

Reed College
Defined Contribution Plan
Summary Plan Description

April 2010

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Introduction

The Reed Institute (“Reed” or “employer”) maintains the Reed College Defined Contribution Plan (the “plan”) to provide eligible employees with the opportunity to save for retirement and to provide for contributions by Reed to fund retirement benefits. The plan was updated effective January 1, 2009, among other reasons to comply with new tax regulations applicable to the plan.

Please read this summary carefully. Its purpose is to explain how the plan works, how you qualify for and ultimately receive plan benefits, what benefits are available to you and what your rights are as a plan participant.

This summary describes the plan as of April 1, 2010. It is an important document. You should keep it in a safe place for future reference. If the plan is changed in any way that affects your eligibility or benefits, you will be given an explanation of the changes.

This summary covers the main features of the plan. It is not the plan document and it does not govern the investment of accounts. It does not in any way alter or modify any provisions of the plan document. If there are any inconsistencies between this summary and the actual plan document, the actual plan document controls. The full details of the plan are contained in the complete plan document, which you may review by request to the plan Administrator.

1. Plan Administration

The Vice President/Treasurer of Reed is the plan administrator (the “Administrator”) and is responsible for plan administration and for arranging all services necessary to operate the plan, including administration, accounting and legal services. The Administrator has the power in the Administrator’s sole discretion to manage and operate the plan, including interpreting the provisions of the plan and making administrative decisions regarding eligibility, right to benefits and similar decisions. Day-to-day administration of the plan is the responsibility of the Reed College Human Resources Department.

Teacher’s Insurance Annuity Association – College Retirement Equity Fund (“TIAA-CREF”) is engaged to provide record keeping, investment management, and other administrative services to the plan. TIAA-CREF also provides the contracts for funding benefits accrued under the plan (“403(b) annuity contracts”). Contributions (see 3.1 and 3.2) are delivered to TIAA-CREF and held and distributed in accordance with the terms of the contracts. The terms of the contracts affect your investment and distribution options (see 4.3 and 5.2), as well as other rights, such as loans (see section 8). Plan participants communicate directly with TIAA-CREF for certain functions related to maintaining their accounts, including investment directions, distributions, and loans. TIAA-CREF may be contacted by telephone at 1-800-842-2252. Email and other electronic communication is available through the TIAA-CREF website at tiaa-creg.org.

Because this is only a plan summary, you may have questions or want additional information. General inquiries may be made to the Human Resources Department. For information about investment of your account, contact TIAA-CREF at 1-800-842-2276 or at www.tiaa-cref.org/reed. Formal inquiries to the Administrator and claims should be in writing and addressed to:

Administrator
Reed College Defined Contribution Plan
Reed College
3203 SE Woodstock Blvd.
Portland, OR 97202

The plan operates under a “plan year” that is the calendar year.

2. Eligibility and Service

2.1 Eligibility

You are eligible to have elective deferrals contributed to the plan on your behalf (“Elective Deferral Contributions”) if you are an employee of Reed, unless you are a student performing certain services to Reed. You may elect deferrals beginning as early as the first day of employment as an eligible employee.

You will not be treated as an employee if the employer classifies you as an independent contractor, or otherwise does not provide IRS Form W-2 to report your compensation, whether

or not you are classified as an employee by any federal, state or local agency, or should have received a Form W-2.

You are eligible to have Reed contribute other amounts to the plan on your behalf (“Fixed Contributions”) unless any of the following apply:

- (a) You are not eligible for Elective Deferral Contributions.
- (b) You are an emeritus professor.
- (c) You are rehired after “retirement” as defined by Reed’s retirement policies.
- (d) You are classified as a Lecturer or Guest Speaker, unless you are otherwise eligible under another classification.
- (e) You are an on-call employee.
- (f) You are identified as an International Scholar.
- (g) You are a health, music or physical education instructor.
- (h) You are identified as a Graduate Research Assistant and distinguished from other employees who are research assistants.
- (i) You are designated as a temporary employee and you have not completed a Year of Service.
- (j) You are classified as a contract employee.

If you are eligible for Fixed Contributions, you will participate beginning the first month that starts after you have completed a Year of Service.

2.2 Year of Service

“Year of Service” means your initial employment year, and each plan year in which the initial employment year ends, in which you have 1,000 or more Hours of Service. Once you have a Year of Service, you will keep the Year of Service credit, including after rehire following termination of employment. “Employment year” means the 12-consecutive month period starting on the date you first perform an Hour of Service.

2.3 Hours of Service

You receive credit for hours of service for time that you work. You also receive credit for hours of service for time you are paid by the employer for reasons other than work (such as vacation, illness, disability or regularly scheduled hours during a leave of absence, and hours paid for when your employment terminates for lay off, disability, jury duty or unused vacation, holiday or sick leave) up to a maximum of 501 hours of service for any continuous period.

If you are paid wages by the hour, actual hours will be credited for hours of service. Otherwise, you will be credited with 190 hours of service for each month in which you have one or more Hours of Service.

2.4 Eligibility Based on Imputed Service

If you are eligible for elective deferrals, you will be eligible for Fixed Contributions if all of the following apply:

- (a) Your prior employer is an institution of higher education.
- (b) You were employed by the institution within four months before the start of employment with Reed.
- (c) You accrued a benefit under a retirement plan of the institution, other than elective deferral or earnings credit, within the 24 months before your first Hour of Service to Reed.

Participant. You are a “participant” under the plan if you have accrued an interest in a 403(b) annuity contract under the plan (you have an “account”) through employment with Reed, if you are eligible for Elective Deferral Contributions and have submitted a valid election, or if you are eligible for Fixed Contributions, whether or not you have yet been credited with a Fixed Contribution.

3. Contributions and Rollovers

3.1 Fixed Contributions

If you are eligible for Fixed Contributions, for each plan year Reed will deposit an amount (a “Fixed Contribution”) with TIAA-CREF for your benefit equal to 10 percent of your compensation (defined in 3.4 below). Reed may change the amount, in its discretion, at any time before the end of the plan year. If you are eligible for part of a plan year, the contribution will be based on your compensation for the part year in which you were eligible.

If your service to Reed stops because you become disabled, as determined under a disability insurance policy maintained by Reed, Fixed Contributions for your benefit will continue. The Fixed Contributions will be based on your rate of compensation the month you stop work for Reed because of the disability. Contributions will cease at the earliest of the following:

- You receive a distribution under the Plan.
- You attain normal retirement age determined under Reed policy or the disability insurance policy.
- Payments under the disability insurance policy stop or are materially reduced.

Contributions for your benefit are not included in income for federal income tax purposes. Amounts are taxable when distributed (see 5.6).

3.2 Elective Deferral Contributions

Regular Elective Deferral. If you are eligible, you may elect to have either (a) a whole number percentage (from 1 to 75 percent) of your compensation, or (b) a specified dollar amount per pay period, contributed to your account under the plan as an Elective Deferral Contribution. The Administrator may set or change minimum and maximum contributions that may be elected at any time or for any period, subject to applicable legal limits (see 3.6). Elections will apply to compensation not yet received. An election to start or change the rate of contributions must be delivered on a form prescribed by the Administrator to Human Resources at least seven days before the end of the pay period to be effective for the pay period. Elections will remain effective for subsequent pay periods unless changed by a timely new election.

Your pay will be reduced for income tax purposes by the amount of your Elective Deferral Contributions. That amount will be deposited with TIAA-CREF for your account. The amount is also known as an “elective deferral” because you are effectively deferring receipt of pay. The elective deferral does not reduce wages for purposes of social security and Medicare taxes, also known as FICA taxes. The employee portion FICA taxes on the elective contribution amount will be withheld from your pay. **Participation is strictly voluntary and the percentage or dollar amount you wish to have contributed is up to you.**

Additional Elective Deferral At Age 50. If you are eligible for Elective Deferral Contributions and you have attained or will attain age 50 by the end of the calendar year, the applicable limit on elective deferrals (\$16,500 for 2010, see 3.6) is higher (by \$5,500 for 2010, see 3.6). The additional contribution amount over the regular limit is known as a “catch-up contribution.” Generally, a contribution is not a catch-up contribution unless the amount exceeds regular limits that apply to elective deferrals or other contributions for the year.

Special 403(b) Catch-Up. You also have an opportunity to elect contributions (“Special 403(b) Catch-Up Contributions”), and reduce your taxable pay, by amounts in excess of the usual applicable annual limits if you have completed at least 15 years of service with Reed. If qualified, you may elect a contribution in excess of the applicable regular limit (\$16,500 for 2010) by the least of \$3,000 or other amounts based on your Elective Deferral Contributions in prior years. The calculation of the additional deferral amount may involve the number of years of service to Reed. Years of service for purposes of the Special 403(b) Catch-Up Contributions are calculated under rules different from the calculation of Years of Service described in 2.2 and 2.3. If you are interested in increasing elective deferral amounts, you should contact TIAA-CREF for assistance in determining the applicable maximum amount of the increase. The catch-up contributions described above related to attaining age 50 are not affected by the Special 403(b) Catch-Up Contributions and may be elected in addition to the maximum regular elective contribution amount for the year, as adjusted by the Special 403(b) Catch-Up Contribution amount.

Determination of Deferral Amount. If you elect to defer a percentage of compensation, the percentage will be applied to the taxable amount otherwise payable for the pay period. If the

regular payment for the pay period includes taxable extraordinary amounts, such as bonus or awards, the percentage will apply to the extraordinary amount. If you receive an extraordinary extra payment, no election will apply to the payment.

3.3 Contributions for Periods of Covered Military Leave

If you return to work after a period of military service with employment rights protected by federal law, Reed will make Fixed Contributions with respect to the time of military service based on your status at the time you stopped service to Reed. You may elect Elective Deferral Contributions, including catch-up amounts if applicable, with respect to the time you were on military leave, and the elections will reduce your pay. If you return to work following a period of military service that you feel may qualify, please contact the Administrator for more information. Certain conditions and deadlines apply.

3.4 Compensation

For purposes of calculating contributions, compensation generally means all of your taxable earnings from the employer. It also includes your Elective Deferral Contribution amounts, including catch-up amounts if applicable, and any salary reduction amounts for parking or mass transit.

For Elective Deferral Contributions, contribution amounts are determined and applied as described in 3.2.

For Fixed Contributions, compensation excludes any taxable reimbursement or expense allowances, fringe benefits, amounts paid or reimbursed by the employer for moving expenses, deferred compensation, welfare benefits, severance pay and cash-outs of accrued vacation pay and accrued sick leave, and Excellence Awards and stipends for incidental work performed outside of regular duties.

In general, compensation also excludes amounts paid after your employment terminates unless the amounts are regular pay for services during your regular working hours or pay for services outside your regular working hours (such as overtime or shift differential) or similar payments and:

- The amounts would have been paid to you while you continued in employment if you had remained employed by Reed; and
- The amounts are paid within 2½ months after your termination of employment or, if later, the end of the year in which your employment terminated.

Compensation also includes certain differential wage payments, if Reed pays them. Differential wage payments are payments that Reed makes to a participant who is performing qualifying service in the U.S. military if the payment, when combined with the amount of military pay the individual receives, makes up for some or all of the compensation that Reed would have paid if the individual had not gone into qualifying military service.

Under federal law, compensation in excess of \$200,000 per year is not counted for purposes of calculating contributions. This federal tax law limit is adjusted from time to time according to Internal Revenue Service (IRS) regulations. The limit for 2010 is \$245,000. The limit will not affect your ability to elect Elective Deferral Contributions (including all catch-up contributions) throughout the plan year even if your compensation exceeds the limit at some time during the year.

3.5 No After-tax Employee Contributions

After-tax employee contributions are neither required nor permitted under the plan. Elective Deferral Contributions under 3.2 are treated as employer contributions under applicable tax law.

3.6 Limitations on Contributions

(a) **Dollar Limit on Elective Deferral Contributions.** For the 2010 calendar year, your Elective Deferral Contributions may not exceed \$16,500, subject to catch-up opportunity. The limit will be adjusted each year for any authorized cost-of-living changes.

Catch-up contributions are subject to separate limits. The catch-up contribution limit for 2010 is \$5,500. The limit will be adjusted each year for any authorized cost-of-living changes.

The limit on Special 403(b) Catch-Up Contributions is described generally in 3.2 and depends on several factors.

The limit on Elective Deferral Contributions is a personal limit and applies for the calendar year to Elective Deferral Contributions (including catch-up contributions) under the plan and any other plan of any employer, whether or not related to Reed, that is subject to section 403(b) or section 401(k) of the Internal Revenue Code. If you elect contributions under the Reed plan in excess of the applicable limit on Elective Deferral Contributions, Reed will attempt to stop the contributions when the maximum for the year has been reached. Reed is not responsible for preventing excess Elective Deferral Contributions. If an excess occurs, the excess and related earnings will be distributed to you, typically in the following year.

If you change employers during the year, you may inadvertently elect deferrals in excess of the maximum, and neither of the employers may recognize the excess if the contributions under each employer's plan does not exceed the limit for the year. If an excess deferral occurs because of Elective Deferral Contributions under the Reed plan combined with the deferrals for the same calendar year under one or more plans not maintained by Reed, you may notify the appropriate representative of a plan by an applicable deadline before April 15 of the next year and specify how much of the aggregate excess deferral is to be distributed from the plan. The representative for the Reed plan is TIAA-CREF and the deadline for notice under the plan is March 1, subject to any waiver by

TIAA-CREF. Other plans may have different deadlines or may not allow designation of the excess to be attributed to that plan. Your ability to designate the plan for refund of the excess (and related earnings) depends on the terms and policies of the plans.

(b) **Annual Addition Limit.** Federal law limits the total annual contributions that may be made to your plan account. In applying this limit, contributions under all defined contribution plans maintained by Reed will be combined. Generally, the maximum annual contribution that can be made on behalf of a participant is \$40,000 (plus any authorized cost-of-living adjustments) or 100 percent of compensation, whichever is less. The adjusted annual addition limit for 2010 is \$49,000.

3.7 Rollovers

Subject to approval by TIAA-CREF, you may roll over an “eligible rollover distribution” from an “eligible retirement plan” to the plan. If you are interested in rolling over any distribution to your account under the plan, contact TIAA-CREF before the distribution for approval and information about procedures.

“Eligible retirement plan” is described in 5.5(b). “Eligible rollover distribution” is described in 5.5(a), but certain other amounts distributed from an eligible retirement plan are not eligible rollover distributions. So-called “Roth” amounts and other after-tax amounts may not be rolled over to the plan.

4. Accounts; Investment

4.1 Participant Accounts

Reed delivers contributions to TIAA-CREF for your benefit. TIAA-CREF may maintain separate accounts and annuity contracts for you as may be necessary for proper plan administration. TIAA-CREF will send you quarterly statements showing the contributions, interest and investment gains and/or losses, charges, opening and closing account balances, and any transactions you have made during the quarter. Accounts are invested as explained briefly below and in much greater detail in materials provided by TIAA-CREF.

4.2 Investment of Accounts

You direct the investment of your account among the investment options offered by TIAA-CREF in accordance with TIAA-CREF rules and procedures. You specify how contributions will be invested and you may transfer amounts among the investment options. If you do not give investment directions with respect to contributions made on your behalf, the contributions will be invested in the plan’s default investment alternative, described in the investment information provided to you.

When you enroll in the plan, you will receive information about establishing access to your account, including selection of a personal identification number (“PIN”) and login information. You should keep your PIN confidential. You decide whether or not to use internet

access; use of the internet is not entirely secure. You also have access to your account by telephone. Generally, access to your account is through TIAA-CREF:

TIAA-CREF
www.tiaa-cref.org
1-800-842-2252
P.O. Box 1259
Charlotte, NC 28201

Because you direct the investment of your plan assets among the investment funds offered by TIAA-CREF, the benefits that you receive will depend in part on how you allocate the amounts in your plan accounts among the plan investment funds and upon the investment performance of the investment funds.

The plan is intended to constitute a plan described in section 404(c) of ERISA and Title 29 of the Code of Federal Regulations section 2550.404c-1. Under the plan, you have the responsibility for selecting the funds in which your accounts will be invested. Fiduciaries of the plan may be relieved of liability for any losses which are a direct and necessary result of your investment instructions.

The Administrator does not play any part in allocating your accounts among the different investment options. No plan fiduciary or other person connected with the plan has any obligation or authority to provide investment advice to you or your beneficiaries. The information that is provided to you to assist in your investment decision should not be considered as investment advice.

More information about the investment options, your rights concerning direction of investment among the options and procedures for giving investment instructions may be found in your enrollment materials and by logging in to the TIAA-CREF website or calling TIAA-CREF.

4.3 Vesting

The value of your plan account is 100 percent vested and nonforfeitable at all times.

5. Payment of Benefits; Taxation

5.1 Entitlement; Required Payments

You are entitled to benefits when you terminate employment with Reed. Death and disability are considered termination of employment for purposes of benefit payment. Benefits are payable before termination of employment as described in section 7.

If you are entitled to receive benefits because of termination of employment and are rehired before payment commences, the benefit will not be paid until the later termination of employment.

Benefits are generally paid after you apply for payment.

If you have attained age 70½ and have terminated employment with Reed, you must start payment of benefits accrued as an employee of Reed College in accordance with the applicable required distribution rules. Because you may apply distributions from other 403(b) arrangements to the distribution requirement, neither Reed College nor TIAA-CREF will initiate a distribution. You are responsible for determining the amount required each year and applying for payment. TIAA-CREF will assist you on request.

The required distribution rules do not apply to balances before 1987, but earnings after 1986 on pre-1987 balances must be taken into account for the required distributions.

5.2 Form of Benefit

If your benefit exceeds \$5,000 or a lesser amount determined by TIAA-CREF, and if your benefits are to commence, your benefits will be paid in the form of an annuity for life unless another form is properly elected.

If you are married when you elect to start benefits, your benefits will be paid in the form of a joint and 50-percent survivor annuity for you and your spouse, unless you elect another form of payment with your spouse's consent. Under this annuity form, you will receive fixed monthly payments for your lifetime. When you die, your surviving spouse will receive 50 percent of your fixed monthly annuity amount for his or her lifetime. If your spouse dies before you, no further benefits are paid after your death.

If you are not married when you elect to start benefits, your benefits will be paid in the form of a single life annuity. You will receive fixed monthly payments for your life and all payments cease.

Before benefits start, you will be given the right to elect not to take an automatic form of payment and to select some other form of payment. If you wish to elect another form of payment and you are married, your spouse must consent in writing on a form to be provided by TIAA-CREF. Your spouse's signature must be witnessed by a notary public and must acknowledge the effect of the consent.

Your other optional forms of payment are determined by your individual contracts. Contact TIAA-CREF if you have questions about your payment options. Your options include:

- Lump sum
- Partial payments
- Annuity contract

5.3 Application for Benefits

To receive benefits under the plan, your or your beneficiary must submit a distribution election in writing to TIAA-CREF after receipt of the explanations described below in accordance with TIAA-CREF procedures, which may include verification of termination of employment, death, or disability. Forms may be obtained from TIAA-CREF.

5.4 Time of Payment

Your benefit after you become eligible will start as soon as practicable in accordance with your election, subject to the following rules:

(a) Your benefit must start by the required benefit starting date, which is the April 1 following the year in which the later of the following occurs: (1) you reach age 70½; and (2) your employment with Reed terminates. When your benefits must begin, federal law requires that you receive at least a minimum amount each year based on your accounts under the Plan. The minimum amount is determined by federal regulations and generally is based upon your life expectancy or that of you and your designated beneficiary. However, you may obtain the required distribution from any plan or arrangement that is subject to Code section 403(b), whether or not the plan or arrangement is related to Reed College. You are responsible for determining amounts that must be distributed each year and for actions to assure distributions by the applicable deadline. For years after the year your benefits must start, the applicable deadline is December 31 of the year.

(b) In connection with your distribution, TIAA-CREF will provide, between 30 and 180 days before benefits are to start, the following if applicable:

- An explanation of the benefit options and their financial effect.
- An explanation of your right to defer payment until the required starting date and the consequences of failing to defer payment.
- An explanation of your right to elect a direct rollover of your distribution from this plan to a Roth IRA, or an IRA or another eligible retirement plan.
- An explanation of mandatory federal withholding of 20 percent of the amount distributed if a direct rollover could be elected and is not.
- An explanation of your right to defer any benefit election for at least 30 days.

No benefit can be paid less than 30 days after the explanations have been given, unless you waive the waiting period and the right to revoke your election in your application. Because of the need for compliance with certain formalities, such as spouse consents and verification of employment status, you should apply for benefits well in advance of the date you wish to start payment.

If payment is made before the final allocation of contributions is made, a final payment will be made promptly to you.

5.5 Rollovers; Mandatory Withholding

(a) **Eligible Rollover Distributions.** Generally, all payments from the plan to a participant, the spouse or former spouse of a participant, or an alternate payee who is the spouse or former spouse of a participant are eligible rollover distributions and can be rolled over to a Roth IRA, or to an IRA or another eligible retirement plan, except the following:

- Payments that are part of a series of equal (or almost equal) payments that will last for your life or the lives of you and any beneficiary, or that will be paid over a period of 10 years or more.
- Distributions required by law to be made after a participant reaches age 70½ (see 5.4(b)).
- In-service withdrawals for financial hardship.
- Corrective distributions, such as distributions of excess deferrals (see 3.6(a)).

If you are considering a rollover to a Roth IRA, you should consult a tax advisor or refer to IRS Publications 575 and 590, which include information about rollovers to Roth IRAs. Rollovers to Roth IRAs have different tax consequences than other rollovers.

(b) **Eligible Retirement Plan.** In addition to your option to roll over to a Roth IRA, the following are eligible retirement plans that may receive eligible rollover distributions from the plan, but the sponsor may choose not to receive some types or any rollovers. You should check before you elect a distribution that you wish to roll over.

- A traditional IRA.
- An individual retirement annuity.
- An employer-sponsored qualified retirement plan.
- An employer-sponsored qualified annuity plan.
- An eligible plan under Code section 457(b) (generally, a 457(b) plan of a governmental entity).

(c) **Direct Rollovers.** If you receive an eligible rollover distribution of at least \$200 from the plan, you may elect a direct rollover of all of it or of a

portion that equals \$500 or more (or an amount less than \$500 as allowed by your 403(b) annuity contract). A direct rollover is an eligible rollover distribution that is paid at your request directly from the plan to a Roth IRA or to an IRA or other eligible retirement plan that accepts rollovers. A direct rollover is not taxed until it is distributed from the successor plan or IRA.

If you elect a direct rollover, you must provide TIAA-CREF with sufficient information to identify the plan, IRA, or Roth IRA to which the rollover is to be made and the other plan, IRA, or Roth IRA must agree to accept the rollover.

(d) **Payments Made Directly to You.** To the extent you do not elect a direct rollover of all or part of an eligible rollover distribution, your benefit will be paid directly to you. The payment will be reportable as taxable income in the year you receive it and will be subject to taxation unless, within 60 days of receipt, you properly roll it over to an IRA or another eligible retirement plan that accepts rollovers. Rollovers to Roth IRAs have different tax consequences, but a rollover to a Roth IRA must also be completed within 60 days of receipt of the payment. You may roll over a portion of the distribution or the entire amount, including the amount withheld (see (e) below). You will have to replace the amount withheld from other sources.

(e) **Mandatory Withholding.** Unless you elect a direct rollover, the plan is required by law to withhold 20 percent of any eligible rollover distribution and pay it to the IRS. You cannot reduce the 20 percent or elect not to have withholding apply to an eligible rollover distribution that is paid directly to you. If you receive a distribution that is not an eligible rollover distribution, other withholding rules apply and you may, in most cases, elect against withholding. Most states, including Oregon, have similar rules relating to withholding on distributions.

(f) **Rollovers by Nonspouse Beneficiaries.** A qualifying nonspouse beneficiary of a deceased participant may elect a direct rollover to an inherited IRA or Roth IRA of a distribution that would otherwise qualify as an eligible rollover distribution. A qualifying nonspouse beneficiary is an individual who is the beneficiary of a deceased employee (other than the employee's surviving spouse) or a trust maintained for the benefit of one or more designated beneficiaries. An inherited IRA or Roth IRA is an IRA established in the name of the deceased participant and payable to the nonspouse beneficiary.

Certain distribution rights are affected by the timing of a direct rollover by a qualifying nonspouse beneficiary. For example, distribution rights may be compromised if the direct rollover is not completed by the end of the calendar year after the year in which the participant's death occurred. If you have questions about rollovers by nonspouse beneficiaries, you should contact TIAA-CREF.

5.6 Tax Treatment of Distributions and Eligible Rollovers

Generally, benefits paid to you will be included in your gross income for federal income tax purposes unless you roll over the payments. Amounts that are rolled over are subject to taxation when later distributed from the plan or account that received the rollover. Special rules apply to rollovers to Roth IRAs and generally such rollovers are taxable. Benefit payments are not included in FICA wages.

If you receive a distribution of your benefits under the plan prior to age 59½, the distribution will be subject to an additional 10 percent tax penalty on early withdrawals. This penalty will not apply if:

- You are permanently and totally disabled.
- Your distribution is rolled over or transferred to an individual retirement annuity or account (IRA) or other eligible retirement plan.
- You terminate employment with Reed in the year you attain age 55 or later, and take a distribution of your benefits under the Reed plan after the termination.

Depending on the type and amount of a payment and the reason for which it is made, it may be possible to defer the amount of taxes which might otherwise be due by a rollover (transfer) of the payment to an IRA or certain other eligible retirement plans. For some payments, you may request TIAA-CREF to make a rollover for you. When you are about to receive a payment, you will be given a notice that explains these tax rules, including rules concerning required income tax withholding, or payments, in greater detail. However, neither that notice nor this summary is an adequate substitute for specific tax advice from your own tax adviser.

6. Death Benefits; Disability

6.1 Death Benefits

If you die before your benefits begin, your beneficiary will receive the unpaid benefits under the plan. Your designated beneficiary may select the form of benefit from among the payment options available to beneficiaries under the terms of your 403(b) annuity contracts. If you die after your benefits begin, a death benefit will only be paid if you elected a form of payment that provides a death benefit.

6.2 Designation of Beneficiary

You may designate a beneficiary or beneficiaries to receive death benefits by completing a TIAA-CREF form available from TIAA-CREF or Human Resources. If you are married, designating a beneficiary other than your spouse requires the signed consent of your spouse. Your spouse's consent must be on a form provided by the Committee, must acknowledge the effect of the consent, and must be witnessed by a notary public or a plan representative. A designation of a beneficiary other than your spouse made before the start of the year of your 35th

birthday will not apply in or after that year. If you make such a designation in or after the year of your 35th birthday, it will apply in and after that year.

If your marital status changes after you have designated a beneficiary, the following rules apply:

- If you are married at death but were unmarried when you made the designation, the designation will be void unless your spouse is the beneficiary or consents to the designation as described above.
- If you are unmarried at death but were married when you made the designation, the benefit will be paid as though your former spouse had predeceased you.
- If you are married at death but were married to a different spouse when you made the designation, the designation will be void unless your new spouse consents to it as described above.

If your beneficiary dies after you but before full distribution to the beneficiary, any remaining balance will be paid as provided in the applicable contract. If you do not have a valid designation of beneficiary in effect at your death, your benefit will be paid as provided in the applicable contract.

Remember, it is your responsibility, not the Administrator's, to make sure your beneficiary designation form names the beneficiary you want to name.

6.3 Disability

An individual is disabled for purposes of distributions if the individual is unable to engage in any substantial gainful activity by reason of any medical determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. The Administrator determines whether or not an individual is disabled.

7. Distributions During Employment

7.1 Amounts That May Be Distributed

You may withdraw amounts attributable to rollovers at any time.

If you are under age 59½, you may withdraw elective contributions to the extent approved by TIAA-CREF because of financial hardship (see 7.2). The amount of your withdrawal cannot exceed the aggregate of your Elective Deferral Contributions under the plan, plus pre-1989 earnings on the deferrals, reduced by the aggregate dollar amount of any previous Elective Deferral Contributions (and pre-1989 earnings).

If you are performing military service (as defined by applicable law) but are considered employed because you are receiving differential wage payments, you may withdraw all or part of your Elective Deferral Contributions and related earnings without a showing of financial

hardship. If you make a withdrawal under this provision, you may not elect new Elective Deferral Contributions under the Plan for six months after the date of the withdrawal.

If you are over age 59½, you are entitled to distribution of all benefits and the description of distribution in section 5 applies.

7.2 Financial Hardship

Financial hardship means an immediate and heavy financial need that cannot be met from other reasonably available resources and is caused by one or more of the following:

- Qualifying medical expenses for yourself or your spouse, child, or qualifying dependent.
- Payment of tuition, related educational fees, and room and board expenses for post-secondary education for up to the next 12 months for yourself or your spouse, child, or qualifying dependent.
- Costs related to buying your principal residence, not including making mortgage payments.
- Payments to prevent an eviction or mortgage foreclosure on your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, child, or qualifying dependent.
- Qualifying expenses for the repair of casualty damage to your principal residence.

“Other reasonably available resources” include the following:

- Reimbursement or compensation by insurance or otherwise.
- Liquidation of other assets, including securities and investment real property.
- Cessation of Elective Deferral Contributions.

7.3 Withdrawal Procedures

A request for withdrawal must be submitted in writing under procedures fixed by TIAA-CREF and must meet the following requirements:

- If the withdrawal is for financial hardship (a hardship withdrawal), you must include a signed statement of the facts causing the financial hardship and provide any other information required by TIAA-CREF.

- **No hardship withdrawal will be granted unless you have borrowed the maximum amount available.**
- You must provide any information required by TIAA-CREF in the application, including proof of age, if you are over age 59½.
- If you are married, your spouse must consent in writing to the withdrawal.

TIAA-CREF may require minimum advance notice of the withdrawal request, may limit the size and frequency of withdrawals, and may delay payment as necessary for proper administration. Your application must specify which funds are to be charged with the withdrawal. Accounts will be adjusted as of the last regular or special valuation date on or before the withdrawal, unless the Administrative Committee elects to have a special valuation, which will then control.

Any amount you withdraw will be taxed as ordinary income. If you are under age 59½, an extra 10 percent federal tax will apply unless your withdrawal is for qualifying medical expenses.

8. Loans

8.1 Eligibility for Loans; Application

You may borrow money from your account relating to Elective Deferral Contributions and to rollovers and related earnings. Fixed Contributions and related earnings on contributions are not taken into account in any way for loans. Loans are subject to the terms of your 403(b) annuity contract, so you should check in advance with TIAA-CREF about conditions, limits, or terms that may be more restrictive than the rules described below.

If you are married at the time of the loan, your spouse must consent in writing to the loan.

If you have paid off a loan, you may be required to wait a prescribed period of time before obtaining a new loan or a particular amount.

You apply for loans by contacting TIAA-CREF.

8.2 Loan Amount

TIAA-CREF will determine the amount available in your accounts for a loan. The loan amount may not exceed the lesser of the following, taking all loans under the plan into account:

- 50 percent of your accounts attributable to Elective Deferral Contributions and rollovers.
- \$50,000, reduced by your highest aggregate loan balance within the preceding 12 months.

If you have defaulted on a loan, a new loan may be restricted.

The minimum loan amount is \$1,000.

8.3 Terms

- (a) No loan may extend over more than five years, except for certain loans for home purchase.
- (b) TIAA-CREF determines the repayment schedule. The loan must be repaid by substantially level principal and interest payments made no less often than quarterly over the loan term.
- (c) TIAA-CREF determines the interest rate based on market interest rates. The interest rate may vary over the term of the loan.
- (d) Interest on the loan is not deductible.
- (e) Loan payments may be suspended during qualifying military service as permitted under applicable law and your 403(b) annuity contract. If you have questions about suspension of loan payments, you should contact TIAA-CREF.

8.4 Loan; Default

The loan may become immediately due and payable if loan payments are not made when due or the loan is otherwise in default.

If you do not repay the loan, the loan may be repaid by withdrawal from your accounts of the amount of the outstanding principal and accrued interest. Effectively, this means that the loan is treated as distributed. The distribution amount will be reported as income, subject to income taxes, but you will not receive any cash.

If a loan remains unpaid past the applicable grace period for making missed payments, the loan balance will be included in income for income tax purposes, including penalty taxes if you have not attained age 59½.

8.5 Administrative Procedures

The Administrator is responsible for administering the loan, subject to TIAA-CREF procedures and terms of your 403(b) annuity contracts. Interest and principal payments will be credited to your accounts and invested in accordance with your instructions.

9. Claims Procedure

9.1 Filing a Claim

If you claim a benefit or have a question about the plan, you should contact Human Resources. Most claims and questions will be resolved informally. If you wish to present a formal claim, put it in writing and give it to the Administrator, who will respond as soon as

practicable, but not later than 90 days after receipt of your claim unless the plan gives written notice before the end of the 90-day period that additional time is required. The notice will explain the special circumstances that require additional time and the expected date of the response. The extension will not be more than an additional 90 days.

If your claim involves benefits on disability, the time for response will be not later than 45 days after receipt of your claim, subject to extension by as many as two additional 30-day periods if necessary due to matters beyond the control of the Plan. If an extension is necessary, the Administrator will notify you in writing or by electronic notice before each extension of the circumstances requiring extension and the date by which the Administrator expects to render a decision. The notice of extension will explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve the issues. If you need to provide additional information, you will be given 45 days.

If an extension is necessary to obtain information from you, the extension period may be further extended by the amount of time you take to provide the specified information.

You may have a representative to assist you or to conduct the claim, and review of any denial, for you. The Administrator may require that you notify the Administrator in writing about your authorization of a representative.

Determinations about your claim will be based on and in accordance with plan documents, including 403(b) annuity contracts, and will be applied consistently with respect to similarly situated participants and beneficiaries.

9.2 Claim Denial

If your claim is denied, the Administrator will notify you in writing or by electronic notice. The notice will state the following:

- The specific reasons for the denial.
- Reference to the relevant plan provisions.
- A description of any additional material or information that is needed and an explanation of why it is needed.
- A description of the plan's review procedures and your right to bring a civil action under section 502(a) of ERISA if your claim is also denied after review.

If your claim involves benefits upon disability, you will be notified if any internal rule, guideline, protocol or other similar criterion was relied upon in the decision to deny your claim, and that you may have a copy of any such rule, guideline, protocol or other criterion free of charge upon request.

9.3 Review of Claim Denial

If you make a claim and it is denied, you may ask for review by written notice to the Administrator. If your claim is denied, you must request review in writing within 60 days after you receive the written denial. **If you fail to request review of a denied claim within the applicable deadline, you will lose your right to bring an action in court.** The Administrator will review the matter and may grant you a hearing, but is not required to. The following apply in connection with the review:

- You may submit written comments, documents, records and other information.
- Upon your request, you will be provided, without charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim.
- The review will consider all aspects of your claim and all comments, documents, records and other information that you submit, whether or not you raised the issues or submitted such information when your claim was originally considered.

If your claim involves benefits upon disability, the following also apply:

- The review will not afford deference to the initial consideration of the claim and will be conducted by persons who are neither the individual who made the initial determination nor the subordinate of any such individual.
- If the Administrator is reviewing a matter that is based on a medical judgment, the Administrator will consult with a health care professional who has appropriate training and experience in the field involved in the medical judgment. That health care professional will be a person who was not consulted in connection with the claim denial and is not a subordinate of the person who was consulted.
- The medical or vocational experts who provide advice in connection with the denial of the claim shall be identified, whether or not the advice was relied upon in making a determination relating to the claim.

9.4 Decision Upon Review

The decision on review will be made within 60 days after receipt of your request for review in most cases. If there is a hearing or other special reason for delay, you will be so notified in writing within the initial 60-day period and the time limit will be 120 days. The notice of any extension will explain the special circumstances that require additional time and the expected date of the decision upon review. If an extension is necessary to obtain information from you, the extension period may be further extended by the amount of time you take to provide the information.

The Administrator's decision will be provided in writing or by electronic notice and will be final and bind all parties. An adverse determination will state the following:

- The specific reasons for the determination.
- Reference to relevant plan provisions.
- A reminder that you are entitled to access to and copies of all documents, records and information relevant to your claim upon request and without charge.
- A reminder that you may bring a civil action under section 502(a) of ERISA.

If your claim involves benefits upon disability, the following also apply:

- If the determination is based on a medical, scientific or technical judgment, the determination will include either an explanation of the judgment that applies Plan terms to your medical circumstances or a statement that an explanation will be provided free of charge upon request.
- If an internal rule, guideline, protocol or other similar criterion was relied on in denying the claim, a copy of the rule, guideline, protocol or other similar criterion will be provided upon request.
- Notice of an adverse determination will include the following statement:

You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency.

10. No PBGC Insurance

Because this is a defined contribution plan, your benefits are not insured by the Pension Benefit Guaranty Corporation (PBGC), an agency of the federal government. The PBGC does not require or provide insurance for the plan.

11. Assignment of Benefits; QDROs

The benefits provided under this plan may generally not be assigned or attached. As an exception, the Administrator may be required by law to honor a domestic relations order issued under state domestic relations law. A domestic relations order is an order that obligates a participant to pay child support or alimony or allocates part of his or her benefit to a current or former spouse. The order must meet certain federal tax law rules to be a “qualified” order. All or a portion of a participant’s account balance may be used to satisfy a “Qualified Domestic Relations Order” (QDRO). Participants should consult their own legal counsel concerning preparation of such orders and their implications.

You may obtain a copy of the applicable written QDRO procedures, without charge, by contacting TIAA-CREF at 1-800-842-2776 or at www.tiaa-cref.org/reed. Domestic relations orders should be submitted to TIAA-CREF for consideration.

12. Plan Amendments or Termination

The Reed Board of Directors may amend or terminate the plan. The Vice President/Treasurer of Reed may amend the plan to clarify plan terms, change administrative procedures or to comply with law.

If the plan is terminated or all contributions by Reed are discontinued, your accounts will remain fully vested. If the plan is terminated, Reed may cause benefits to be distributed.

13. Circumstances Causing Ineligibility or Loss of Benefits

Your right to participate or receive benefits will be affected by the following:

- Being an independent contractor (ineligibility; see 2.1).
- Being in an ineligible class of employees or not having a Year of Service (ineligibility; see 2.1).
- Being subject to a qualified domestic relations order (loss of benefits; see section 11).

14. Statement of ERISA Rights

This statement of ERISA rights is required by federal law and regulation. As a participant in the plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

Receive Information About the Plan and Benefits

A. Examine without charge, at the plan administrator's office and at other specified locations, such as worksites, all documents governing the plan, including annuity contracts and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

B. Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

C. Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

D. Receive a statement of your plan benefits at least once each calendar quarter if you have the right to direct the investment of assets in your plan account and once each plan year if you do not have that right.

Prudent Actions by Fiduciaries

In addition to creating rights for the plan's participants, ERISA imposes duties upon the people who are responsible for the operation of the plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a plan benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a plan 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 plan and do not receive it 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 which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, 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 your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, 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 NW, Washington, DC 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.

15. Formal Information

Plan Name and Type	Reed College Defined Contribution Plan a defined contribution plan Plan Sponsor Assigned No. 1 Plan Year-end: December 31
Plan Sponsor	The Reed Institute 3203 SW Woodstock Blvd. Portland, OR 97202 Telephone: 503-771-1112 Employer Identification No. 930386908
Plan Administrator	Vice President/Treasurer of Reed College The Reed Institute 3203 SW Woodstock Blvd. Portland, OR 97202 Telephone: 503-771-1112
Agent for Service of Process	Vice President/Treasurer of Reed College The Reed Institute 3203 SW Woodstock Blvd. Portland, OR 97202
Custodian/Insurer/ Record-keeper	Teachers Insurance Annuity Association- College Retirement Equity Fund TIAA-CREF P.O. Box 1259 Charlotte, NC 28201