be withheld even if you intend to roll over the money into an IRA or other eligible retirement plan. This means that, in order to roll over the entire distribution in a 60-day rollover to an IRA or other eligible retirement plan, you must use other funds to make up for the 20% withheld. To avoid withholding, request your Investment Company to directly roll over an eligible rollover distribution.

Required Minimum Distributions

Generally, distributions from your Account must commence no later than April 1 of the calendar year following the year in which you attain age 70½, or, if later, April 1 following the calendar year in which you terminate employment from the University. The amount of your required minimum distribution depends on the value of your Account and whether you elect to have your required minimum distributions calculated over your life expectancy or the joint life expectancy of you and a designated Beneficiary. You may satisfy the minimum distribution requirement by taking your entire required minimum amount from the Plan or any other 403(b) plan in which you have an account balance. The payment of your required minimum distributions is extremely important because federal tax laws impose a 50% excise tax on the difference between the required minimum distribution amount and the amount actually distributed if it is less than the required minimum distribution amount. The foregoing rule does not apply to amounts contributed to TIAA-CREF prior to January 1, 1987 if such amounts were accounted for separately by TIAA-CREF. For further information regarding the special rules that apply to amounts accumulated prior to January 1, 1987, contact TIAA-CREF. You should keep the Human Resources-Benefits Office and the Investment Companies informed of your current mailing address. The University is not responsible for any excise taxes that may be imposed if you cannot be located at the time a required minimum distribution is due.

Qualified Domestic Relations Orders

The Plan will comply with a decree or order issued by a court that establishes the rights of another person (referred to as an “**Alternate Payee**”) to all or a part of the vested portion of your Account to the extent that the decree or order meets the requirements of Section 414(p) of the Internal Revenue Code (referred to as an “**Qualified Domestic Relations Order**” or “**QDRO**”). A decree or order is a QDRO if it is consistent with the terms and conditions of the Plan and your Investment Funds. A QDRO may preempt the usual requirements that your spouse be considered your primary Beneficiary for all or a portion of your Account. The Investment Companies will determine if a decree or order meets the requirements of a QDRO. The Investment Companies may impose a fee to review whether an order is a QDRO. The fee may vary among the Investment Companies and will be charged to your account and/or your Alternate Payee’s account as set forth in the order. The fee schedule, if applicable and as revised from time to time, is included in each Investment Company’s QDRO Procedures.

- **Fidelity Investments.** With respect to amounts invested with Fidelity Investments, you or your attorney can obtain a description of the procedures for QDRO determinations (“QDRO Procedures”) as well as a model Fidelity QDRO at no charge from Fidelity QDRO Center at www.qdro.fidelity.com/ (Plan ID 54569) or by

calling (800) 343-0860. Requests for determination as to whether a decree or order is a QDRO can be sent to Fidelity Investments as follows:

- **By Mail or Delivery:** P.O. Box 770001, Cincinnati, OH 45277-0003
- **By Facsimile:** Not Available
- **TIAA-CREF.** You or your attorney can obtain a description of the procedures for QDRO determinations (“QDRO Procedures”) as well as a model TIAA-CREF QDRO at no charge from the TIAA-CREF National Web Center at www.tiaa-cref.org or by calling (800) 842-2252. Requests for determination as to whether a decree or order is a QDRO can be sent to TIAA-CREF as follows:
 - **By Mail or Delivery:** P.O. Box 1259, Charlotte, NC 28201
 - **By Facsimile:** (800) 914-8922

It is recommended that prior to filing a decree or order with the court, you or your attorney should send a draft decree or order to the Investment Company for review. By doing so, required revisions can be made prior to filing and you will avoid multiple filings with the court.

An Alternate Payee may request a distribution (to the extent permitted under the QDRO) as soon as administratively practicable following the date the domestic relations order is determined to be a QDRO and prior to the Participant’s termination date. The process by which the amount awarded is paid to the Alternate Payee shall be determined by the Investment Company including, but not limited to, the issuance or establishment of separate investment contracts on behalf of the Alternate Payee.

Tax Information

Distributions from the Plan are subject to federal income tax when you receive them. Some of the rules that affect the taxation of your distributions are as follows:

Lifetime Annuity Payments. Annuity payments paid over your lifetime are not subject to mandatory federal income tax withholding. You may elect that withholding not apply to your payments but if you do nothing, federal income tax will be withheld as if you are married claiming three withholding allowances. You may not roll over annuity payments to an IRA or other eligible retirement plan. The election to waive tax withholding will be included in the distribution packet sent to you by TIAA-CREF and must be completed before annuity payments can commence.

Periodic Payments. Periodic payments may or may not be subject to mandatory federal income tax withholding. If your periodic payments are scheduled to last for a period of less than 10 years, the payments are treated as lump sum distributions and are subject to tax as described below. If your periodic payments are scheduled to last for a period of 10 years or more, the payments are treated like lifetime annuity payments and are subject to tax withholding as described above. You also may be required to pay an additional 10% tax penalty if one or more of your periodic payments is an early distribution as described below.

Lump Sum Distributions. Lump sum distributions are subject to a mandatory federal income tax withholding rate of 20% to the extent you do not elect a direct rollover to an IRA or other eligible retirement plan. See *Direct Rollover* section for further information regarding direct rollovers. If you roll over all or a part of your lump sum distribution within 60 days, that portion will not be subject to federal income tax in the year of distribution and will continue to be tax-deferred. Portions that are not timely rolled over are treated as taxable income in the year of distribution and you may be required to pay income taxes in addition to the 20% withheld when you file your tax return for that year. You also may be required to pay an additional 10% tax penalty if your distribution is an early distribution as described below.

Early Distribution Penalty. If you receive a distribution prior to age 59½, the portion you do not roll over to another tax-deferred retirement vehicle is subject to an additional 10% penalty federal excise tax unless the distribution is made because:

- You terminate employment with the University at age 55 or older;
- You die or become Disabled;
- You elect to receive distributions as part of a series of substantially equal periodic payments (not less frequently than annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your beneficiary; or
- The distribution is received pursuant to a qualified domestic relations order.

The tax information described above is not intended to give specific tax advice to you (or your beneficiaries). A more detailed summary, *Special IRS Tax Notice Regarding Plan Payments*, contains more information and is available from your Investment Companies. Tax laws are complicated and change often. They also affect different individuals in different ways. A professional tax advisor is your best source of information about the tax laws applicable to distributions from the Plan.

Keeping Our Records Up To Date

Whether you are an active or terminated employee, it is important for you to keep the University up to date about certain information. To ensure that you receive benefit payments for which you are eligible, be sure to notify the Human Resources-Benefits Office and your Investment Companies of any changes in your address or in your marital status.

SECTION VIII DEATH BENEFITS

Contact your Investment Company

The Investment Companies administer the payment of death benefits from the Plan. To request distribution election forms:

Fidelity. Visit Fidelity's website at www.fidelity.com/atwork or call (800) 343-0860 to speak with a representative.

TIAA-CREF. Visit the TIAA-CREF/USFCA website at www.tiaa-cref.org/usfca or call (800) 842-2252 to speak with a representative

If you die *after* you commence distributions under an Investment Fund, the amount payable to your beneficiary or, if applicable, your co-annuitant will depend on the payment option you elected. For example, if you elected that amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account be paid in the form of a survivor annuity, then your co-annuitant will receive the survivor benefit you elected. Alternatively, if you elected a lump sum distribution or a single life annuity from the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account, your surviving spouse or other beneficiary will receive nothing.

If you die *before* you commence distributions under an Investment Fund or you elected periodic lump sum distributions from an Investment Fund, the entire value (or remaining value) of your Investment Funds is payable as a death benefit. If you are not married at the time of your death, the entire value of your Investment Funds will be paid to your designated beneficiary(ies). If you are married at the time of your death, at least 50% of the entire value (or remaining value) of your Investment Funds is payable to your spouse in the form of a Qualified Pre-Retirement Survivor Annuity (as described below) unless your spouse waives the Qualified Pre-Retirement Survivor Annuity or waives the Qualified Pre-Retirement Survivor Annuity and consents to a non-spouse beneficiary as described below.

Forms of Payments for Death Benefits

Qualified Pre-Retirement Survivor Annuity. If you are married on the date of your death, your Investment Company is required to pay at least 50% of your death benefits, if any, in the form of a Qualified Pre-Retirement Survivor Annuity to your surviving spouse. Under a Qualified Pre-Retirement Survivor Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your spouse's lifetime, and at his or her death, all payments stop. Your surviving spouse may waive the Qualified Pre-Retirement Survivor Annuity and elect an optional payment form. Alternatively, you may choose the form of payment to your spouse during your lifetime if you do so in a manner acceptable to your Investment Company.

Optional Forms of Payment. A surviving spouse who waives the Qualified Pre-Retirement Survivor Annuity or a non-spouse beneficiary may elect any optional payment form. Alternatively, you may choose the form of payment for your beneficiary during your lifetime if you do so in a manner acceptable to your Investment Company. The optional payment forms available are similar to the optional payment options described in the Section VII, Distributions from Your Account. For further information regarding distributions to beneficiaries and available forms of payment, contact your Investment Company. If your death benefits are paid in the form of an eligible rollover distribution, a surviving spouse and non-spouse beneficiary may elect a direct rollover as described in the Section VII, Distributions from Your Account. A non-spouse beneficiary, however, may only elect a direct rollover to an individual retirement account or an individual retirement annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code, respectively, that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) of the Internal Revenue Code.

Designating your Beneficiary

Beneficiary Designation Form

It is important for you to designate one or more Beneficiaries by completing a Beneficiary Designation Form. Your Beneficiary is the person who will receive your death benefits, if any. If you have an Account at more than one Investment Company, you must complete a separate Beneficiary Designation Form for each Investment Company.

Please note the following:

If you are not married, you can name anyone as your beneficiary.

If you are married at the time of your death, your spouse is automatically entitled to 50% of your death benefits. You can name anyone as your beneficiary with respect to the remaining 50% of your death benefits. If you wish to designate a beneficiary other than your spouse to receive more than 50% of your death benefits, your spouse must consent to your choice of beneficiary or beneficiaries. ***For additional information regarding the designation of a non-spouse beneficiary, see below.***

You may name a secondary or contingent beneficiary who will receive death benefits if your primary beneficiary dies before you.

Beneficiary Designation Form

You can obtain a Beneficiary Designation Form from the Human Resources-Benefits website at:

www.usfca.edu/hr/benefits

If you are unable to obtain the form from the Human Resources-Benefits website, contact the Human Resources-Benefits Office for assistance.

Submitting Your Beneficiary Designation Form

Once you have completed your Beneficiary Designation Form and, if applicable, your spouse has completed the spousal consent section, send it to your Investment Company as set forth below.

A Beneficiary Designation Form is not effective until a complete Form is received by your Investment Company.

- **Fidelity Investments.** To submit a Beneficiary Designation Form for amounts invested with Fidelity Investments, send the Fidelity Investments Beneficiary Designation Form directly to Fidelity Investments using the address below:

Fidelity Investments
P.O. Box 770002
Cincinnati, OH 45277-0090

- **TIAA-CREF.** To submit a Beneficiary Designation Form for amounts invested with TIAA-CREF, send the TIAA-CREF Beneficiary Designation Form directly to TIAA-CREF using the address below:

TIAA-CREF
P.O. Box 1268
Charlotte, N.C. 28201-1268

Failure to Properly Designate a Beneficiary

If you fail to designate a beneficiary, improperly designate a beneficiary, or if no beneficiary survives you, your death benefits, if any, will be distributed as set forth below:

If you are not married on the date of your death and a Beneficiary Designation Form is not on file with your Investment Company on the date of your death or your designated beneficiary does not survive you, 100% of your death benefits, if any, will be paid to the extent permitted under the Investment Fund, as follows to: (1) your surviving children, if any, otherwise, (2) your parents, if living, otherwise, (3) your estate. Death benefits payable to minor children may be paid only on their behalf to a legal guardian upon proof of such guardianship.

If you are married on the date of your death and a Beneficiary Designation Form is not on file with your Investment Company on the date of your death or your designated beneficiary does not survive you, 100% of your death benefits, if any, will be paid to the extent permitted under the Investment Fund, to your spouse. If you improperly designated a non-spouse beneficiary, for example, you filed a Beneficiary Designation Form with your Investment Company designating that 100% of your death benefits be paid to a non-spouse beneficiary but your spouse did not complete the spousal consent section, 50% of your death benefits will be paid to your designated non-spouse beneficiary but the remaining 50% of your death benefits will be paid to your spouse.

Periodic Review of Your Designated Beneficiary

You should review your beneficiary designation periodically to make sure the person you want to receive your death benefit is properly designated. For example, if your marital status changes, you should review your beneficiary designation. If you marry, your new spouse is automatically the beneficiary with respect to 50% of your death benefits as a matter of law. However, your divorce will not automatically revoke a beneficiary designation naming your former spouse as your beneficiary. You can change your beneficiary at any time (subject to the spousal consent requirement) by submitting a new Beneficiary Designation Form to your Investment Company as described above. A signed and completed Beneficiary Designation Form must be received by your Investment Company before it will become effective.

Designation of Non-Spouse Beneficiary

Applicable Election Period

You may designate a non-spouse beneficiary at any time but you may not designate a non-spouse beneficiary with respect to more than 50% of your death benefits until your applicable election period that begins on the later of (1) the first day of the Plan Year in which you attain age 35 or (2) the day you first become a Participant. If you terminate employment with the University prior to the first day of the Plan Year in which you will attain age 35, the applicable election period begins on the date of your termination. The applicable election period ends on the first to occur: (1) the date of your death or (2) the date you start receiving benefit payments. You may also revoke your designation during the applicable election period. If you designate a non-spouse beneficiary prior to the time you are permitted to do so, such designation will not be treated as an effective designation with respect to 50% of your death benefits but will be treated as an effective designation with respect to amounts not required to be paid to your spouse. Also, consent by a former spouse is not effective with respect to a subsequent spouse.

Spousal Consent

Your spouse must waive the Qualified Pre-Retirement Survivor Annuity and consent to your beneficiary or beneficiaries. Your spouse's waiver and consent must be in writing and witnessed by a notary public and must contain his or her acknowledgment as to the effect of the waiver and consent and that it is irrevocable. Your spouse may provide a general consent that expressly permits you to designate a beneficiary without any further consent by your spouse. If a designated beneficiary dies, a new consent is necessary unless your spouse gave his or her express consent of your right to designate a new one without further spousal consent. Your spouse's consent is not required if you are legally separated unless a Qualified Domestic Relations Order (QDRO) requires otherwise or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish to the Human Resources-Benefits Office that you have no spouse or that he or she cannot be located.

Required Minimum Distributions

Generally, death benefits must be distributed by December 31 of the fifth calendar year after your death. Under a special rule, death benefits may be payable over the life or life expectancy of your beneficiary. If your beneficiary is your spouse, distributions under the special rule can be deferred until December 31 of the calendar year that you would have attained age 70½ had you continued to live. If your beneficiary is not your spouse, distributions must commence not later than December 31 of the calendar year immediately following the calendar year of your death. The distribution of death benefits in accordance with these rules is extremely important. Federal tax law imposes a 50% excise tax on the difference between the amount of distribution required by law and the amount actually distributed if it is less than the required minimum amount. Your Investment Company will notify your beneficiary of the applicable requirements at the time he or she notifies them of your death. If your beneficiary fails to timely notify your Investment Company of your death, the University is not responsible for any excise taxes that may be imposed if your death benefits are not distributed timely.

SECTION IX CLAIMS AND APPEALS PROCEDURES

Claims Procedures

The University has delegated to the Investment Companies to review all claims for benefits (distribution elections) under the Plan. If all or part of your claim for benefits (or a claim by your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) is denied under the Plan, your Investment Company will send you (or your Beneficiary) or authorized representative a written or electronic explanation of denial setting forth (1) the specific reasons for the denial, (2) references to the Plan's provisions upon which the denial is based, (3) a description of any missing information or material necessary to process your claim (together with an explanation why such material or information is necessary), (4) an explanation of the appeals procedures for the Plan, as applicable, and (5) a statement of your right to bring a civil action under Section 502(a) of ERISA if your claim is denied upon appeal.

An explanation of denial will be sent within 90 days following receipt of your claim for benefits (45 days in the case of a claim on account of Disability, a "Disability Claim") by your Investment Company unless your Investment Company determines that special circumstances require an extension of time for processing your claim. In the event an extension is necessary, you will receive written or electronic notice of the extension prior to the expiration of the initial 90-day period. The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In no event shall the period of the extension exceed 90 days from the end of the initial 90-day period. In the case of non-Disability claim, the 90-day period to decide your claim may be extended up to an additional 90 days for a total of 180 days. In the case of a Disability Claim, the 45-day period to decide your claim may be extended up to an additional 30 days and the first 30-day extension period may be extended up to an additional 30 days beyond the original extension for a total of 105 days.

Appeals Procedures

If your claim for benefits is denied and you (or your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) or an authorized representative wish to appeal the denial of your claim, you must submit a written appeal to the University of San Francisco Administration Committee (the "Administration Committee"), in care of the Human Resources-Benefits Office, within 60 days (180 days in the case of a claim on account of Disability, a "Disability Claim") after you receive the denial notice. You must exhaust the appeal procedures under the Plan prior to seeking any other form of relief. Under the Plan's appeals procedures:

You may include written comments, documents, records and other information relating to your claim.

You may review all pertinent documents and, upon request, shall have reasonable access to or be provided free of charge, copies of all documents, records, and other information relevant to your claim.

The Administration Committee will provide a full and fair review of the appeal and will take into account all your claim related comments, documents, records, and other information submitted without regard to whether such information was submitted or considered under the initial determination. In the case of a Disability Claim, if the initial determination was based in whole or in part on a medical judgment, the review will be done in consultation with a healthcare professional who has appropriate training and experience in the relevant field of medicine, who was not consulted in connection with the previous notice of denial and who is not that person's subordinate. By filing a request for review, you will be deemed to consent to such consultation and the sharing of pertinent medical claim information. If a medical or vocational expert is contacted in connection with a review, you have the right to learn the identity of such person.

The Administration Committee will send you written or electronic notice of the decision rendered with respect to your appeal within 60 days (45 days in the case of a Disability Claim) following its receipt and all necessary documents and information unless the Administration Committee determines that special circumstances require an extension of time for processing the appeal. In the event an extension is necessary, a written or electronic notice of the extension will be sent to you prior to the expiration of the initial 60-day period (45-day period in the case of a Disability Claim). The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In the case of non-Disability Claim, the 60-day period to review your appeal may be extended up to an additional 60 days for a total of 120 days. In the case of a Disability Claim, the 45-day period to review your appeal may be extended up to an additional 45 days for a total of 90 days.

In the case of a denial of an appeal, the written or electronic notice of such denial shall set forth (1) the specific reasons for the denial, (2) references to the Plan provisions upon which the denial is based, (3) 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 relating to your claim for benefits, and (4) a statement of your right to bring a civil action under Section 502(a) of ERISA. In the case of a Disability Claim, such notice shall also include (1) a copy of any internal rules, guidelines, protocol or other similar criterion on which the determination was based and (2) an explanation of any scientific or clinical judgment if the determination is based on a medical necessity or experimental treatment (or similar exclusion or limit).

Any decision of the Administration Committee (or its delegate) shall be final, conclusive and binding upon you and the Plan and the University will take appropriate action to carry out such decision.

Bar on Civil Action

You (or your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) may not commence a civil action pursuant to Section 502(a) (1) of ERISA with respect to a benefit under the Plan after the earlier of:

Three (3) years after the occurrence of the facts or circumstances that give rise to, or form the basis for, such action; or

One (1) year from the date you had actual knowledge of the facts or circumstances that give rise to, or form the basis for, such action.

Notwithstanding the foregoing, in the case of fraud or concealment, such action may be commenced not later than three (3) years after the date of discovery of the facts or circumstances that give rise to, or form the basis for, such action.

SECTION X OTHER PLAN INFORMATION

Administrator

The Plan Administrator is the University. The University has delegated to the University of San Francisco Administration Committee (the “Administration Committee”), the duty to establish reasonable rules and procedures for the Plan’s administration and has the power to delegate day-to-day administration of the Plan. The Administration Committee has the discretionary power and authority to determine all questions relating to the administration of the Plan, including, but not limited to, questions relating to eligibility to participate, reconciling any question or dispute arising under the Plan, and interpreting the plan document. Any determinations made by the Administration Committee shall be final and binding.

Collective Bargaining Units

The Plan is maintained in part pursuant to collective bargaining agreements between the University and the (1) University of San Francisco Faculty Association, (2) University of San Francisco Part-Time Faculty Association, (3) University of San Francisco Association of Law Professors, (4) Office and Professional Employees Union, Local 3, of the AFL-CIO, (5) Service Employees International Union, Local 1877, of the AFL-CIO, (6) University of San Francisco Public Safety Officers Association, and (7) International Union of Operating Engineers (I.U.O.E), Stationary Engineers, Local 39, of the AFL-CIO.

Participating Employers

The following employers are participating employers under the Plan: (1) FROMM Institute, (2) Loyola House (Jesuit Residence), and (3) St. Ignatius Church.

Amendment and Termination of the Plan

The University has reserved the right, subject to negotiations with any collective bargaining units, to terminate the Plan or to amend the Plan under circumstances that the University and the collective bargaining units deem advisable (including, but not limited to, cost or plan design considerations). Current participation in the Plan does not vest in any participant any rights to any particular benefit coverage in the future. In the event of termination or amendment or elimination of benefits, the rights and obligations of participants prior to the date of such event shall remain in effect, and changes shall be prospective, except to the extent that the University, subject to negotiations with the collective bargaining units, or applicable law provides otherwise.

Creditor Claims

By law, no one other than you and your beneficiary have any claims to the benefits payable under the Plan. This means that you cannot assign or pledge your benefits to any creditor or other person, and a third party’s claims for Plan benefits payable to you

are ineffective. There is an exception to this rule. The Plan will comply with a Qualified Domestic Relations Order that directs the Plan to pay a specified portion of your Plan benefits to a spouse, former spouse, and/or for child support. See the [Section VII, Distributions from Your Account](#), for further information.

Cost of Plan Administration

All costs of administering the Plan will be paid by the Plan except as otherwise provided in this summary plan description or plan documents.

Pension Benefit Guaranty Corporation (PBGC)

Benefits under the Plan are not insured by the PBGC. The PBGC is the government agency that guarantees certain types of benefits under certain type of plans.

SECTION XI

STATEMENT OF ERISA RIGHTS

You are entitled to certain rights and protections under ERISA. ERISA provides that you are entitled to:

Receive Information about the Plan and Benefits

As a Participant, you are entitled to receive the following information about the Plan and your benefits:

Examine, without charge, at the Human Resources-Benefits Office and at other specified locations, such as worksites, all documents governing the Plan, including insurance contracts and collective bargaining agreements, 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.

Obtain, upon written request to the Human Resources-Benefits Office, copies of documents governing the operation of the Plan, including annuity contracts and custodial account agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Human Resources-Benefits Office may make a reasonable charge for the copies.

Receive a summary of the Plan's annual report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.

Obtain a statement reflecting the value of your total Account held on your behalf under the Plan which is the current amount available to you at normal retirement age if you do not commence benefit payments sooner. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Human Resources-Benefits Office must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants of the Plan, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other participants of the Plan and their beneficiaries. No one, including the University, the Plan Administrator, the Administration Committee, your union, 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 can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Human Resources-Benefits Office and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator 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 Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan Administrator's decision or lack thereof concerning the qualified status of a domestic relations 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 these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Human Resources-Benefits Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the University, you should contact the nearest 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.

SECTION XII PLAN REFERENCES

Plan Name: University of San Francisco Voluntary Retirement Plan

Plan Number: 003

When requesting additional information about the Plan from the Department of Labor, refer to the above plan number.

Plan Sponsor: University of San Francisco
c/o Office of Human Resources
2130 Fulton Street
San Francisco, CA 94117
Phone: (415) 422-6707

Employer Identification Number: 94-1156628

Plan Administrator: University of San Francisco
c/o Office of Human Resources
2130 Fulton Street
San Francisco, CA 94117
Phone: (415) 422-6707

Investment Companies: Fidelity Investments, Inc.
P.O. Box 770001
Cincinnati, OH 45277-0003
(800) 343-0860
www.fidelity.com

Teachers Insurance and Annuity Association-
College Retirement Equities Fund (TIAA-CREF)
730 Third Avenue
New York, NY 10017
Phone: (800) 842-2273
www.tiaa-cref.org

Agent for the Service of Legal Process: University of San Francisco
Office of the General Counsel
2130 Fulton Street
San Francisco, CA 94117
Phone: (415) 422-2462

Legal process may also be served on the Recordkeeper.

Plan Year: January 1 through December 31.

The Plan's accounting records are maintained on the basis of the Plan Year.

APPENDIX A – VALIC PARTICIPANTS

Variable Annuity Life Insurance Company (“VALIC”) is closed to all new contributions effective December 15, 2012. If all or portion of your Account is invested with VALIC, this Appendix A supplements the information provided in the SPD.

VALIC Contact Information

You can monitor your VALIC funds or transfer your VALIC fund balances among the various VALIC Investment Funds at no charge by visiting VALIC’s website or by calling its representative using the contact information provided to the right.

To contact VALIC:

Call VALIC at (800) 428-2542 or visit its website at www.aigvalic.com. To enter the Plan’s dedicated website, enter Plan No. 52658.

VALIC Investment Fund Information

You can obtain the most current information regarding the VALIC Investment Funds and their share/unit values using the contact information to the right.

To obtain VALIC Investment Fund Information

Call VALIC at (800) 428-2542 or visit its website at www.valic.com/feedisclosure, enter Plan No. 52658.

VALIC Participant Loan Program

If you are a Participant (whether active or terminated), you may obtain a loan from VALIC based on the balance of your Account invested with VALIC. Amounts invested with other Investment Companies are not considered when applying for a loan from VALIC.

Set forth below is a brief summary of loan details that are specific to the VALIC Loan Program. Detailed information regarding the VALIC Loan Program can be obtained from VALIC using the contact information to the right.

VALIC Loan Program:

If you wish to determine the amount you can borrow, the amount of your loan repayments, or to apply for a loan, you must contact VALIC directly:

- Visit VALIC’s website at www.aigvalic.com. To enter the Plan’s dedicated website, enter Plan No. 52658.
- Call VALIC at (800) 428-2542.

Loan Amount. The amount you may borrow from that portion of your Account invested with VALIC is a minimum amount of \$1,000 and a maximum amount of the lesser of: (1) **50%** of that portion of your Account invested with VALIC or (2) \$50,000 (reduced by your highest outstanding loan balance within the last 12 months). For example, if you have \$40,000 invested with VALIC, you may borrow up to \$20,000 from your Account. For purposes of computing your maximum loan amount, loans taken under the TIAA-CREF Loan Program and the University’s Defined Contribution Retirement Plan Loan Program are taken into account.

Collateral. A portion of your Account invested with VALIC – that is, an amount equal to **100%** of the loan amount – must serve as collateral for your loan. That portion of your Account serving as collateral is not available for benefit payouts until you have repaid your loan.

Interest Rate. You will be charged a fixed rate of interest on your loan.

Loan Term. You can take up to five years to repay your loan (up to 10 years if the loan proceeds are used to purchase your principal residence). You can repay your loan early without penalty.

Loan Payments. Loans can be repaid either quarterly or monthly. Loan payments cannot be made by payroll deduction.

Default. If you miss a loan payment, you will be considered in default on the entire outstanding loan balance. Generally, if the total overdue amount is not paid by the end of the calendar quarter following the calendar quarter in which repayment was due, your loan will be in default and the outstanding loan balance (including accrued interest) will be reported to the IRS as current taxable income to you and may be subject to penalties for early distribution. Your loan will remain outstanding and that portion of your Account held as collateral for your loan is not available for benefit payments until you have repaid your loan. Repayment may be made either by direct repayment or by deemed repayment through a plan loan offset (that is, repayment of your outstanding loan by application of your loan collateral up to the amount that is due at such time as permitted by law).

Spousal Consent. If you are married at the time you make a loan request, your spouse must consent to the loan. Your spouse's consent must be in writing and witnessed by a notary public. Unless a Qualified Domestic Relations Order requires otherwise, your spouse's consent is not required if you are legally separated or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish that you have no spouse or that he or she cannot be located.

Qualified Military Service. At your request, loan payments will be suspended while you are performing Qualified Military Service. Also, if you take a loan and are then called to Qualified Military Service, the Servicemembers Civil Relief Act ("SCRA") requires that the interest rate on your loan cannot exceed 6% during your Qualified Military Service if you provide written notice of your call to military service and a copy of your military orders (or any order extending your military service) to VALIC within 180 days after you terminate service or are released from military service. You should contact VALIC for additional information prior to your Qualified Military Service if you wish to take advantage of these options.

Number of Loans. You can have no more than one loan outstanding at one time. If you have more than one loan outstanding as of October 1, 2012, they will continue in effect, however, you will not be able to obtain another loan until you repay your existing outstanding loans.

Loan Fee. Currently, a nonrefundable one-time set-up fee will be deducted from the portion of your Account invested with VALIC. Please refer to your loan application materials for applicable fees.

Withdrawals and Distributions

You or your Beneficiary can request a withdrawal or distribution of your VALIC funds by visiting VALIC's website or by calling its representative using the contact information provided to the right.

To contact VALIC:

Call VALIC at (800) 428-2542 or visit its website at www.aigvalic.com. To enter the Plan's dedicated website, enter Plan No. 52658.

Optional forms of payments are governed by the terms of your VALIC Investment Funds.

Qualified Domestic Relations Orders

You or your attorney can obtain a description of the procedures for QDRO determinations ("QDRO Procedures") as well as a model VALIC QDRO at no charge from the VALIC website at www.aigvalic.com or by calling (800) 428-2542. Requests for determination as to whether a decree or order is a QDRO can be sent to the Human Resources-Benefits Office as follows:

By Mail or Delivery: 2130 Fulton Street, San Francisco, CA 94117

By Facsimile: (415) 386-1074

Beneficiary Designations for VALIC Accounts

Once you have completed your Beneficiary Designation Form and, if applicable, your spouse has completed the spousal consent section, send it to VALIC using the address below:

A Beneficiary Designation Form is not effective until a complete Beneficiary Designation Form is received by VALIC.

AIG VALIC Document Control
P.O. Box 15648
Amarillo, TX 79105-5648