Woods Hole Oceanographic Institution
Retirement Plan
Summary Plan Description

May, 2007

Background

This Summary Plan Description ("SPD") describes the principal features of the Retirement Plan as amended through January 1, 2006, and replaces all prior descriptions of Retirement Plan benefits. In general, this SPD describes the Retirement Plan rules as they apply to Plan *Members* who have at least one *Hour of Service* (or *Day of Service*, for employees subject to marine industry rules) with Woods Hole Oceanographic Institution on or after January 1, 2006. For other *Members* of the Retirement Plan, descriptions of benefits can be found in previously distributed summary plan descriptions or summaries of material modification with respect to the Retirement Plan. This SPD is intended to provide an easy-to-understand explanation of the Retirement Plan. It does not include all plan provisions, especially those relating to situations that are unlikely to occur or that could affect only a few *Members*. If any conflict arises between this SPD and the official Plan documents, the official Plan documents will always govern. Woods Hole Oceanographic Institution, in its sole discretion, reserves the right to review, amend or terminate the Retirement Plan at any time, in accordance with any applicable laws. This SPD does not constitute an expressed or implied contract or an offer of employment.

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Introduction

The Retirement Plan for Employees of Woods Hole Oceanographic Institution (the "Retirement Plan" or "Plan") is designed to provide eligible Plan *Members*, and their *Beneficiaries*, with a valuable source of retirement income and certain other benefits.

Together with Social Security, any 403(b) savings*, and a *Member*'s personal savings, the Retirement Plan will help a *Member* to build a financially secure future. The following is a quick overview of some of the features of the Plan which are described in more detail later in this SPD.

Retirement Plan Highlights
Eligible employees are automatically enrolled as *Members* in the Retirement Plan on the first day of the month following their completion of one year of *Eligibility Service*.
Members hired before January 1, 2006 become 100% vested in (that is, they *own*) their Plan benefit after completing three years of *Vesting Service*. *Members* hired on or after January 1, 2006 become 100% vested in their Plan benefit after completing five years of *Vesting Service*.
The Plan provides a benefit that takes into account years of *Credited Service* with WHOI and eligible *Compensation* for the five calendar years (in the last 10 years of employment) during which pay was the highest. A *Member* is entitled to a Plan benefit upon attaining his or her *Normal Retirement Age*. *Normal Retirement Age* is the later of age 65 and the fifth anniversary of participation in the Plan. A vested *Member* may also elect to retire and commence payments before attaining *Normal Retirement Age*.
The Plan also provides a benefit to the *Beneficiary* of an eligible *Member* who dies while actively employed at WHOI, or who dies after terminating employment and has earned a vested benefit. A *Member* may continue to earn retirement benefits after a qualifying disability.
The Plan offers a variety of *annuity* options. In some cases, *Members* may choose to receive a portion of their pension as a *lump sum payment*.
Benefits paid in the form of an *annuity* will be adjusted for cost-of-living increases after the later of the date that the *Member* retires or attains age 65 (or in the case of a *Beneficiary*, the later of the *Member*'s retirement and what would have been the *Member*'s 65th birthday).

**A voluntary tax deferred annuity (403(b)) arrangement available to WHOI employees allows employees to set aside a portion of their pay on a pre-tax basis, up to annual IRS limits.*

WHOI pays the entire cost of the Retirement Plan. The Institution's contributions are determined by an independent actuary and paid to a trust fund that holds the Plan's assets. These contributions and income from the trust fund investments are used to pay benefits under the Retirement Plan and expenses of administering the Plan and trust. The trust fund is used for the exclusive benefit of the Plan and its *Members* and *Beneficiaries* in accordance with Retirement Plan provisions.

The Retirement Plan is administered by a Retirement Committee appointed by the Board of Trustees of WHOI. This Committee acts as the Retirement Plan Administrator, establishing rules for the administration of the Plan, and in general managing the oversight of the Plan's operations. In addition, WHOI's Human Resources performs many of the administrative functions related to the Retirement Plan and typically is the first point of contact for information regarding the Plan by employees.

A *Glossary of Terms*, at the end of this SPD, provides explanations of certain words and phrases that appear in italics in this Summary Plan Description.

Participation and Service

Participation

An eligible employee becomes automatically enrolled as a *Member* of the Retirement Plan on the first day of the month following completion of one year of *Eligibility Service*. An employee completes a year of *Eligibility Service* when:

- He or she completes 1,000 *Hours of Service* (or 125 *Days of Service* for marine crew employees) at the end of the first twelve-month period following date of hire, or
- He or she completes 1,000 *Hours of Service* (or 125 *Days of Service* for marine crew employees) in any subsequent calendar year.

Each employee of WHOI is eligible to participate in this Plan except for individuals employed in connection with a work-study program or with a degree-granting or postgraduate program, such as a postdoctoral scholar, fellow or graduate research assistant. Individuals who provide services to WHOI but who are not employees of WHOI (e.g., independent contractors or so-called "leased" employees) or who are not characterized by WHOI as employees are not eligible to participate in the Plan.

Vesting Service

Vesting means that a *Member* has a right to a Retirement Plan benefit, even if he or she leaves WHOI before reaching retirement age.

A *Member* earns a year of *Vesting Service* for each calendar year that he or she completes at least 1,000 *Hours of Service* (125 *Days of Service* for marine crew employees).

Members hired before January 1, 2006 become vested in their Plan benefit upon completing three years of *Vesting Service*. *Members* hired on or after January 1, 2006 become vested in their Plan benefits upon completing five years of *Vesting Service*.

Members also vest in their Retirement Plan benefit if they become totally disabled or die while employed at WHOI, regardless of years of *Vesting Service*. In addition, a *Member* will in any event be fully vested if he or she is still employed by WHOI on or after attaining his or her *Normal Retirement Age (Age 65 or the 5th anniversary of a Member's participation if later)*.

Credited Service

Credited Service is used to calculate the amount of a *Member*'s Plan benefit. A *Member* earns a year of *Credited Service* for any calendar year that he or she completed 2080 *Hours of Service*. A *Member* can earn a partial year of *Credited Service* for any calendar years that he or she completes less than 2080 *Hours of Service*.

Break in Service

A *Break in Service* occurs when a *Member* leaves WHOI or otherwise is credited with fewer than 501 *Hours of Service* (or 63 days or less, if a marine crew employee) in a calendar year, unless:

- The *Member* is on an approved military leave. A *Member* will not incur a *Break in Service* if he or she returns to work in the period that re-employment rights are guaranteed by law.
- The *Member* is absent for maternity leave. If a *Member* is absent for the birth or adoption of a child or to care for the child immediately following a birth or adoption, the *Member* will be credited with up to 501 *Hours of Service* in the *Plan Year* in which the leave begins. If the *Member* doesn't need the 501 hours to avoid a *Break in Service* in that year, the 501 hours will be credited in the next *Plan Year*.
- A *Member* is on an approved leave of absence, including disability leave, in accordance with the Institution's leave policies.

A *Break in Service* means that that Plan participation stops and no *Vesting Service* will be earned for that year. Should the *Member* be credited with more than 500 but fewer than 1,000 *Hours of Service* in a calendar year (or—for marine crew employees—more than 63 days but fewer than 125 days), the *Member* will continue to participate in the Plan, but will not earn any *Vesting Service* for that year.

Re-employment Following a Break in Service

A *Member* may return to employment with WHOI after a *Break in Service*, and be eligible to receive credit for prior *service* and reinstatement in the Retirement Plan after completing one year of *Eligibility Service*, as follows:

- If a *Member* was vested at the time of the *Break in Service*, he or she would automatically be reinstated as a Plan *Member* retroactive to the first day back at work, and would receive credit for all prior *service* with WHOI.
- If a *Member* was not vested at the time of the *Break in Service* but the length of the break was less than five years, he or she would be reinstated retroactive to the first day back at work, and would receive credit for all prior *service*.
- If a *Member* was not vested and the length of the break was more than five years or was longer than the length of his or her prior *Vesting Service*, the *Member* would be treated as a new employee upon rehire, and would receive no credit for prior *service*. (That *Member* would once again participate in the Retirement Plan after completing one year of *Eligibility Service*.)

Benefits Payable to Members

An Overview – Normal Retirement Benefit

The Plan provides a benefit at retirement based on a *Member*'s *Final Average Compensation* and years of *Credited Service* at WHOI.

The Plan calculates a *Member*'s retirement benefit under two formulas - the Basic Formula and the Minimum Formula. The *Member*'s benefit will be based on the formula that produces the larger amount. The resulting benefit payable at the *Member*'s *Normal Retirement Date* is called the *Accrued Benefit.*

As described below, the **Basic Formula** is used to calculate the benefit payable as an annual lifetime *annuity* beginning at the *Member*'s *Normal Retirement Date*. The **Minimum Formula** is used initially to calculate a single sum amount, which is then converted (using actuarial tables) to the same kind of *annuity* benefit as the Basic Formula. A *Member*'s benefit is based on the Minimum Formula only if it results in a greater *annuity* amount. If a *Member*'s benefit payments begin at a time other than the *Normal Retirement Date,* the payments will be adjusted to reflect the different commencement date (as described under Early Retirement, Late Retirement and Termination of Employment below). Actuarial adjustments are also made when benefits are paid in one of the optional forms described under Optional Forms below.

A *Member*'s *Normal Retirement Date* is the first day of the month following attainment of *Normal Retirement Age*. *Normal Retirement Age* is age 65 or the fifth anniversary of the *Member*'s initial Plan participation, if later.

Basic Formula

Under the Basic Formula, the lifetime annual *annuity* amount at a *Member*'s *Normal Retirement Date* is equal to:

- 2% of the *Member*'s *Final Average Compensation* (FAC) for each year of *Credited Service*, up to 25 years,

    plus

- 1% of the *Member*'s FAC for each year of *Credited Service* in excess of 25 years earned as of December 31, 2005, up to a maximum of 10 such years. *

A *Member*'s *Final Average Compensation* is the average of his or her five highest years of *Annualized Compensation* during his or her last 10 years at WHOI.

**The 1% portion of the Basic Formula will NOT be applied to a Member's Credited Service earned before January 1, 1999, if (i) the Member was not employed on January 1, 1999, and incurred a one-year Break in Service before re-entry into the Plan after January 1, 1999, or (ii) the Member was employed on January 1, 1999 and had commenced (or received) a Retirement Plan benefit before January 1, 1999.*

Here are two examples of how a *Member*'s annual lifetime benefit is calculated under the Basic Formula:

Example 1:

Member A Assumptions:

- Reaches age 65 (Normal Retirement Age) on June 11, 2007; *Normal Retirement Date* is July 1, 2007.
- Has 25 years of *Credited Service* on his *Normal Retirement Date*.
- And his *Final Average Compensation* is $65,000.

Calculation:

▪ *Final Average Compensation*	$65,000
▪ times 2%	x .02
	$ 1,300
▪ times years of *Credited Service* (up to 25)	x 25
Annual benefit payable at *Member* A's *Normal Retirement Date*	$32,500

Example 2:

Member B Assumptions:

- Reaches age 65 (Normal Retirement Age) on June 11, 2009; *Normal Retirement Date* is July 1, 2009.
- Has 31.5 years of *Credited Service*, including, 28 years of *Credited Service* on December 31, 2005.
- And her *Final Average Compensation* is $65,000.

Calculation:

2% formula	
▪ *Final Average Compensation*	$65,000
▪ times 2%	x .02
	$ 1,300
▪ times years of *Credited Service* (up to 25)	x 25
Annual benefit under the 2% formula	$32,500
1% formula	
▪ *Final Average Compensation*	$65,000
▪ times 1%	x .01
	$ 650
▪ times years of *Credited Service* on December 31, 2005 in excess of 25 (up to 10 such years)	x 3
Annual benefit under the 1% formula	$ 1,950
Annual benefit payable at *Member* B's *Normal Retirement Date* ($32,500 plus $1,950)	$34,450

Minimum Formula

The Plan includes a minimum benefit feature. When benefit payments begin, a *Member* will receive the greater of his or her benefit as calculated under the Basic Formula (as previously described) or the Minimum Formula. The minimum benefit will be paid in a lump sum or may be converted to an *annuity*.

The minimum benefit is the greater of:

- 5% times *Final Average Compensation* (FAC) times years of *Credited Service*, or
- Benefits under the cash balance formula (described below)

Cash Balance Formula: If a *Member* earned an *Hour of Service* anytime between January 1, 1999 and December 31, 2005, and did not begin receiving retirement benefit before 1999, the minimum benefit under the cash balance formula is the sum of:

- 8% of FAC as of December 31, 1998, times each year of *Credited Service* as of December 31, 1998 (up to 35 years), *plus*
- 8% of each calendar year's *Compensation* from January 1, 1999 through December 31, 2005.

A *Member*'s cash balance account will be credited with interest annually, based on the 30-year Treasury bond interest rate. Interest will be credited as of December 31 of each *Plan Year*, except that for the year in which the *Member* begins to receive benefits, interest will be prorated to the date that the *Member*'s benefits commence.

This minimum benefit will be paid to the *Member* in a lump sum or may be converted to an actuarially equivalent *annuity* when the *Member* retires and commences payments.

Early Retirement Benefit

If a vested *Member* leaves WHOI at or after attaining age 55 and completing five years of *vesting Service*, and prior to *Normal Retirement Age*, his or her Plan benefit will be based on the *Member*'s *Final Average Compensation* and years of *Credited Service* on the date his or her employment terminates.

A *Member* can elect to receive the full amount of this benefit starting on his or her *Normal Retirement Date*, or a reduced early retirement benefit beginning before his or her *Normal Retirement Date*. The amount of the reduction is equal to 5/12 of 1% for each month that the commencement of benefits precedes the *Normal Retirement Date*. The table on the next page shows the percentage of the Normal Retirement monthly benefit that will be paid at various whole retirement ages if the benefit commences earlier.

Reduction Factors if Benefit Commences Before Age 65

Early Retirement Age	Percent of Normal Retirement Benefit
55	50%
56	55%
57	60%
58	65%
59	70%
60	75%
61	80%
62	85%
63	90%
64	95%
65 or older	100%

For example, if a *Member* retires at age 58 with a monthly benefit of $2,200 payable at his or her *Normal Retirement Date,* and elects to start receiving benefits immediately, his or her early retirement benefit would be $1,430 per month (or 65% of the benefit payable at his or her *Normal Retirement Date*).

Special Early Retirement Benefit

A *Member* may retire from WHOI and begin receiving a benefit that is NOT reduced for early commencement if he or she:

- Was employed prior to January 1, 1999, and
- Terminates employment with WHOI after attaining at least age 60 with 30 years of *Credited Service*, or attaining at least age 62 with 25 years of *Credited Service*.

Note that this special early retirement feature is not available to a Member hired on or after January 1, 1999. Also, Members who terminate employment with WHOI before meeting ***both*** *the age and service requirements are not eligible for this provision.*

Late Retirement Benefit

If a *Member* terminates employment with WHOI after his or her *Normal Retirement Date*, he or she is eligible for a late retirement benefit, equal to the greater of:

- A benefit based on the *Member*'s *Final Average Compensation* and *Credited Service* on his or her actual retirement date, or

- A benefit based on the *Member*'s *Final Average Compensation* and *Credited Service* on his or her *Normal Retirement Date*, increased by .5% for each month that his or her retirement is delayed beyond *Normal Retirement Date*.

Benefits at Disability

If a *Member* is totally disabled, he or she is automatically vested in his or her Plan benefit. A disabled *Member* will continue to earn retirement benefits based on his or her *Compensation* in effect prior to the disability. A disabled *Member* continues to accrue retirement benefits until the earlier of the end of the approved disability leave or his or her *Normal Retirement Date*. Once the Plan benefit commences, there are no further accruals under the Plan.

If a *Member* elects to commence benefits before his or her *Normal Retirement Date*, his or her benefit will be calculated as described under *Early Retirement Benefit* described above.

Benefits at Termination of Employment

If a *Member* terminates employment with a vested benefit before his or her *Normal Retirement Date* and before he or she has attained age 55, he or she is eligible to receive a benefit from the Plan. The benefit is payable at the *Member*'s *Normal Retirement Date* and is calculated in the same way as described in the Early Retirement Benefit section above. A *Member* may also elect to commence his or her vested benefit before age 55. The benefit will be reduced in the same way as described in the Early Retirement benefit section for ages between 55 and the *Member*'s *Normal Retirement Date*. For early commencement before age 55, the Plan's actuarial factors will be used. There will be no reduction in a Member's benefit if he or she defers payments until his or her *Normal Retirement Date*.

Annual Cost-of-Living Adjustment

To reduce the effects of inflation on certain Plan benefits, the Plan includes a cost-of-living feature. This cost-of-living adjustment is made on each May 1st, starting with the May 1st that follows the calendar year that includes the later of the date that the *Member* retires and the date he or she reaches age 65 (or, in the case of a *Beneficiary*, the later of the *Member*'s retirement and what would have been the *Member*'s 65th birthday). Once eligible, the benefit will be increased by the average increase in the Consumer Price Index for the prior calendar year, up to a maximum increase of 3%. This feature applies to the portion of a *Member*'s benefit taken as an *annuity*.

Payment of Benefits

The Plan provides a variety of ways to receive benefits. A *Member* will need to complete certain forms to specify how benefits should be paid and the date that benefit payments should commence. A *Member* should contact Human Resources at least 90 days before he or she wants benefits to commence. This will allow enough time for payment applications to be processed and will help ensure that the first pension check (and/or *lump sum payment*) arrives on time**.**

Payment Options

Upon request, a *Member* will be given information showing the estimated amount of retirement benefits payable to him or her under the various options. This information will help the *Member* to choose the method of payment that best meets his or her needs.

Once benefits have commenced, a *Member* may not change his or her option. A *Member* also cannot change his or her primary *Beneficiary*, if the option provides for benefits continuing to such *Beneficiary* for his or her lifetime after the *Member*'s death.

A married *Member* must obtain his or her *Spouse*'s consent (witnessed by a notary public or a Plan representative) to particular options, or if the *Member* names someone other than his or her *Spouse* as *Beneficiary*. Proof of date of birth of the *Member* and the *Beneficiary* is required. A copy of the marriage certificate is also required.

Normal Forms of Payment

Unless a *Member* elects otherwise, benefits will be payable as follows:

Single Life Annuity

If a *Member* is single at the time that benefits commence, benefits will be paid as a single life *annuity*. This form of payment provides a monthly income payable for the *Member*'s lifetime, and upon death, all payments cease. There are no payments to *Beneficiaries*. This standard form of benefit generally results in the maximum amount of monthly income.

50% Spouse Joint and Survivor Annuity

If a *Member* is married at the time that benefits commence, benefits will be paid as a 50% joint and survivor *annuity*. Under this form of payment, a *Member* receives reduced monthly payments for his or her lifetime. At the time of the *Member*'s death, the surviving *Spouse* will receive 50% of the reduced monthly pension for his or her lifetime. The benefit reduction is based on the *Member*'s age and his or her *Spouse*'s age when benefits begin. If the *Spouse* dies after benefits commence, the *Member* will continue to receive a reduced benefit for the rest of his or her life.

Optional Forms of Payment

A *Member* may elect an optional form of payment instead of the normal form of payment.

If a married *Member* wishes to elect any option other than the 50% Spouse Joint and Survivor *Annuity*, or if the married *Member* elects one of the Contingent *Annuity* options below with a non-*Spouse Beneficiary*, the *Member*'s *Spouse* must sign a form, witnessed by a notary public or Plan representative, consenting to the election of the optional form of payment and/or election of a different *Beneficiary*.

For purposes of this Plan, the *Spouse* is the wife or husband of the opposite sex to whom the *Member* is legally married. In order for benefits to commence, proof of the *Spouse*'s date of birth and a copy of a marriage certificate may be required.

Because the following options guarantee payments for a minimum period, the monthly benefit will be somewhat lower than under the Single Life *Annuity*.

100%, 75% or 50% Contingent Annuity

This option provides reduced monthly payments for as long as the *Member* lives. In the event of the *Member*'s death before the *Beneficiary*, the *Beneficiary* will receive 100%, 75% or 50% of the reduced monthly pension, whichever the *Member* elected, for his or her lifetime. The benefit reduction is based on the *Member*'s and *Beneficiary*'s age when benefits begin. If the *Beneficiary* dies before the Member after benefits commence, the *Member* will still receive a reduced benefit in the same amount that he or she had been receiving for the rest of his or her life.

Period Certain and Continuous Annuity

Under this option, retirement benefits are payable for the *Member*'s lifetime. However, if the *Member* dies before receiving payments for the specified period, the *Beneficiary* will receive the same benefits that the *Member* was receiving until the end of the specified period. For example, if the *Member* elected a Ten Year Period Certain and Continuous *Annuity*, and the *Member* died within the ten years that payments commenced, the *Beneficiary* is eligible to receive the remainder of the benefit payments until the total number of monthly payments to the *Member* and the *Beneficiary* total 120 (ten years of monthly payments).

100%, 75% or 50% Contingent Annuity with Period Certain

In addition to providing benefits for the *Member*'s lifetime, the *Beneficiary* will receive 100%, 75% or 50% of the *Member*'s benefit, whichever is elected, for his or her lifetime after the *Member*'s death. In the event, however, that both the *Member* and the primary *Beneficiary* die before the end of the specified period, the balance of the payments will be made to the secondary *Beneficiary*(ies) that the *Member* designated.

Level Income Option

If a *Member* begins to receive Plan benefits before he or she is first eligible to receive Social Security benefits, the *Member* may elect the Level Income Option. Under this option, the retirement benefit will be increased during the period before the *Member* is eligible to receive Social Security benefits. After the *Member* is first eligible for Social Security benefits, the Plan benefit will be reduced. In this way, the *Member* is provided with a relatively level income; that is, earlier increased Plan benefits will be as equal as possible to the later reduced Plan benefit, if any, plus Social Security. Under this option, benefits are payable for the *Member*'s lifetime only. Any *Member* considering this option should request estimates from Human Resources well in advance of his or her anticipated benefit commencement date.

Lump Sum Option

A *Member* may elect to receive the actuarial equivalent of his or her Normal Retirement benefit earned through December 31, 2005 as a lump sum, or if greater, the amount determined under the Minimum Formula described earlier. If the actuarial equivalent of any residual Normal Retirement benefit attributable to benefits earned after December 31, 2005 is $100 a month or less, that amount will also be included in the lump sum amount.

If the residual benefit payable at the *Member*'s *Normal Retirement Date* and attributable to any benefits earned after December 31, 2005 is greater than $100 per month, the additional amount must be paid in one of the *annuity* forms described above.

Small Lump Sums

If the actuarial equivalent value of a *Member*'s Normal Retirement Benefit is $1,000 or less, the benefit will be automatically paid to the *Member* as a lump sum. If the actuarial equivalent value of a *Member*'s Normal Retirement Benefit exceeds $1,000 but not $5,000, the *Member* may elect to receive a lump sum distribution before his or her *Normal Retirement Date*. There will be no further payments from the Plan.

A *lump sum payment* from the Plan is an eligible rollover distribution. See the section "Withholding of Tax on Benefits" for more details.

Death Benefits

Pre-retirement Death Benefit

If a *Member* dies before his or her Retirement Plan benefit commences (whether paid as an *annuity* and/or lump sum), the *Member*'s *Spouse* or *Beneficiary* may be eligible for a pre-retirement death benefit from the Plan.

In General

If a *Member* dies while actively employed with WHOI, or following his or her termination of employment with a vested benefit, the *Member*'s *Spouse* or *Beneficiary* will be entitled to a pre-retirement death benefit. The *Member*'s *Beneficiary* will receive this death benefit in the form of a single *lump sum payment* or, if the *Beneficiary* is the surviving *Spouse*, in either a single *lump sum payment* or as a single life *annuity*, at the surviving *Spouse*'s option (see *Payment Options* section above).

The *Beneficiary* will be entitled to a lump sum benefit from the Plan equal to the greatest of:

- The lump sum value of the *Member*'s *Accrued Benefit* determined as of December 31, 2005 (based on the *Member*'s age and lump sum factor in effect at that date), or
- 50% of the lump sum value of the *Member*'s *Accrued Benefit* at the time of his or her death, or
- If the *Beneficiary* is the surviving *Spouse*, the lump sum value of the benefit payable to the surviving *Spouse* as though the *Member* had elected the 50% Joint and Survivor Annuity on the date of his or her death with payments commencing on the *Member*'s *Normal Retirement Date.*

Instead of a *lump sum payment*, the surviving *Spouse* may elect to receive a lifetime *annuity* benefit that is of equal value to the lump sum starting on what would have been the *Member*'s *Normal Retirement Date*, or a reduced *annuity* benefit starting on an earlier date.

The surviving *Spouse* will be the automatic sole primary *Beneficiary* of the pre-retirement death benefit payable under the terms of this Retirement Plan. A *Member* may name a contingent *Beneficiary*(ies), if appropriate, to receive the pre-retirement death benefit payable in the event the *Member*'s *Spouse* predeceases the *Member*. However, under IRS rules, if a *Member* is at least age 35, he or she may name another *Beneficiary* as the primary *Beneficiary* to receive all or a portion of the pre-retirement death benefit. The *Spouse* must consent in writing to the designation in the presence of a notary public or Plan representative. Spousal consent is not required to name a contingent *Beneficiary*.

Nonmarried *Members* may name the *Beneficiary*(ies) of their choice to receive payment of the pre-retirement death benefit payable under the terms of the Retirement Plan. If the *Member* is single, he or she may name anyone as *Beneficiary* - a child, a trust, an estate, a charity, etc. If more than one *Beneficiary* is named, the *Member* must indicate the percentage of the benefit that he or she wishes each *Beneficiary* to receive. Otherwise, the benefit will be shared equally among all named *Beneficiaries*. If a *Member* names a minor or trust as a *Beneficiary*, the *Member* may first want to consult a legal advisor. A *Member* may change his or her *Beneficiary* at any time by submitting a new *Beneficiary* designation form to Human Resources. However, if the *Member* later marries, the *Spouse* will automatically become the designated sole primary *Beneficiary* for this death benefit, unless the *Spouse* consents in writing to the *Member*'s designation of another *Beneficiary* as a primary *Beneficiary*.

Death Benefit After a Member’s Retirement

If a *Member* dies after having commenced receiving retirement benefits from the Plan, benefits may be continued to surviving *Spouse* or *Beneficiary*, depending on the form of benefit payment elected at retirement.

Other Information

The Retirement Plan is administered by a Retirement Committee appointed by the Board of Trustees of the Woods Hole Oceanographic Institution. This Committee establishes rules and regulations for the administration of the Plan and also handles any questions involving the interpretation of the Plan. Administrative rules of general application will be applied uniformly to *Members* and *Beneficiaries* in similar circumstances.

How to Apply for Benefits and Claims for Benefits

To apply for benefits from the Plan, *Members* or the *Beneficiary* should contact Human Resources about 90 days before retirement. The *Member* will be provided with all the necessary information and forms. If a *Member* disagrees with how his or her benefit from the Plan has been determined, such *Member* may request a review by filing a written claim with the Retirement Committee. See the following section for a complete description of how to file and appeal a claim.

Claims for Benefits

Claims for benefits from the Plan must be submitted in writing to the Retirement Plan Administrator, in the care of the Retirement Committee. A *Member* will be notified within 90 days after the Plan receives the claim (within 45 days if the claim is for a disability benefit). In special circumstances the Plan may require up to 105 days to make a decision about a disability benefit or up to 180 days to make a decision regarding any other type of benefit. In this event, the *Member* will receive a notice before the end of the original 45-day or 90-day period that explains the special circumstances involved and the date by which the Plan expects to make its decision.

If the decision involves a disability benefit, the notice will also include the criteria used by the Plan to determine entitlement to a disability benefit, the unresolved issues that prevent a decision on the claim, and any additional information needed to resolve those issues. In the event additional information is necessary, the *Member* will have at least 45 days to provide the specified information. If the Plan requires more than 75 days to reach a decision, the *Member* will receive another notice explaining the special circumstances before the end of the 75-day period.

If a *Member*'s claim is denied, he or she will receive a notice that:

- States the specific reason for the denial;
- Refers to the Plan provisions on which the decision was based;
- Describes any additional material or information that the *Member* may need to furnish to complete the claim and the reason why this material or information is needed; and
- Describes the Plan's review procedures including the applicable deadlines and a

statement of the *Member*'s right to bring a civil action in court if the appeal of the *Member*'s denied claim is also denied after it has been reviewed.

If a *Member* is denied a disability benefit, the notice will also describe any specific criterion which was relied upon in making the adverse determination, or include a statement that such a criterion was relied upon in making the determination and that a copy of such will be provided free of charge upon request.

The *Member* or an authorized representative may appeal a denied claim, following the appeal procedures outlined below.

Within 60 days of receiving the notice of the claim denial, the *Member* may appeal that denial by filing with the Retirement Plan Administrator a written request for the review of the claim.

Upon receipt of your appeal, the Retirement Plan Administrator or other Plan fiduciary will conduct a full and fair review of the claim. If the claim relates to a disability determination, this Plan fiduciary will have had no role in the initial claim denial and the review will be an independent one without giving the original denial any special consideration. If the *Member*'s claim pertains to a disability benefit and a medical judgment, the Plan fiduciary will consult with an appropriate health care professional who had no role in the initial determination and, in the event that the appeal is denied, will identify to the *Member* the health care professional who was consulted.

During this review, the *Member* may be given an opportunity to appear personally before the Retirement Plan Administrator's representative to present his or her case. The *Member* will be able to submit written comments, documents, records and other information relating to the claim. The *Member* will also have access to all documents, records and other information relevant to the benefit claim, and copies of this information will be provided free of charge upon the *Member*'s request.

Within 60 days after the *Member*'s written appeal is received by the Retirement Plan Administrator (45 days in the event of a disability benefit claim), the *Member* will be given a notice of the decision with respect to the *Member*'s appeal based on the facts and the pertinent provisions of the Plan. If special circumstances require an extension of time for reviewing the claim, the Retirement Plan Administrator will provide the *Member* with written or electronic notice of the extension prior to the end of the initial 60-day (or 45-day) period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to make its decision. The Retirement Plan Administrator may take an additional 60 days to review the claim (45 days in the case of a claim for disability benefits), or a total of 120 (or 90) days from the day the *Member*'s appeal was received.

The notice of the decision on the appeal will be written or electronic and shall include the following information:

- the specific reasons for the decision;
- the Plan provisions on which the decision was made;
- the specific criterion used in making a determination on a disability claim (or a statement

that such information may be obtained at no charge upon request);

- an explanation of the *Member*'s right to request access to or copies of all information relevant to the claim, free of charge, without regard to whether such records were considered or relied upon in making the appeal decision, including any reports and the identifies of any experts whose advice was obtained;
- a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain the information about such procedures; and
- the *Member*'s right to bring a civil action in court.

If the Retirement Plan Administrator fails to follow the claims appeals procedures as outlined above, the *Member* will have the right to bring a civil action in court.

Withholding of Tax on Benefits

Federal and applicable state income taxes will be withheld from a *Member*'s pension payments to the extent required by law. A *Member* will be notified of the opportunity to elect withholding prior to receiving benefits. A *Member* will also be notified annually of the amount of taxable distributions from the Plan and the amount of income taxes withheld, if any.

If a *Member* receives an eligible rollover distribution from the Plan, income tax will automatically be withheld from the distribution at the rate of 20% unless the *Member* elects a direct rollover to a qualified retirement plan or an IRA (other than a Roth IRA, Simple IRA or Education IRA). The Retirement Plan Administrator will provide the *Member* with the IRS's notice on income tax withholding and rollover options in the event that the *Member* receives an eligible rollover distribution. A *Member* may elect to rollover any portion of a lump sum provided it is $500 or more.

In general, an eligible rollover distribution is a distribution of any portion of the value of a *Member*'s benefits under the Plan, except the portion that is distributed in substantially equal periodic payments (e.g., as an *annuity*).

Suspension of Benefits

If a *Member* is receiving benefits from the Plan and returns to work before his or her *Normal Retirement Date*, or returns to work after his or her *Normal Retirement Date* and works 40 or more *Hours of Service* per month (or 5 *Days of Service* or more per month), the *Member*'s benefits will be "suspended" (that is, payments will stop). Payments will begin again upon the *Member*'s subsequent retirement. At that time, the *Member*'s benefit will be recalculated and adjusted to reflect any payments made prior to the *Member*'s *Normal Retirement Date*. If a *Member*'s benefits are suspended, he or she will be provided with a special notice that describes the suspension in more detail, including the applicable Department of Labor regulations. In addition, the notice will inform the *Member* how to request a review of the suspension of benefits. Such requests will be considered under the Plan's claims procedures.

Benefit Limitations

The amount of a *Member*'s benefit is subject to certain limitations as determined by federal law. In general, only highly compensated employees are affected by these limitations. If a *Member*'s benefit should exceed the maximum allowable under federal law, the Retirement Plan Administrator will notify the *Member*.

Loss of Benefits

There are some circumstances that might result in disqualification, ineligibility, denial, loss, forfeiture, suspension or reduction of benefits to a *Member*, his or her *Spouse* or other *Beneficiary*(ies). These circumstances include:

- Termination of employment before the earliest date the *Member* qualifies for benefits.
- A *Member*'s failure or the *Beneficiary*'s failure to make timely and proper application for benefits, or to supply required information, such as proof of age or death.

Amendment or Termination of the Plan

Although WHOI expects that the Plan will continue, the Institution reserves the right to change or discontinue the Plan at any time. If WHOI were to terminate the Retirement Plan, all Members in the Plan would become fully vested in their benefits earned to the date of termination to the extent the Plan was funded. No benefits would be earned for *service* after the Plan is terminated. Retirement Plan assets would be used to provide benefits on a priority basis. Federal law has established these priorities. Any amounts remaining after satisfying all liabilities and obligations of the Retirement Plan would be returned to WHOI. Please contact Human Resources if you wish to obtain more details.

Pension Benefit Guaranty Corporation

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

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

For more information, contact the Retirement Plan Administrator or the PBGC directly at:

PBGC
Technical Assistance Division
1200 K Street, N.W., Suite 930
Washington, D.C. 20005-4026
1-800-400-7242 or 1-202-326-4000

TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242.

Additional information about the PBGC's pension insurance program is available through the PBGC's Web site (http://www.pbgc.gov) on the Internet.

Non-Assignment of Benefits

Except as may be required by applicable law, a *Member* may not borrow against his or her pension or pledge any part of it as security for a loan or otherwise transfer or assign his or her rights. No part of a *Member*'s benefits may be claimed by a creditor for the payment of a debt the *Member* may have incurred.

Part or all of a *Member*'s benefits may be claimed, however, to pay child support or alimony or as part of a marital property settlement which the Plan determines meets the requirements of a *Qualified Domestic Relations Order(QDRO)*. In addition, if a *Member* owes the government any money, it is possible that a *Member*'s benefits could be attached to pay that liability (e.g., under an IRS levy).

Social Security Benefits

In addition to the benefits earned under the Retirement Plan and a *Member*'s personal savings (including the 403(b) arrangement), a *Member* may also be eligible for a Social Security retirement benefit. Social Security benefits are calculated based on career earnings that were subject to Social Security taxes. WHOI also pays Social Security taxes during a *Member*'s employment with WHOI. Any *Member* may request a record of his or her earnings, as well as a booklet that explains how to determine Social Security benefits, from a local Social Security office.

Social Security has a toll-free number that operates from 7:00 a.m. to 7:00 p.m., Monday through Friday: 1-800-772-1213. Touch-tone phone users can access recorded information and services 24 hours a day, including weekends and holidays. People who are deaf or hard of hearing may call the toll-free TTY number, 1-800-325-0778, between 7:00 a.m. and 7:00 p.m., Monday through Friday. Anyone can also visit the Social Security website at http://ssn.gov.

Social Security benefits may be payable in the event of death, disability or retirement. Social Security benefits are not paid automatically. Inquiries and applications should be made at a local Social Security office at least six months before payments are to begin.

Statement of Your Rights Under ERISA

As a *Member* in the Retirement Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). These rights entitle you to:

- Examine, without charge, at Human Resources, all Plan documents, including copies of all documents filed by the Plan with the government.
- Obtain copies of all Plan documents and certain other Plan information upon written request to the Retirement Plan Administrator. The Retirement Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Retirement Plan Administrator is required by law to furnish each *Member* with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at *Normal Retirement Age* and if so, what your benefits would be at *Normal Retirement Age* as if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to earn a right to a pension. This statement must be requested in writing and is not required to be given to you more than once a year. The Retirement Plan Administrator will provide the statement free of charge.

In addition to establishing rights for Plan *Members*, ERISA imposes duties upon the people who are responsible for the operation of an employee benefit 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 *Members* and *Beneficiaries*. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way in order to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for pension benefits is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Retirement Committee review and reconsider your claim. Under ERISA, there are steps you can take to enforce these rights.

If you request materials from the Retirement Committee 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 Retirement Committee to provide the materials and pay you up to $110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Retirement Committee.

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. 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 (e.g., if the court finds your claim frivolous), the court may order you to pay these costs and fees.

If you have any questions about your Plan, you should contact the Retirement Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory (and noted below) 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 "Publication Hotline" of the Employee Benefits Security Administration.

Employee Benefits Security Administration
U.S. Department of Labor—Boston Regional Office
John F. Kennedy Building, Room 575
Boston, MA 02203
Telephone 617-565-9600

Plan Information

Plan Sponsor	Woods Hole Oceanographic Institution Woods Hole, MA 02543 508-289-2253
Plan Identification Number	001
Employer Identification Number	04-2105850
Plan Year	January 1 to December 31
Type of Plan	Defined benefit plan
Retirement Plan Administrator	Retirement Committee Attention: Secretary of the Retirement Committee Nobska House 14 Maury Lane Woods Hole, MA 02543 508-289-2217
Agent for Service of Legal Process	Clerk of the Corporation Woods Hole Oceanographic Institution Challenger House 569 Woods Hole Road Woods Hole, MA 02543 508-289-2291
Trustees	Trustees of the Retirement Trust for Employees of Woods Hole Oceanographic Institution Attention: Secretary of the Retirement Committee Nobska House 14 Maury Lane Woods Hole, MA 02543 508-289-2217

Glossary of Terms

Accrued Benefit–The benefit payable at a Member's Normal Retirement Date in the Single Life *Annuity* form and determined at any point in time.

Annualized Compensation–For years in which a Member works 2,080 hours, this will equal Compensation. For years in which the Member works less than 2,080 hours, Annualized Compensation is determined by multiplying a Member's Compensation for the year (less overtime pay) by the ratio of 2,080 over non-overtime hours. Overtime Compensation is then added to the result.

Annuity–A series of regular payments over a specified period of time. For example, a Single Life Annuity provides monthly payments for the rest of a Member's life.

Beneficiary–A person(s) or organization designated by a Member to receive any Plan benefits after the death of the Member. For example, a Ten Year Period Certain and Continuous Annuity would specify that the Member's Beneficiary is entitled to the balance of the 120 guaranteed monthly payments after your death.

Break in Service–A plan year during which the Member works fewer than 501 hours (or 63 days or less, if the Member is a marine crew employee).

Compensation–For Plan purposes, this includes salary, wages and other regular pay, including overtime, premium pay and 403(b) and other pre-tax contributions. It does not include bonuses, other irregular pay and accrued vacation pay. Compensation for Plan purposes does not include vacation pay, cruise leave pay or sea duty vacation pay that is in lieu of time off. The federal government regulates the maximum amount of total annual Compensation that may be used for pension purposes. For 2007 the amount is $225,000. The Internal Revenue Service (IRS) adjusts this amount annually.

Credited Service–The number of years used to calculate the amount of a Member's benefit under the Retirement Plan and to determine his or her eligibility for early retirement benefits. A Member receives credit for one year of Credited Service if he or she is paid for 2,080 hours in any plan year. A Member receives pro-rata credit for a year during which he or she was paid for less than 2,080 hours.

Days of Service–For employees of WHOI who are covered by rules related to the maritime industry to determine vesting and eligibility each day that an employee is paid or entitled to be paid by WHOI.

Eligibility Service–The service that determines an eligible employee's Retirement Plan participation. An eligible employee receives credit for one year of Eligibility Service if he or she works at least 1,000 hours (125 days for marine crew employees) in the 12-month period starting on his or her date of hire, or in any subsequent plan year (January 1 to December 31).

Final Average Compensation–The average of the five years of highest Annualized Compensation (whether or not consecutive) in the 10 employment years preceding a Member's termination date. If a Member has less than five Annualized Compensations, this is the average of the Annualized Compensations.

Hours of Service–Each hour that an employee is paid or entitled to be paid by WHOI.

Late Retirement Date–The first day of the month following a Member's termination of employment, if the Member has worked past his or her Normal Retirement Date.

Lump Sum Payment–The actuarial present value of a Member's Retirement Plan benefit paid in a single payment, rather than in lifetime monthly annuity payments.

Member–An eligible employee who completes one year of Eligibility Service.

Normal Retirement Age–Age 65 or the fifth anniversary of the Member's plan participation, if later.

Normal Retirement Date– The first of the month coinciding with or next following attainment of Normal Retirement Age.

Plan Year–The calendar year.

Qualified Domestic Relations Order (QDRO)–A judgment, decree or court order that creates or recognizes an alternate payee's (e.g., Spouse's, former Spouse's, child's) right to all or a portion of a Member's Plan benefit. To be "qualified", a domestic relations order is determined by the Plan to satisfy certain requirements.

Service–There are three types of Service recognized under the Plan. Eligibility Service determines an eligible employee's participation in the Plan, Vesting Service determines a Member's rights to a Plan benefit, and Credited Service determines the amount of a Member's Plan benefit.

Spouse–A person of the opposite sex who is legally married to a Member in accordance with the laws of the state or jurisdiction in which the Member is domiciled.

Total Disability–A permanent physical or mental condition resulting from bodily injury, disease or mental disorder that renders a Member incapable of continuing as an employee of WHOI as determined under procedures established by the Retirement Committee.

Vested Benefit–A Member's nonforfeitable benefit under the Retirement Plan. A Member is fully vested after completing the Plan's vesting requirements, or if the Member should die or become permanently disabled at any time while employed at WHOI.

Vesting Service–The Service that determines a Member's rights to a Plan benefit. A Member receives credit for one year of Vesting Service for each Plan Year that he or she works at least 1,000 hours (125 days for marine crew employees).