

**VILLANOVA UNIVERSITY
RETIREMENT SAVINGS PLAN**

**SUMMARY PLAN DESCRIPTION
(As Amended and Restated effective as of January 1, 2013)**

March 2014

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. HOW THE PLAN WORKS	1
III. ELIGIBILITY AND PARTICIPATION	2
IV. CONTRIBUTIONS	5
V. VESTING	8
VI. INVESTMENT OF YOUR ACCOUNT	8
VII. WITHDRAWALS DURING EMPLOYMENT	10
VIII. LOANS	11
IX. PAYMENT OF YOUR ACCOUNT	12
X. NON-ASSIGNMENT OF BENEFITS	16
XI. LOSS, REDUCTION OR SUSPENSION OF BENEFITS	16
XII. AMENDMENT OR TERMINATION OF THE PLAN	17
XIII. TERMINATION INSURANCE	17
XIV. TAX INFORMATION	17
XV. BENEFIT CLAIMS PROCEDURES	18
XVI. OTHER FACTS YOU SHOULD KNOW	19
XVII. YOUR RIGHTS UNDER ERISA	21
APPENDIX A ELIGIBLE AND INELIGIBLE FACULTY MEMBERS	A-1

VILLANOVA UNIVERSITY RETIREMENT SAVINGS PLAN

SUMMARY PLAN DESCRIPTION

I. INTRODUCTION

Villanova University (the “University”) established the Villanova University Retirement Savings Plan (the “Plan”), effective as of October 1, 1937, for the benefit of the eligible employees of the University and any affiliate authorized to participate in the Plan. The purpose of the Plan is to encourage employees to save for retirement on a regular basis. The Plan has been amended and restated effective as of January 1, 2013, to reflect the merger of the Villanova Supplemental Retirement Savings Plan into the Plan as of January 1, 2013, to incorporate prior amendments to the Plan, and to make certain Plan design changes. If you had account in the Supplemental Plan, it was merged into the Plan on January 1, 2013. This summary plan description describes Plan provisions in effect as of March 1, 2014.

This booklet is not the Plan document, but is designed to briefly describe the retirement benefits provided by the Plan, without going into all of the refinements and details of the Plan document. The legal rights of any person under the Plan are determined solely by the provisions of the Plan document. **IN THE EVENT OF ANY CONFLICT BETWEEN THIS SUMMARY PLAN DESCRIPTION AND THE OFFICIAL PLAN DOCUMENT, THE PLAN DOCUMENT ALWAYS GOVERNS.** If you wish to see a copy of the official Plan document, contact the University’s Department of Human Resources (“Human Resources”).

II. HOW THE PLAN WORKS

The Plan is a tax-sheltered annuity plan described in section 403(b) of the Internal Revenue Code of 1986, as amended (the “Code”). Under the Plan, if you are an eligible employee, you may invest in tax-sheltered annuities and custodial accounts with contributions that you make to the Plan (“Employee Contributions”) and, if you are eligible, that the University makes on your behalf (“Employer Contributions”). Because the Plan is tax-sheltered, neither you nor the Plan will pay any income tax currently on your Employee Contributions, Employer Contributions (if any), or the earnings and profits generated by the investment of assets held on your behalf under the Plan (your account is comprised of the total of your accumulated contributions that are invested with the Funding Agent). Instead, you will be taxed when you receive benefits under the Plan, at which time you may be eligible for favorable tax treatment on amounts received, or even for further tax deferral through a rollover or direct transfer to a traditional individual retirement arrangement (“IRA”) or to another employer’s tax-qualified retirement plan.

Funding Agents

To contribute to the Plan, you must enter into a salary reduction agreement authorizing the University to make contributions from your pay, which will be forwarded to one of the following funding agents (“Funding Agents”):

Teachers Insurance and Annuity Association (“TIAA”) and College Retirement Equities Fund (“CREF”). You can receive more information about TIAA-CREF by writing to: TIAA-

CREF, 730 Third Avenue, New York, NY 10017 or by calling 1-800-842-2733. Visit TIAA-CREF on the Internet at <http://www.tiaa-cref.org>.

Vanguard Group. You can receive more information about the Vanguard Group by writing to: The Vanguard Group, P.O. Box 1100, Valley Forge, PA 19482 or by calling 1-800-523-1188. Visit Vanguard on the Internet at <http://www.vanguard.com>.

It is anticipated that in the fall of 2014, TIAA-CREF will be the sole Funding Agent for the Plan. You will be notified in advance of this change and be provided with additional details at that time.

The University reserves the right to choose additional or alternative funding agents from among the insurance companies and open-end investment companies that offer tax-sheltered annuities and custodial accounts. An account will be maintained for you under the Plan that will reflect your investment elections.

III. ELIGIBILITY AND PARTICIPATION

Eligibility to Make Employee Contributions

You are eligible to make Employee Contributions to the Plan if you are an employee of the University, unless you are:

- A student performing services described in section 3121(b)(10) of the Code;
- A leased employee defined in sections 414(n) or 414(o) of the Code;
- An independent contractor (even if later classified as an employee); or
- A member of the Brothers of the Order of Hermits of St. Augustine.

When Participation in Employee Contributions Begins

If you are eligible to make Employee Contributions, you may begin participation in the Plan by completing and submitting to Human Resources a salary reduction agreement to make Employee Contributions and any other forms required by the University and the Funding Agents. Your contributions to the Plan will begin as early as the first payroll period after the receipt of your completed salary reduction agreement, unless you specify a later date.

Eligibility to Receive Employer Contributions

In order to be eligible to receive Employer Contributions, you must be considered a “Basic Employee.” You are a Basic Employee if you are a full-time faculty member or other Employee of the University who is designated by the President of the University as a Basic Employee, unless you are:

- A student performing services described in section 3121(b)(10) of the Code;

- A leased employee as defined in sections 414(n) or (o) of the Code;
- An independent contractor (even if later reclassified as an employee);
- A student whose employment is incidental to his educational program;
- An active participant in the Villanova University Retirement Income Plan;
- An employee of the University (other than a faculty member) who is customarily employed on a part-time, temporary or irregular basis for less than 1,000 hours of service a year and does not actually complete 1,000 hours of service in a 12-consecutive month period;
- An adjunct faculty member; or
- A member of the Brothers of the Order of Hermits of St. Augustine.

A list of faculty members who are and are not considered Basic Employees is attached to this summary as Appendix A.

Effective March 1, 2009, if you are a visiting professor (including visiting associate/assistant professors and visiting instructors) who is employed by the University for three full, consecutive academic years, you will be considered a faculty member who is eligible to participate in the Plan as a Basic Employee as of the start of your fourth academic year at the University.

When Participation in Employer Contributions Begins

If you are a Basic Employee, you will become eligible to receive Employer Contributions as of the first day of the month coincident with or next following the date you have attained age 21 and completed one (1) year of service. If you were employed by a non-profit institution, university or governmental employer for at least one year prior to being employed at the University and you participated in an employer-funded retirement plan for all or a portion of your employment, you are deemed to have satisfied the one (1) year of service requirement upon providing satisfactory proof to the University of your prior employment and participation.

If you are eligible to receive Basic Contributions (as described below), Basic Contributions will begin on the first day of the month coincident with or next following the date you have attained age 21 and completed one (1) year of service.

If you are a part-time adjunct faculty member and you transfer to full-time status, you may become a participant in the Plan immediately if you have completed 24 total credit hours over the previous three academic years.

Additional Information on Participation

All determinations about eligibility and participation will be made by the University based on its records and the official Plan document on file.

Active participation in the Plan ends when you revoke your salary reduction agreement to make Employee Contributions, are no longer eligible to receive Employer Contributions, transfer to an ineligible class of employees, or terminate your employment with the University or its affiliates. However, you remain an inactive participant as long as you have an account under the Plan and you may again become an active participant on your rehire date if you return to work for the University in an eligible class of employees.

Terms You Should Know

Compensation. “Compensation” means (a) the salary stated in the academic year contract for a faculty member or (b) the regular salary, including shift differential, paid by the University during the “Plan Year” (as defined below) for services actually rendered by an eligible employee who is not a faculty member. Compensation does not include:

- Bonuses;
- Overtime payments;
- Compensation paid or accrued with respect to service performed before the date the eligible employee became a participant in the Plan;
- Compensation paid or accrued with respect to service performed during any summer semester (except for compensation paid to an adjunct faculty member);
- University contributions to this or any other plan of deferred compensation;
- University contributions to Social Security;
- Severance pay of any kind;
- The value of any non-cash fringe benefits provided by the University;
- Amounts paid in reimbursement of, or instead of, expenses incurred by a participant in the performance of his or her duties;
- The value of non-money awards or gifts made by the University; or
- Salary derived from a research grant if a participant is paid regular salary by the University.

For faculty members only, Compensation may consist of compensation from two different academic years within one calendar year (*e.g.*, Compensation received during the Spring semester of the 2013-2014 academic year and the Fall semester of the 2014-2015 academic year would be received within the 2014 calendar year).

Federal law limits the amount of Compensation that can be counted in determining the amount of your contributions under the Plan. For 2014, this limit is \$260,000 and, for

subsequent years, it may be adjusted by the Internal Revenue Service periodically for cost-of-living increases.

Plan Year. The “Plan Year” means the period of twelve consecutive months commencing on January 1 and ending on the following December 31.

Qualified Military Service. “Qualified Military Service” is any period of time for which you are absent for military service under leave granted by the University or its affiliates or required by federal law, provided that you return to employment while your right to reemployment is protected by federal law.

IV. CONTRIBUTIONS

Employee Contributions

To begin making Employee Contributions, you must enter into a salary reduction agreement. A salary reduction agreement authorizes the University to withhold a certain percentage of your Compensation or dollar amount, as you elect, on a before-tax basis as Employee Contributions for contribution to the Plan. Your Employee Contributions are subject to the limits on contributions as explained below. Note that if you are a Basic Employee who has become eligible to receive Employer Contributions, you may only elect to contribute a percentage of your Compensation. Dollar amount elections are not permitted for these employees.

Because your Employee Contributions are withheld from your Compensation on a before-tax basis, they are not treated as taxable income for federal income tax purposes. However, your Employee Contributions are subject to Social Security (FICA) tax and may be subject to Pennsylvania state and local income tax withholding as well.

Your Employee Contributions will be added to your Plan account each payroll period.

Employer Contributions

If you are a Basic Employee and you are eligible to receive Employer Contributions, the University will contribute a “Basic Contribution” to the Plan that is equal to either: (a) 3½% of your Compensation for the Plan Year if you are an active participant and have less than ten years of service or (b) 5% of your Compensation for the Plan Year, if you are an active participant and have ten or more years of service. The Basic Contribution made under (b) above will first be reflected during the first payroll period of the month following your completion of ten years of service.

Additionally, if you are a Basic Employee, the University will contribute a “Matching Contribution” to the Plan on your behalf that is equal to your Employee Contributions (including any “Catch-up Contributions” as explained below) under the Plan up to 5% of your Compensation for the Plan Year. Employer Contributions will be contributed on behalf of Basic Employees who are (A) faculty members or (B) members of the University’s administrative staff who are scheduled to work and/or actually work 1,000 or more hours during the Plan Year.

Together the Basic Contribution and Matching Contribution will be referred to as “Employer Contributions.”

Catch-up Contributions

If you will be at least 50 years old by the end of a Plan Year, you will be eligible to make before-tax Catch-up Contributions to the Plan over and above the IRS limit or Plan limit for the year (including any increased amounts you might make as an “additional before-tax contribution” described in the “Annual Limit on Salary Reduction Contributions” section below). You must, however, make the maximum before-tax contributions to the Plan for the year to be eligible to make Catch-up Contributions. The IRS limit for the year and the maximum before-tax contributions are determined in accordance with the “Annual Limit on Salary Reduction Contributions” section below. You are not required to make Catch-up Contributions.

If you are eligible to make Catch-up Contributions for 2014, you will be able to defer an additional \$5,500 of your Compensation on a before-tax basis to the Plan. The limit may be adjusted thereafter from time to time for cost of living increases.

If you are eligible to make Catch-up Contributions during 2014, you may be able to defer up to \$23,000 to the Plan on a before-tax basis – \$17,500 in Employee Contributions and an additional \$5,500 in Catch-up Contributions.

If you have worked for the University for at least 15 years, you may be eligible to make service-based Catch-up Contributions to the Plan. The annual service-based Catch-up Contribution limit is based on prior years’ Employee Contributions and service-based Catch-up Contributions to the Plan and cannot exceed the least of:

- \$3,000;
- \$15,000 minus the total amount of your service-based Catch-up Contributions for previous years; or
- \$5,000 multiplied by your years of service with the University minus the total of your Employee Contributions made in all previous years to this Plan and any other plan maintained by the University.

Annual Limit on Salary Reduction Contributions

Under federal tax law, your total before-tax Employee Contributions for any Plan Year may not exceed a certain “elective deferral” limit. The current limit on before-tax Employee Contributions (other than Catch-up Contributions) for 2014 is \$17,500, and it may be adjusted by the IRS periodically for cost-of-living increases.

If your before-tax Employee Contributions under the Plan, plus your before-tax contributions under any other 403(b) plan, 401(k) plan or SEP exceed the before-tax contribution dollar limit for any calendar year, you will have made “excess deferrals.” Excess deferrals will either be distributed to you with earnings (and included in your gross income) or be recharacterized as Catch-up Contributions (provided you are eligible to make Catch-up

Contributions) no later than April 15 of the year following the year in which excess deferrals were made.

Annual Limit on Contributions

There is also a limit on the total amount that can be added to your account balance in any one Plan Year. For 2014, the overall contribution limit is the lesser of: (1) \$52,000 (as periodically increased) or (2) 100% of your taxable Compensation, and is applicable to the following amounts:

- Employer Contributions, forfeitures and any Employee Contributions (except age-based Catch-up Contributions) allocated for any Plan Year under this and any other defined contribution plan maintained by the University.
- All amounts allocated to an individual medical account that is maintained by the University.
- All amounts resulting from a contribution paid or accrued that are attributable to post-retirement medical benefits allocated to a separate account of a participant who is a key employee under a welfare benefit fund maintained by the University.

If this limit is exceeded, “excess contributions” result. The University will take whatever action is necessary to correct any excess contributions.

Contributions Following Periods of Qualified Military Service

If you return to employment with the University following a period of Qualified Military Service, you will be permitted to make additional Employee Contributions and, if you are eligible, Catch-up Contributions, up to the amount you would have been permitted to contribute if you had continued to be employed and received Compensation during your period of Qualified Military Service. If you are a Basic Employee and you decide to “make up” Employee Contributions following your return to the University, the University will make Employer Contributions on such Employee Contributions as if they had been made during your period of Qualified Military Service.

If you choose to make these additional Employee Contributions and, if applicable, Catch-up Contributions, you must do so during the period beginning on the date you return to employment and ending on the date that follows the beginning date by the lesser of: (1) three times the length of your Qualified Military Service or (2) five years.

In addition to being able to make up your Employee Contributions, you may elect to withdraw all or a portion of your Employee Contributions during your active duty period. If you make such a withdrawal, you will be suspended from making Employee Contributions to the Plan for a period of six months.

Rollover Contributions

If you receive a distribution from a plan described in sections 403(a) or 403(b) of the Code, a qualified plan under Code section 401(a), a traditional IRA, or a 457(b) plan that is maintained by a state or local government that is eligible for tax-free rollover treatment under the Code, you may, with the approval of the Plan Administrator, contribute all or a portion of the distribution to the Plan as a Rollover Contribution. However, the portion of your distribution that is attributable to after-tax contributions made to the previous plan cannot be contributed to your account as a Rollover Contribution. If your Rollover Contribution is not a direct rollover, it must be made to the Plan within 60 days after you receive the distribution.

V. VESTING

You always have a nonforfeitable or “vested” right to your Employee Contributions, Employer Contributions, Catch-up Contributions, and Rollover Contributions under the Plan.

VI. INVESTMENT OF YOUR ACCOUNT

The Plan features a wide range of investment alternatives with different objectives, risk and potential for gain. The availability of these alternatives allows you to create an investment program that is right for you.

Before deciding to invest your Employee Contributions, Employer Contributions, Catch-up Contributions, and Rollover Contributions in one or more of the available investment funds, you should read the prospectus for that fund. Except in the case of a fixed annuity investment option, there is no guarantee that the stated investment goals of any of the investment funds will be realized. You can obtain detailed information (including a prospectus) about each of the investment funds by contacting the Funding Agents. The University has the right to add or remove investment funds under the Plan at any time. You will be notified in advance of any such change.

When you enroll in the Plan, you choose how your Employee Contributions, Employer Contributions, Catch-up Contributions, and Rollover Contributions will be invested. You may direct that your contributions be invested among any or all of the investment funds offered under the Plan. You may change your investment election with respect to future contributions and transfer existing funds from one investment option to another as of the first payroll period ending after any election date as determined by the Plan Administrator, by filing a new or transfer election with the Plan Administrator in such manner and at such time in advance as prescribed by the Plan Administrator. Any transfer will be subject to such further limitations and restrictions imposed by the Plan Administrator or Funding Agents.

Notwithstanding the foregoing, at any time before your benefit commencement date, you may transfer your account funds (or a portion thereof) accumulated under the Plan among the Plan’s approved Funding Agents - subject to the Funding Agents’ rules for transfers and subject to applicable provisions of the Code. If you have terminated your employment with the University, the Plan’s transferability rules will continue to govern funds you have accumulated under the Plan.

You may transfer funds among the Plan's funding vehicles based on the conditions regarding transfers applicable to your selected funding vehicles.

Your requested transfer will be executed only if the fund sponsor to which you have requested your account be transferred is an approved Funding Agent under the Plan.

If you do not direct the investment of your Employee Contributions, Employer Contributions, Catch-up Contributions, and Rollover Contributions, such contributions will be invested in the default investment fund selected by the Plan Administrator. For information on the Plan's default investment fund, contact Human Resources.

The Plan is intended to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA") and accompanying regulations. This means that the Plan permits participants to direct the investment of their Plan accounts. As long as the Plan complies with the requirements of Section 404(c), you will have responsibility for deciding how your Plan account is invested and the parties that otherwise would be responsible for making investment decisions (the "fiduciaries" of the Plan) will not be liable for any losses that result directly from your investment instructions.

To comply with Section 404(c), the Plan must permit participants to choose from a broad range of investment alternatives and must provide participants with certain information about the investment alternatives and the operation of the Plan. In addition to the information included in this summary and in your enrollment package for the Plan, you may request the following information:

- a description of the annual operating expenses of each investment fund which reduce the rate of return for participants and beneficiaries, and the aggregate amount of such expenses expressed as a percentage of average net assets of the investment option;
- copies of any prospectuses, financial statements and reports, and of any other materials relating to the investment funds to the extent that such information is provided to the Plan;
- a list of the assets comprising the portfolio of each investment fund which constitute Plan assets within the meaning of ERISA, and the value of each such asset;
- information concerning the value of shares or units in each investment fund, as well as the past and current investment performance of such investment fund, determined, net of expenses, on a reasonable and consistent basis; and
- information concerning the value of shares or units in investment funds held in your Plan account.

The Plan Administrator is the named fiduciary responsible for providing this information. To request any of this information, contact Human Resources or the appropriate Funding Agent.

VII. WITHDRAWALS DURING EMPLOYMENT

Hardship Withdrawals

You may be eligible to withdraw up to the full amount of your Employee Contributions in your account (but not the earnings thereon credited to your account on or after January 1, 1989) prior to your termination of employment with the University if you have an immediate and heavy financial need (a “hardship”). If you make a hardship withdrawal prior to your attainment of age 59½, you may be subject to a 10% excise tax on the amount of the withdrawal.

The circumstances that give rise to a “hardship” may be defined by the Funding Agents. Otherwise, the University will determine whether you have a hardship based on the following circumstances or any other circumstances or events that are permitted by the Code or prescribed by the Secretary of the Treasury or his or her delegate:

- ◆ Expenses for unreimbursed medical care described in Code section 213(d) for you, your spouse, your dependents or primary designated beneficiary under the Plan;
- ◆ Costs directly related to the purchase of your principal residence, excluding mortgage payments;
- ◆ Payment of tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse, your dependents or your primary designated beneficiary under the Plan;
- ◆ The need to make payments to prevent the foreclosure of a mortgage on, or your eviction from, your primary residence;
- ◆ Payments for burial or funeral expenses for the Participant’s deceased parent, spouse, child, dependents or primary designated beneficiary under the Plan; or
- ◆ Expenses for the repair of damage to the Participant’s principal residence that would qualify for the casualty deduction under section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income).

The amount you withdraw may not exceed the amount necessary to satisfy your hardship, but may include amounts necessary to pay federal, state and local taxes or penalties resulting from the withdrawal. In addition, you must first take any loans or other distributions (other than hardship distributions of elective deferrals) that are available from this Plan and all other plans maintained by the University.

If you take a hardship withdrawal from this Plan, you generally may not make any contributions to this Plan, or any other plan maintained by the University, for six months following the date of your withdrawal. After six months, you may resume making before-tax Employee Contributions.

If you are married when you request your hardship withdrawal, your spouse must consent to the withdrawal within the 180-day period prior to the date on which your withdrawal is made.

Spousal consent must be given in the manner prescribed by the University and must be witnessed by a Plan representative or a notary public. The University may waive spousal consent under certain limited circumstances.

If you would like to make a withdrawal, contact the University and the Funding Agents for more details about the availability, amount and conditions of withdrawal. Hardship withdrawals will be distributed in the form of a lump sum payment.

Age 59½ Withdrawals

Once you have reached age 59½, you may withdraw all or a portion of your Employee Contributions in your account by complying with any procedures established by the University and the Funding Agents. If you are married when you request an age 59½ withdrawal, your spouse must consent to the withdrawal within the 180-day period prior to the date on which your withdrawal is made. Spousal consent must be given in the manner prescribed by the University and must be witnessed by a Plan representative or a notary public. The University may waive spousal consent under certain limited circumstances. You will still be eligible to make Employee Contributions and, if you are a Basic Employee, to receive Employer Contributions if you elect to receive an age 59½ withdrawal, provided that you are still employed by the University.

Age 70½ Withdrawals

If you continue to work for the University after you reach age 70½, you may elect to begin receiving in-service withdrawals from the Plan once you reach age 70½. If you so elect, you will begin to receive an amount equal to your required minimum distribution as of December 31 of the year in which you elect in-service withdrawals and shall continue until you terminate employment. You will still be eligible to make Employee Contributions and, if you are a Basic Employee, to receive Employer Contributions if you elect to receive in-service withdrawals.

No other in-service withdrawals are permitted under the Plan.

VIII. LOANS

Application

The Plan will permit you to borrow money from your account. You may apply for a loan by contacting the Funding Agent directly. The Funding Agent may have specific terms and conditions in connection with providing the loan, for example, minimum loan amounts, fees, interest rates, etc.

Terms of Your Loan

- ◆ Upon approval of your loan application, you may borrow a minimum of \$1,000 and a maximum of the lesser of \$50,000 or 50% of your account balance. However, the \$50,000 limit is reduced by your highest loan balance outstanding during the one-year period preceding the date the loan is made. Loans that you have made under

any other plan maintained by the University or an affiliate will be aggregated with loans under this Plan in determining whether or not the above limitation has been exceeded.

- ◆ Your loan must be adequately secured. No more than 50% of your account may be pledged to secure any loan. The loan will be treated as an investment of your account. You may have two loans outstanding from the Plan at any given time.
- ◆ Generally, the term of the loan may not exceed five years. If, however, the loan is used to purchase your principal residence, the term of the loan may be in excess of five years, as determined in accordance with rules set by the Funding Agent.
- ◆ Loans must be repaid in equal minimum installments (allowing for optional additional amounts), with payments not less frequently than quarterly, over the term of the loan. Loan repayments must be made directly to the Funding Agent.

Default

The Funding Agent has rules concerning when your loan is in default. Upon default, the loan will become immediately due and payable in full. If you do not repay the loan when it becomes due and payable, the balance of the loan (including accrued interest) will be deducted from your account as of the earliest date your account can be distributed to you. Amounts due and payable at the time of your death will be deducted from your account prior to distribution to your beneficiary.

In addition, if you default on and fail to repay your loan, your outstanding loan balance, including accrued interest, may be treated as a taxable distribution from the Plan and may be subject to a 10% excise tax on the amount of the loan. Contact the Funding Agent for more information concerning when a loan is in default.

Spousal Consent

If you are married when you request your loan, your spouse must consent to the loan within the 180-day period prior to the date on which your loan is made. Spousal consent must be given in the manner prescribed by the University and must be witnessed by a Plan representative or a notary public. The University may waive spousal consent under certain limited circumstances.

IX. PAYMENT OF YOUR ACCOUNT

Retirement or Other Termination

The timing and form of distribution of your account under the Plan will be governed by the terms of the funding vehicles in which your account is invested.

Form of Benefit

You may elect to receive your benefit in any form offered by the Funding Agent with which your account is invested.

- Life Annuity. If the Funding Agent with which your account (or a portion thereof) is invested offers a life annuity and you elect to receive payment in the form of a life annuity, or if the investment option in which all or a portion of your account is invested so requires, the following joint and survivor annuity rules will apply:

Automatic Form of Annuity Payment. If you are unmarried when payments in the form of a life annuity begin, your account will be paid in equal monthly installments for your life (that is, in the form of a “single life annuity”).

If you are married when payment begins, your account will be paid as a “qualified joint and survivor annuity.” A qualified joint and survivor annuity provides equal monthly installments for you during your life and, if your spouse lives longer than you, to your spouse during your spouse’s life. The monthly benefit payable to your spouse upon your death is equal to at least 50%, 75%, or 100% of (as you elect) the monthly installment paid to you during your lifetime.

Optional Forms of Annuity Payment. If you are unmarried, or if you are married and your spouse consents, you may elect to receive your account in one of the optional forms of payment available to you through the Funding Agents. If you are married, your spouse’s consent to your election must be in writing and must be witnessed by a notary public. You do not need to obtain spousal consent if you establish that your spouse cannot be located or you furnish a court order establishing that you are legally separated or have been abandoned.

- Lump Sum. If the Funding Agent with which your account is invested so offers, you may elect to receive payment in the form of a single lump sum distribution.
- Optional Forms of Distributions. The Funding Agents may offer various optional forms of benefit payments. Contact the University or the Funding Agents to determine which options are available. If one of the options allows you to select a beneficiary and you are married, your beneficiary generally must be your spouse, unless your spouse consents, in writing notarized by a notary public, to the designation of another beneficiary or your spouse cannot be located, or you have a court order stating that you are legally separated or have been abandoned. If you are not married, you may designate any individual as your beneficiary. A beneficiary designation, or a change to such designation, must be made on a form provided by the Funding Agents.

Required Distribution Date of Benefits

If you terminate employment with the University before you reach age 70½, the Plan must begin to pay your account to you no later than April 1 of the calendar year following the calendar year in which you reach age 70½.

If you continue to work for the University after you reach age 70½, the Plan must begin to pay your account to you no later than April 1 of the calendar year following the calendar year in which you terminate employment.

Payment of Your Account Upon Death After Payment Commencement

If your death occurs after payment of your account has begun, any death benefit payable thereafter will be determined by the form of payment in effect prior to your death. If you die prior to the date federal law requires you to begin receiving benefits and distribution is not being made in the form of a life annuity, payment of the death benefit will begin on the date elected by your beneficiary. However, benefits must be paid no later than: (1) December 31 of the year containing the fifth anniversary of your death, if payment is to be made in a lump sum, or (2) December 31 of the year following the year of your death, if payment is to be made over the life or life expectancy of your beneficiary. If you have not named a beneficiary or your beneficiary does not survive you, the value of your death benefit will be paid in a single sum to your spouse if you are married, and if you have no spouse, to your estate.

Payment of Your Account Upon Death Prior to Payment Commencement

(A) Participant With No Surviving Spouse

If you have no spouse when you die, the death benefit will be paid to the beneficiary you have designated to receive death benefits. The death benefit will be paid in the form of a lump sum distribution unless either you or your beneficiary elects another form of payment available through the Funding Agents. Payment of the death benefit will begin on the date elected by your beneficiary. However, benefits must be paid no later than: (1) December 31 of the year containing the fifth anniversary of your death, if payment is to be made in a lump sum, or (2) December 31 of the year following the year of your death, if payment is to be made over the life or life expectancy of your beneficiary. If you have not named a beneficiary or if your beneficiary does not survive you, your account will be paid to your spouse if you are married, and if you have no spouse, to your estate.

(B) Participant With Surviving Spouse

(i) Participant Not Subject to Joint and Survivor Annuity Rules. If you have a spouse when you die and at your death you are not subject to the joint and survivor annuity rules described above, the death benefit will be paid to your surviving spouse unless you have elected an alternate beneficiary with your spouse's written consent, witnessed by a notary public.

- Non-Spouse Beneficiary. If you have named an alternate beneficiary with your spouse's consent, the death benefit will be paid as described in the paragraph above for a participant with no surviving spouse.

- Spouse Beneficiary. If your spouse is your beneficiary, the death benefit may be paid: (1) as a life annuity for your spouse (see “Participant Subject to Joint and Survivor Annuity Rules” below), (2) as elected by your spouse, in any form of payment available through the investment option in which your account is invested, or (3) as a lump sum. Payment of the death benefit will begin on the date elected by your spouse, but no later than: (1) December 31 of the year containing the fifth anniversary of your death, if payment is to be made in a lump sum, or (2) December 31 of the later of (a) the year following the year of your death or (b) the year in which you would have reached age 70½, if payment is to be made over the life or life expectancy of your spouse.

(ii) Participant Subject to Joint and Survivor Annuity Rules. If you have a spouse when you die and you are subject to the joint and survivor annuity rules described above, the death benefit will be paid to your surviving spouse in the form of an annuity for your spouse’s life, unless your spouse elects an alternate form of payment. Payments will begin on the date chosen by your spouse, but no later than the date described in the paragraph entitled “Spouse Beneficiary,” above. Alternatively, you may elect to do the following:

- 50% Death Benefit to Spouse. Without your spouse’s consent, you may elect to have 50% of your account paid to your spouse at your death in the form and manner described in this section and the remaining 50% paid to the beneficiary you designate in the form and manner described for non-spouse beneficiaries of participants not subject to the joint and survivor annuity rules.
- Waiver of Spouse’s Annuity. You may elect, at any time on or after January 1 of the year of your 35th birthday, to waive the spouse’s annuity and have your account paid to the beneficiary you designate, instead, or have your account paid to your spouse in a form other than a life annuity. (If you terminate your employment with the University prior to age 35, you may also make this election beginning on the date you terminate employment.) Your waiver of the spouse’s annuity will only be effective if your spouse consents, in writing, to the waiver and to the beneficiary you have designated, in the presence of a notary public. You may revoke your waiver of the spouse’s annuity at any time prior to your death by notifying the University in writing.

Direct Rollovers

If you’re entitled to receive a distribution from your account that is an eligible rollover distribution under the Code (generally, a lump sum distribution), you may transfer all or a portion of it either directly, or within 60 days after your receipt, to the trustee of an eligible retirement plan. For this purpose, an “eligible retirement plan” includes an individual retirement account or annuity under Code sections 408(a) and (b), a Roth individual retirement plan under Code section 408A(b), a qualified annuity plan under Code section 403(a), a qualified annuity contract purchased by a tax exempt organization under Code section 403(b), a qualified retirement plan under Code section 401(a), or a section 457(b) plan maintained by a state or local governmental entity, if those plans accept rollovers. Special tax withholding rules apply to any

portion of such a distribution that is not rolled over directly to an eligible retirement plan. See the section entitled “Tax Withholding,” below.

If your surviving spouse is entitled to an eligible rollover distribution from the Plan, he or she has the same rollover rights that you do under the Plan. If your non-spouse beneficiary is entitled to an eligible rollover distribution from the Plan, he or she may only directly roll over such amounts to a traditional or Roth IRA that is treated as an inherited IRA.

X. NON-ASSIGNMENT OF BENEFITS

Federal law provides that you may not borrow against the value of your account as collateral for a loan (as opposed to borrowing from your account as described in section VIII above) or assign your rights under the Plan as collateral for a loan or for any other purpose. However, all or a portion of your account may be assigned under a qualified domestic relations order (*i.e.*, a court order entered in connection with a divorce or support proceeding) to a spouse, former spouse, child or other dependent to satisfy a legal obligation you have to that person. You may obtain a copy, free of charge, of the Plan’s procedures relating to qualified domestic relations orders from the Plan Administrator. In addition, your benefit may be used to satisfy a tax lien or offset amounts that certain judgments or settlement agreements require you to pay to the Plan.

XI. LOSS, REDUCTION OR SUSPENSION OF BENEFITS

Under certain circumstances, your benefits may be lost, reduced or suspended. These circumstances include the following:

- All or a portion of your benefits are directed to be paid to your spouse, former spouse or child pursuant to a qualified domestic relations order or are subject to a federal tax levy under Code section 6331.
- You do not provide the University with your most recent address and the University cannot locate you.
- You fail to make proper application for benefits or fail to provide necessary information.
- The value of your account decreases due to investment losses.
- Under the joint and survivor annuity or an annuity that guarantees a certain period of payment, your benefits will be reduced to permit payments to your beneficiary after your death.
- The value of your account is reduced as a result of reasonable Plan expenses not paid by the University.

XII. AMENDMENT OR TERMINATION OF THE PLAN

While it is expected that the Plan will continue indefinitely, the Board of Trustees (the “Board”) of the University reserves the right to amend or terminate the Plan in whole or in part, or discontinue contributions to the Plan, at any time. The University, by action of its Board, may delegate any of its power and duties with respect to the Plan to one or more officers or other employees of the University. If the Plan is terminated, distribution will be made in accordance with the benefit provisions of the Funding Agents. No amendment to the Plan will reduce the amount of benefits you have accrued to date or divest you of any entitlement to a benefit.

XIII. TERMINATION INSURANCE

The Plan is a defined contribution plan, and, as such, is not required to purchase plan termination insurance. Therefore, benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation. The retirement benefit you receive will depend on how long you work for the University or its affiliates, the amount you contribute to the Plan and the amount contributed on your behalf, the amount of your earnings and the investment performance of your accounts, and the applicability of joint and survivor annuity rules.

XIV. TAX INFORMATION

Taxation

You are not required to pay federal income tax on your account until amounts are actually distributed to you.

Generally, federal income tax must be paid on the amount of any payment you receive from the Plan. Also, if the payment is made before you reach age 59½, an additional 10% tax is imposed unless you meet one of the limited exceptions to this rule (*e.g.*, an exception exists for payments made after age 55 if you have terminated your employment).

Because tax consequences of distributions vary depending on factors such as age, marital status, and other income, you are urged to consult with a professional tax advisor to determine how to treat any Plan distribution for tax purposes.

Tax Withholding

If you receive an eligible rollover distribution directly from the Plan instead of having it transferred directly to an eligible retirement plan (as described in the section entitled “Direct Rollovers,” above), federal law requires the automatic withholding of 20% of the distribution as federal income taxes. Even if you intend to roll the distribution over into an eligible retirement plan within 60 days, you are still required to have tax withheld on such a distribution.

If you roll over your eligible rollover distribution to a Roth IRA, your distribution is subject to federal income tax in the year in which it is made. You are solely responsible for the income tax withholding and reporting requirements on rollovers to Roth IRAs, although you may enter into a voluntary tax withholding agreement with the Funding Agent prior to a distribution. There are no income limitations on this rollover option beginning in 2010.

If you will receive a distribution that is not an eligible rollover distribution, you may elect whether to have federal income tax withheld. You will receive a tax withholding election form prior to the distribution date. If you elect to have tax withheld from a distribution upon termination of employment, by law the withheld amount will be calculated according to schedules published by the IRS. In certain cases, the amount withheld may not cover the actual tax due.

Tax Information on Distributions

You will receive IRS Form 1099-R providing you with tax filing information for all amounts paid to you from the Plan. The form will be sent to you by the January 31 following the year in which a payment was made. As required by law, a copy of the form will be forwarded to the IRS.

XV. BENEFIT CLAIMS PROCEDURES

Application for Benefits

Payment of your account to you, your spouse, or other beneficiary will generally not begin until a written application is received by the Plan Administrator and the Funding Agents using the prescribed forms. Copies of the required forms may be obtained from the Plan Administrator. Benefits under the Plan will be paid only if the Plan Administrator determines, in its sole discretion, that you are entitled to them.

Claims Procedure

The Plan Administrator will advise you of your benefits under the Plan. If you believe that the Plan Administrator has failed to advise you or to pay any benefit to which you are entitled, you may file a written claim with the Plan Administrator. The Plan Administrator will respond to your claim within a reasonable amount of time. If you are denied a claim for benefits, in whole or in part, the Plan Administrator will provide you written or electronic notice of the denial within 90 days of the date your claim is received by the Plan Administrator unless special circumstances require an extension of time for processing. In that case, a decision will be rendered as soon as possible, but not later than 180 days after receipt of your claim, and you will be notified of the reason for the delay within the original 90-day period. If your claim for benefits is denied, the Plan Administrator will provide you with written or electronic notice setting forth in simple terms:

1. The specific reason or reasons for the denial;
2. Reference to the specific Plan provisions on which the denial is based;
3. A description of any additional material or information needed so that a benefit may be paid and an explanation of why such material or information is necessary; and
4. An explanation of the claims review procedure under the Plan and the time limits applicable to the claims review procedure, including a statement of your right to

bring civil action under section 502(a) of Employee Retirement Income Security Act of 1974, as amended (“ERISA”) following denial of your claim under the claims review procedure.

You will also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim.

If you receive a notice denying a claim, you or your duly authorized representative may request (in writing) a full review of the claim by the Plan Administrator within 60 days of your receipt of such notice. The Plan Administrator may extend the 60-day period where the nature of the benefit involved or other attendant circumstances make such extension appropriate. In connection with such review, you or your duly authorized representative may review pertinent documents and may submit issues and comments in writing. The Plan Administrator will make a decision within 60 days after receipt of the request for review, unless special circumstances (such as the need to hold a hearing, if appropriate) require an extension of time for processing. In that case, a decision will be rendered as soon as possible, but not later than 120 days after receipt of the request for review. The decision on review will include a written or electronic statement that will include:

1. The specific reason or reasons for the denial;
2. Specific reference to the Plan provisions on which the denial is based;
3. A description of your right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and
4. A statement of your right to bring a civil action under section 502(a) of ERISA.

The Plan Administrator’s decision on review will be final and binding on all parties.

XVI. OTHER FACTS YOU SHOULD KNOW

The Plan is based on current federal tax laws and IRS regulations. If, however, it is determined that the Plan does not comply with these laws or regulations or if these laws or regulations change in the future, the Plan may have to be revised appropriately.

<u>Name of Plan:</u>	Villanova University Retirement Savings Plan
<u>Type of Plan:</u>	Defined Contribution Tax-Sheltered Annuity Plan
<u>Employer/Plan Sponsor:</u>	Villanova University 800 Lancaster Avenue Villanova, PA 19085-1699 (610) 519-7900
<u>Employer Identification Number:</u>	23-1352688

Plan Number: 002

Funding Agents: Teachers Insurance and Annuity Association
730 Third Avenue
New York, NY 10017

College Retirement Equities Fund
730 Third Avenue
New York, NY 10017

Vanguard Group
P.O. Box 1100
Valley Forge, PA 19482

Type of Administration: The Plan is administered by the University. The University has designated the Senior Benefits Analyst of the University to be responsible for the Plan's day-to-day operations.

Funding Medium: Benefits under the Plan are provided under, and administered through, annuity contracts and custodial accounts with the Funding Agents.

Cost of the Plan: Benefits under the Plan are provided through Employer and Employee Contributions.

Plan Administrator: The Plan Administrator is the University. The Plan Administrator will be the ultimate judge of the application and interpretation of the Plan, and will have the discretionary authority to construe the provisions of the Plan, to resolve disputed issues of fact, and to make determinations regarding eligibility for benefits. The decisions of the Plan Administrator in all matters relating to the Plan (including, but not limited to, eligibility for benefits, Plan interpretations, and disputed issues of fact) will be final and binding on all parties and will not be overturned by a court of law. The Plan Administrator may designate in writing other persons to carry out duties under the Plan.

No person may bring an action against the Plan Administrator in a court of law unless the claims appeal procedures described herein have been exhausted and a final determination is made by the Plan Administrator. If you, your dependent, your beneficiary, or another interested person challenges the Plan Administrator's decision, a review by a court of law will be limited to the facts, evidence and issues presented to the Plan Administrator during the procedure set forth above. Facts and evidence that become known to you, your dependent, your beneficiary, or another interested person after having exhausted the appeals procedure will be brought to the Plan Administrator's attention for reconsideration of the appeal in accordance with the applicable time limits. Except as otherwise provided in the previous sentence, issues not raised with the Plan Administrator during the initial appeal will be deemed waived.

For more information about the Plan and its terms, conditions and interpretations including eligibility, participation, contributions or other aspects of operating the Plan, contact the Plan Administrator at the following address and telephone number:

Villanova University
800 Lancaster Ave.
Villanova, PA 19085-1699
(610) 519-7900

Legal Service: Service of legal process may be made upon the University, the Funding Agents or the Plan Administrator, as identified above.

Plan Year: The Plan and all of its records are kept on the basis of a plan year beginning on January 1 and ending on December 31.

XVII. YOUR RIGHTS UNDER ERISA

As a participant in the Plan you are entitled to certain rights and protection under ERISA. ERISA gives all Plan participants the right to:

Receive Information about the Plan and Plan Benefits

- Examine, without charge, at the office of the Plan Administrator and at other specified locations, such as your personnel office, all documents governing the Plan and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor (“DOL”) and available at the Public Disclosure Room of the Employee Benefits Security Administration (“EBSA”).
- Obtain copies of documents governing the Plan, copies of the latest annual report (Form 5500 series) and an updated summary plan description upon written request to the Plan Administrator. The Plan Administrator may make reasonable charge for the copies.
- 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 each year.
- Receive an individual benefit statement at least once every calendar quarter. Your statement will provide the total value of your Plan account, including any contributions made during the quarter and investment earnings or losses. The Plan Administrator is required to provide you with an explanation of any limitations or restrictions on your right under the Plan to direct the investment of your account.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the Plan’s operation. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in your best interest and the best interest of other Plan participants and beneficiaries. However, please note the limitation on fiduciary liability described in section VI above. 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 benefit or from exercising your rights under ERISA.

Enforcement of Your Rights

If your claim for benefits 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 your rights. For example, if you request materials from the Plan and do not receive them within 30 days, you may choose to file suit in a federal court. In such 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 your request for benefits is denied or ignored, in whole or in part, you may choose to 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 state or federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, or if you have any questions about this statement or about your rights under ERISA you may seek assistance from the nearest area office of the DOL, or you may choose to file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the EBSA by checking your telephone directory. You may also contact the Washington D.C. office of the EBSA by calling 202-219-8776 or writing to:

United States Department of Labor
Employee Benefits Security Administration
200 Constitution Avenue N.W.
Washington, DC 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the toll free hotline of the EBSA at 1-866-444-3272 or visiting EBSA's Website at <http://www.dol.gov/ebsa> or <http://www.askebsa.dol.gov>.

This summary plan description highlights the main provisions of the Plan but is subject to the terms of the legal Plan document. Where this description and the official Plan document vary in the description of the Plan, the Plan document is the final authority.

The description of your retirement benefits is not an employment contract or any type of employment guarantee.

APPENDIX A

ELIGIBLE AND INELIGIBLE FACULTY MEMBERS

Faculty Members Eligible to Participate as “Basic Employees”

Professor
Associate Professor
Assistant Professor
Instructor
Clinical Associate/Assistant Professor/Clinical Professor
Post Doctoral Research Fellow
Post Doctoral Teaching Fellow
Laboratory Assistant
Research Professor
Research Associate/Assistant Professor
Research Associate
Librarian

Faculty Members Ineligible to Participate as “Basic Employees”

Adjunct
Visiting Professor
Visiting Associate/Assistant Professor
Visiting Instructor
Graduate Teaching Assistant
Professor/Associate Professor Emeritus
Dean Emeritus
Continuing Studies Faculty
Drill Instructor
Exchange Professor
Business Fellow