



2024

Duke Employees' Retirement Plan

Revised January 2024

Duke Employees' Retirement Plan

The Employees' Retirement Plan of Duke University (the "ERP" or the "Plan") is a traditional defined benefit pension plan offered by Duke University. The Plan plays an important role in your future by working with Social Security benefits and your personal savings (including your contributions to the Duke University Faculty and Staff Retirement Plan) to help provide you with lifetime income when you retire. The cost of the Plan is paid entirely by Duke.

On the following pages, you will find valuable information describing the features of the Plan, including:

- When you qualify for retirement,
- How your benefit is calculated and how it can be paid,
- How your spouse is protected in the event of your death, and
- Additional information that will help you plan ahead.

This Summary describes the provisions of the Employees' Retirement Plan as they apply to biweekly-paid employees of Duke University or Duke University Health System, Inc., except certain Commissioned Police Officers, who are paid biweekly. These provisions apply to the Plan as it existed on January 1, 2024. Please read this Summary carefully and share it with your family.

The term "Duke" is used throughout this document. For purposes of this Summary Plan Description, "Duke" refers to the University, Duke University Health System, Inc., Duke Health Integrated Practice, Inc., and any other entity which is or becomes controlled by Duke University and where, upon appropriate action by the Board of Trustees, the employees of that entity are included in the membership of this Plan.

The word "spouse" is used in this benefit program's summary plan description. This means legal spouse. In addition, it refers to an employee's registered same sex spousal equivalent providing the employee was hired prior to January 1, 2016 and registered his/her partner in Duke HR prior to January 1, 2016. This employee's registered partner is grandfathered under Duke's Same Sex Spousal Equivalent Policy and is included in the meaning of "spouse" for the purpose of this benefit program wherever permissible under federal and state law. The grandfather status continues for the course of this relationship only.

This is a summary plan description of the Duke Employees' Retirement Plan. It highlights the main provisions of the Plan, but is subject to the terms of the legal documents, which may be modified from time to time. Where this description and the official documents vary, the official plan documents are the final authority. Duke reserves the right to change or terminate this benefit or your eligibility for benefits under the Plan. This description of the Employees' Retirement Plan is not an employment contract or any type of employment guarantee.

Table of Contents

Eligibility.....	2	How to File a Claim.....	12
Who Pays the Cost.....	2	If Your Claim Is Denied.....	12
How the Plan Works.....	3	Mandatory Arbitration.....	12
Normal Retirement.....	3	Additional Information.....	13
Early Retirement.....	3	Your Rights Under USERRA.....	13
Postponed Retirement.....	3	Return to Work After Retiring.....	13
Leaving Duke Before Retirement.....	3	Social Security Benefits.....	13
Disability.....	3	Legal Limitations.....	13
How Your Benefit Is Calculated.....	4	Tax Regulations.....	14
At Normal Retirement.....	4	Future of the Plan.....	14
At Early Retirement.....	5	Pension Benefit Guaranty Corporation.....	14
At Postponed Retirement.....	6	Your Rights Under ERISA.....	15
How Your Benefit Is Paid.....	7	Receive Information About Your Plan and Benefits.....	15
Automatic Forms of Payment.....	7	Prudent Actions by Plan Fiduciaries.....	15
Optional Forms of Payment.....	7	Enforce Your Rights.....	15
If the Value of Your Benefit Is \$7,000 or Less.....	8	Assistance with Your Questions.....	15
Selecting a Payment Option.....	9	Administrative Information.....	16
At Your Death.....	10	Plan Name.....	16
Before Your Pension Begins:		Employer and Plan	
Protection for Your Spouse.....	10	Identification Numbers.....	16
After Your Pension Begins.....	10	Plan Type.....	16
Assignment of Benefits.....	11	Plan Sponsor.....	16
How You can Lose Your Benefit.....	11	Plan Administrator.....	16
		Plan Funding.....	16
		Plan Year.....	16
		Plan Costs.....	16

Eligibility

You are eligible to become a member in the ERP as a biweekly-paid Duke employee, if you:

- Have reached age 21, and
- Have worked at least 1,000 hours of service during your first year of employment or in any future fiscal year.

For plan purposes, the fiscal year begins with the first pay date in July and ends with the last pay date in the following June (specifically, it is the 12 month period ending on the last payroll in June).

You are not eligible to participate in the Plan if you are eligible to receive employer contributions under the Duke Faculty and Staff Retirement Plan.

You are automatically enrolled as of the first day of the month on or immediately after meeting the eligibility requirements.

If you terminate employment with Duke and are later reemployed as an eligible employee, you will be automatically eligible to participate in the Plan.

Who Pays the Cost

Duke completely funds the Plan. You are not required or allowed to contribute to the Plan.

How the Plan Works

The Plan offers a variety of retirement dates to give you more flexibility in deciding when to retire.

Normal Retirement

You will be eligible for a normal retirement pension on the last day of the month of your 65th birthday (your “Normal Retirement Date”).

If you retire on your normal retirement date, your benefit payments begin on the first day of the month after your retirement date.

Early Retirement

You may retire at any time after you reach age 45 and complete 15 years of credited service. You may begin receiving your benefit payments on the first day of any month after meeting these requirements. However, your benefits will be reduced to reflect the longer period of time that they will be paid to you.

Postponed Retirement

You may decide to continue working past your Normal Retirement Date. During this time, you will continue to earn benefits as provided under the terms of the Plan.

What is continuous service?

Continuous service is used to determine your right to receive certain benefits under the Plan, including a vested benefit if you should leave Duke before you qualify for retirement. You earn a year of continuous service for each fiscal year in which you work at least 1,000 hours of service. In counting your hours worked, certain paid time off such as for sickness and vacation are included.

What is credited service?

Credited service is used to determine your eligibility for early retirement and the amount of any plan benefit. Credited service includes all of your continuous service after you become a Plan member.

If you have fewer than 1,000 hours of service from your membership date to the end of the fiscal year in which you become a member, you will receive partial credited service for that year. If you are no longer an employee eligible to participate in the Plan, but you are still an employee of Duke, you stop accruing credited service when you are no longer an eligible employee, except for purpose of determining eligibility for early retirement.

What is vesting?

Being vested means you own, or have a nonforfeitable right to, the value of your retirement benefit. Participants are vested after five years of continuous service after age 18, or upon attaining age 65.

Leaving Duke Before Retirement

If you leave Duke before you are age 65 or before you meet the requirements for early retirement, you are eligible for a pension benefit if you are vested (see definition above on vesting).

You may receive this pension benefit:

- Beginning the month after you reach age 65, or
- Any time after age 45 if you have 15 years of credited service when you leave Duke.

If the total lump sum value of your benefit is between \$7,000 and \$10,000, you may request a lump sum payment rather than receive your benefit as a monthly pension. Amounts \$7,000 or less will only be paid in a lump sum. If the lump sum value of your benefit exceeds \$10,000, the benefit will be paid as a monthly benefit either the month after you reach age 65 or any time after age 45 if you have 15 years of credited service.

Disability

If you become disabled and qualify for benefits under Duke’s Disability Program or Workers’ Compensation, you continue to earn benefits under this Plan while disabled. You will receive credited service based on your work schedule prior to becoming disabled and credit for earnings based on your pay rate in effect before Disability Program or Workers’ Compensation payments began.

You can choose to have payments begin at your Normal or Early Retirement Date (any time after age 45 with 15 years of credited service). However, the amount will be reduced if you choose to receive payments before your Normal Retirement Date, and you will no longer receive credited service under the Plan.

How Your Benefit Is Calculated

At Normal Retirement

When you retire at your Normal Retirement Age (65), your annual normal retirement benefit is equal to:

- 1.25% of your average final compensation;
times
- Your years of credited service up to 20;
plus
- 1.66% of your average final compensation;
times
- Your years of credited service over 20.

Your benefit is figured on an annual basis. You receive 1/12 of your annual benefit each month. The formula above shows how much you would receive if payments start at your Normal Retirement Date and continue for your lifetime only. If payments start earlier or if you choose a payment option with benefits continuing to someone after your death, your benefit will be reduced.

What is average final compensation?

Average final compensation is the average of your annual earnings in your highest-paid five consecutive fiscal years during your last 10 years of credited service before retirement.

If you have fewer than five years of credited service, all your years of credited service are counted in determining your average final compensation. Also, if you do not have a full year of credited service in your first year of membership, your earnings for that fiscal year will be counted only if this results in a higher average final compensation.

What are annual earnings?

Annual earnings means your regular earnings, including overtime. Any contributions you make to the Duke Faculty and Staff Retirement Plan or other pre-tax deductions are included.

What happens to my unused sick leave or carry-over bank hours?

If you are an active Plan member paid on the biweekly payroll when you leave Duke, your unused sick or carry-over bank hours are converted to a fraction of a year and added to your years of credited service for the purpose of calculating your benefit.

Example I: John

Age at retirement: 65
Years of credited service: 40
Average final compensation: \$52,000

Here is how John's benefit is calculated:

$$1.25\% \times \$52,000 \times 20 = \$13,000$$

plus

$$1.66\% \times \$52,000 \times 20 = \$17,264$$

Annual benefit: \$30,264

John would receive \$2,522 per month ($\$30,264 \div 12$) from the Plan for the remainder of his life. If he wanted payments to continue to someone else after his death, his benefit would be reduced (see "Optional Forms of Payment" on page 7).

Example II: Sue

Age at retirement: 65
Years of credited service: 30
Average final compensation: \$56,000

Here is how Sue's benefit is calculated:

$$1.25\% \times \$56,000 \times 20 = \$14,000$$

plus

$$1.66\% \times \$56,000 \times 10 = \$9,296$$

Annual benefit: \$23,296

Sue would receive \$1,941.33 per month ($\$23,296 \div 12$) from the Plan for the remainder of her life. If she wanted payments to continue to someone else after her death, her benefit would be reduced (see "Optional Forms of Payment" on page 7).

How Your Benefit Is Calculated (continued)

At Early Retirement

If you retire early (age 45 with 15 years of credited service), your benefit is calculated according to the formula for normal retirement, but is based on service and average final compensation up to your early retirement date. Please note that if you have 20 or more years of service at the time of your termination and you commence your benefit early at or after age 55, you are eligible for enhanced early retirement factors. You elect when payments start.

- If payments start at your *normal retirement date*, you'll receive your full benefit as figured under the Plan formula.
- If payments start *before your normal retirement date*, your benefit will be reduced by an early retirement reduction factor to reflect the longer period of time that it will be paid to you. There are two sets of early retirement reduction factors. Your age and years of credited service at the time you terminate will determine which set of early reduction factors applies to you. Refer to the tables for details.

Early Retirement: If you terminate employment at age 55 or older with 20 or more Years of Credited Service

Age at benefit commencement	Factor
55	.700
56	.730
57	.760
58	.790
59	.820
60	.850
61	.880
62	.910
63	.940
64	.970
65	1.00

Early Retirement: If you terminate employment with less than 20 Years of Credited Service or terminate employment prior to age 55 with 20 or more Years of Credited Service

Age at benefit commencement	Factor
45	.237
46	.251
47	.267
48	.284
49	.303
50	.323
51	.344
52	.368
53	.394
54	.421
55	.452
56	.485
57	.522
58	.562
59	.607
60	.656
61	.711
62	.910
63	.940
64	.970
65	1.00

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How Your Benefit Is Calculated (continued)

Example III: Catherine

Age at termination: 55

Years of credited service: 20

Average final compensation: \$56,000

Here is how Catherine's benefit is calculated:

$$1.25\% \times \$56,000 \times 20 = \$14,000$$

This is the annual amount payable at Catherine's Normal Retirement Date (age 65). If she wanted to begin payments immediately, her benefit would be reduced using the factor in the table:

$$\$14,000 \times .700 = \$9,800.$$

Catherine would receive \$816.67 per month ($\$9,800 \div 12$) from the Plan for the remainder of her life. If she wanted payments to continue to someone else after her death, her benefit would be reduced (see "Optional Forms of Payment" on page 7).

Example IV: Sam

Age at termination: 58

Years of credited service: 18

Average final compensation: \$52,000

Here is how Sam's benefit is calculated:

$$1.25\% \times \$52,000 \times 18 = \$11,700$$

This is the annual amount payable at Sam's Normal Retirement Date (age 65). If he wanted to begin payments immediately, his benefit would be reduced using the factor in the table:

$$\$11,700 \times .562 = \$6,575.40.$$

Sam would receive \$547.95 per month ($\$6,575.40 \div 12$) from the Plan for the remainder of his life. If he wanted payments to continue to someone else after his death, his benefit would be reduced (see "Optional Forms of Payment" on page 7).

At Postponed Retirement

If you remain employed by Duke beyond your Normal Retirement Date or you return to service after your Normal Retirement Date, your benefit will be increased by your additional credited service worked after your Normal Retirement Date.

The benefit will be calculated in one of two ways, according to whichever method produces the larger benefit for you:

1. Your benefit is calculated according to the normal retirement formula, based on your credited service and average final compensation *up to age 65*. Your benefit is then increased (not less than 10%) each year between the age of 65 and the date payments actually begin-to reflect the shorter period during which you are expected to receive payments. Finally, it is adjusted for any optional form of benefit payment you select.
2. Your benefit is calculated under the normal retirement formula, based on your credited service and average final compensation *up to your postponed retirement date* and adjusted for any optional form of benefit payment you select.

How Your Benefit Is Paid

When it is time to receive your retirement benefit, you can select one of several forms of payment. The options are all *actuarially* equal even though they provide payment in different amounts and over different time periods.

Automatic Forms of Payment

Single at Retirement

If you are single on the date you begin receiving payments, you will receive a Single Life Annuity. This benefit is paid in the form of a monthly annuity for the remainder of your lifetime.

Married at Retirement

If you are married when you retire, you will receive payment in the form of a 50% Joint and Survivor Annuity. You will receive a reduced monthly benefit during your lifetime.

Upon your death, your spouse will receive a benefit of 50% of your reduced monthly benefit for the remainder of his or her lifetime.

In the event that your spouse dies or your marital status changes after you have selected this option but before your payments begin, you will receive the automatic form of payment for single participants unless you make another election.

If you have already started receiving payments when your spouse dies, you will continue receiving the same amount until your death. Your monthly pension will not increase even though there is no longer a beneficiary. Your pension will end at your death, even if you should later remarry.

If the Value of Your Benefit is \$1,000 or Less

If the total lump sum value of your benefit under the Plan when you terminate employment with Duke is \$1,000 or less, your benefit will be paid automatically to you in a single cash lump sum amount. You may not elect an optional form of payment. This lump sum payment will be paid as soon as practicable after your termination of employment with Duke. The lump sum payment is in full satisfaction of the amounts payable to you from the Plan, unless you are reemployed at Duke and earn additional credited service in the Plan. There are no amounts payable to your spouse or beneficiary. For more information about lump sums, refer to the “Lump Sum” and “If the Value of Your Benefits is \$7,000 or Less” section on page 8.

Optional Forms of Payment

In addition to the automatic forms of payment, there are five optional forms of payment:

1. Single Life Annuity
2. 100% Joint and Survivor Annuity
3. 75% Joint and Survivor Annuity
4. 50% Joint and Survivor Annuity
5. Lump Sum Payment
6. Level Income Option

Single Life Annuity

This benefit is paid in the form of a monthly annuity for the remainder of your lifetime. No benefit is paid after your death.

If You Are Married

If you are married (to a same or opposite sex spouse) and wish to designate some-one other than your spouse as beneficiary, or to elect a payment option other than one of the joint and survivor annuities, your election will not be valid unless you have your spouse's written, notarized consent on a Plan form. The consent must acknowledge that your spouse is waiving the right to receive survivor benefits from the Plan, and acknowledge the form of benefit and/or alternate beneficiary designated.

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How Your Benefit Is Paid (continued)

100% Joint and Survivor Annuity

You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives an equal monthly benefit for the remainder of his or her lifetime.

75% Joint and Survivor Annuity

You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives a benefit of 75% of your reduced monthly benefit for the remainder of his or her lifetime.

50% Joint and Survivor Annuity

You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives a benefit of 50% of your reduced monthly benefit for the remainder of his or her lifetime.

Lump Sum

At retirement, if the lump sum value of your benefit is between \$7,000 and \$10,000, you may request that your benefit be paid to you in a single sum. You can choose:

- A direct payment to you, in which case federal law requires that 20% of this amount be withheld for income taxes,
or
- A direct rollover to another tax-qualified plan, such as an Individual Retirement Account (IRA), or
- A direct rollover to a Roth IRA.

If you receive a direct payment prior to age 59½, you may be subject to an additional tax. You may still roll over all or part of a direct payment to you if you do so within 60 days of receiving the payment. However, to avoid taxes, you will have to contribute an additional amount equal to the 20% that was withheld.

You may wish to consult a tax adviser before you make this choice.

Level Income Option

If you retire before you reach age 65, you receive larger benefit payments from the Plan before Social Security benefits start, and smaller benefit payments after Social Security benefits start. Your combined income from the Plan and Social Security will be as level as possible throughout your retirement. No benefit is paid after your death.

If the Value of Your Benefit Is \$7,000 or Less

If the lump sum value of your benefit is \$7,000 or less, your benefit can only be paid to you in a single lump sum instead of a monthly annuity. Spousal consent is not required for a distribution election of a small lump sum. If you wish to take your benefit, you can choose:

- A direct payment to you, in which case federal law requires that 20% of this amount be withheld for income taxes, or
- A direct rollover to another qualified retirement plan or traditional IRA, or
- A direct rollover to a Roth IRA.

Federal law may limit the payment options available to you or may restrict benefit accruals, depending on the funded status of the Plan. If any of these restrictions become applicable, you will be notified by the Plan Administrator.

See “Tax Regulations” on page 14 for more information about the taxation of a lump sum benefit.

Selecting a Payment Option

To receive a benefit when you retire, you must complete election forms and other necessary documents. Your application cannot be completed and signed more than 90 days before your benefit is to begin.

You can elect, change, or cancel a payment option any time before your pension payments begin. Your option election becomes effective when your pension begins. After payments start, you cannot change your beneficiary and/or your form of payment in any way, as your choices are then irrevocable. If you die before your payments begin, your election becomes void. See "If You Die Before Your Pension Begins" on page 10 for more information.

Benefits must begin no later than the 60th day after the close of the Plan Year in which the later of the following occurs:

- Your 65th birthday, or
- The tenth anniversary of your separation from service.

You may be subject to a tax penalty unless you begin taking your benefits by April 1 of the calendar year after the later of the following to occur:

- the year in which you terminated employment; or
- the year you turn age 73 (or age 75 if you turn age 74 after December 31, 2032)

If you are age 73 and have not yet commenced your benefit, consult a tax advisor.

At Your Death

Before Your Pension Begins:

Protection for Your Spouse

If you die before beginning to receive your retirement benefit, and are either married throughout the one-year period ending on the date of your death, or are in a same-sex spousal equivalent relationship registered with Duke throughout the one-year period ending on the date of your death (this partner was registered with Duke HR prior to January 1, 2016 and you were hired prior to January 1, 2016), your surviving spouse or same-sex spousal equivalent will receive a benefit from the Plan. For this purpose, spouse includes both same and opposite sex spouses. The benefit will be 50% of the reduced benefit you would have received had you retired under the 50% Joint and Survivor Annuity (see page 8).

Your spouse or same-sex spousal equivalent has this protection if you die:

- In active service after becoming vested (five years of continuous service), or
- After termination of service with a normal, early or vested retirement benefit, but before payments begin.

If you die after becoming vested, your spouse's benefit is payable on the first of the month following the month of your death. If he or she chooses, your spouse may elect to postpone the receipt of the benefit. However, same-sex spousal equivalents do not have the option to postpone benefits. If you are not married at the time of your death, no benefits are payable from the Plan.

After Your Pension Begins:

If you die after your retirement benefit has commenced, and you have elected a form of benefit that will continue to be paid to your beneficiary after your death (*for example*, the 100% Joint and Survivor Annuity, 75% Joint and Survivor Annuity, or the 50% Joint and Survivor Annuity), then after your death, your benefit will continue to be paid in the form you elected at the time you commenced your benefit and will be paid to the beneficiary you elected at the time of your commencement (as described above.)

Please be aware that if your beneficiary is a minor or determined to be incompetent, and a conservator, guardian, or other person legally charged with his care has been appointed, any benefits to which your beneficiary is entitled shall be payable to such conservator, guardian, or other person legally charged with his care. The decision of the Retirement Board or its delegate in such matters shall be final, binding, and conclusive upon all affected or interested parties. Neither the Plan nor any representative of the Plan has any duty to see to the proper application of such payments.

Assignment of Benefits

Your benefits under this Plan are solely for you (or your beneficiary). Generally, they cannot be assigned to anyone else. However, the Plan will honor qualified domestic relations orders relating to provisions for child support, alimony payments, or marital property rights.

A qualified domestic relations order is a judgment or decree that:

- Provides for child support, alimony, or marital property rights to your spouse, former spouse, child, or other dependent;
- Is made under a state or tribal domestic relations law, including community property law;
- Creates or recognizes the right of an “alternate payee” (your spouse, former spouse, child, or other dependent) to receive all or a portion of your benefits;
- Does not change the amount or form of plan benefits; and
- Is not in excess of your vested accrued benefit, determined as of the date of the order.

The Plan Administrator will promptly notify you and your alternate payee upon receipt of a domestic relations order. You will be informed of the Plan’s procedures for determining its qualification. Within 18 months, the Plan Administrator must determine if the order is qualified and notify both you and your alternate payee accordingly.

If an order is determined to be a qualified domestic relations order, a distribution will be made according to its terms.

How you can lose your benefits

You should be aware of the following circumstances which could cause you to lose or forfeit some or all of your benefits under the ERP:

- You quit or your employment is terminated before you complete five years of continuous service (i.e., become vested).
- Your benefit is limited by the Internal Revenue Code.
- All or part of your benefit is assigned to an alternate payee pursuant to a qualified domestic relations order.

Please also note, that if you die while you are in active service and before you have attained eligibility for any retirement benefit (early, deferred, normal, etc.), then no benefit will be payable to you.

If you are considering delaying the commencement of benefits or are entitled to commence and have failed to do so, we suggest you review how the failure to commence your benefit will impact your benefit and your personal circumstances. So that you can commence your benefit at the required time, please be sure to keep your address current with the Plan Administrator so that the Plan Administrator can send you the appropriate documents.

How to File a Claim

You or your beneficiary may make a claim for benefits under the Plan by making a written request to the Associate Vice President for Total Rewards. The Associate Vice President will decide whether you or your beneficiary is entitled to any benefits and, if so, the amount of the benefit. Send your claim to:

**Associate Vice President for Total Rewards
Duke University
705 Broad St.
Box 90502
Durham, NC 27708-0502**

If Your Claim Is Denied

If your claim for benefits is denied in part or in full, you will normally receive a written or electronic notice within 90 days (or within 180 days if special circumstances require additional time to process your claim) following the Associate Vice President's receipt of the claim. If additional time is needed, you or your authorized representative will receive, within the first 90 days, a written or electronic notice of extension that will explain what special circumstances make the extension necessary and will indicate the date the final decision is expected to be made.

The denial notice will include:

- The specific reason(s) for the denial,
- References to the Plan provisions upon which the denial is based,
- A description of any additional information or material necessary for perfection of the claim (together with an explanation why such material or information is necessary),
- An explanation of the plan's appeal procedures, and
- A statement of your right to bring a civil action under Section 502(a) of ERISA if your claim is denied upon appeal.

If your claim is denied in part or in full, you or your authorized representative may appeal the denial to the Retirement Board. The appeal must be in writing and must be filed with the Retirement Board within 60 days after receiving the notice of denial. You may request that your appeal be given full and fair review; taking into account all claim related comments, documents, records, and other information you have submitted without regard to whether such information was submitted or considered under the initial decision. You also may submit additional written comments, documents, records, and other information relating to your claim. You may review all pertinent documents and submit issues and comments in writing in connection with the appeal and may request reasonable access to, and copies of, all documents, records, and other information relating to your claim free of charge.

If the Retirement Board denies your claim upon review, you will normally receive a written or electronic notice within 60 days (or within 120 days if special circumstances require additional time to process your claim) following the Retirement Board's receipt of the claim. If additional time is needed, you or your authorized representative will receive, within the first 60 days, a written or electronic notice of extension that will explain what special circumstances make the extension necessary and will indicate the date a final decision is expected to be made. The notice will explain: (i) the specific reasons for the denial, (ii) references to the plan provisions upon which the denial is based, (iii) a statement that you are entitled to receive (upon request and free of charge) reasonable access to, and copies of, all documents, records, and other information relating to your claim for benefits, and (iv) a statement of your right to bring a civil action under Section 502(a) of ERISA. The Retirement Board's decision will be final and binding.

You may reach the Retirement Board at the following address.

**Retirement Board
c/o Associate Vice President for Total Rewards
Duke University 705 Broad St.
Box 90502
Durham, NC 27708-0502
(919)684-5600**

Any legal action challenging a denial must be brought within one year of the denial on appeal.

Mandatory Arbitration

Any claim, dispute, or breach, including any civil action following a denial of a claim after your request for a review, breach of fiduciary duty, or prohibited transactions, will be settled exclusively by final binding arbitration pursuant to the Employment Dispute Resolution Rules and Mediation Procedures of the American Arbitration Association (the "Rules") (available at adr.org), except as they are modified by the Plan. Such arbitration shall be held before a single neutral arbitrator with substantial experience with respect to the Employee Retirement Income Security Act of 1974 ("ERISA"), selected in accordance with the Rules.

In any such arbitration, the arbitrator will issue a written award/opinion and your employer will pay the arbitrator's fee and arbitration forum fees. The judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. No arbitration award/opinion will have any preclusive effect as to any issues or claims in any other arbitration or court proceeding unless each of the parties in such proceeding was also a named party in the arbitration.

You must bring any dispute in arbitration on an individual basis only, and not on a class, collective or representative basis ("class action waiver"). The arbitrator may not join or adjudicate the claims or interests of any other person or

employee in the arbitration proceeding, nor may the arbitrator otherwise order any consolidation of actions or arbitrations or any class, collective, or representative arbitration. Insofar as any claims, disputes, or breaches are not eligible for arbitration or are otherwise excluded from or not subject to arbitration, for any reason, the class action waiver applies and remains

valid and enforceable with respect to such claims, disputes, or breaches. Additionally, insofar as any claims, disputes, or breaches are permitted by a court of competent jurisdiction to proceed on a class action, collective action, or representative action basis, they must do so only in a court of competent jurisdiction and not in arbitration.

Additional Information

Your Rights Under USERRA

Under the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA), you will continue to accrue continuous and credited service credits if you leave Duke to enter the U.S. Armed Forces, and return to Duke while your re-employment rights are protected. You must give advance notice to Duke of your military leave and satisfy certain other requirements, including timely re-employment with Duke when your military leave ends.

If you die while performing USERRA-qualified military service, you will earn service credit in the Plan as if you returned to work on the date preceding death and terminated employment on the actual date of death.

Return to Work After Retiring

Work Schedule of Less Than 1,000 Hours Per Year

If you retire under the Plan and are later re-employed at Duke, your benefit will continue and any optional benefit you elected will remain in effect if you complete less than 1,000 hours of service in a fiscal year. When you retire again, your benefit will be increased by the additional benefit you earned, if any, during your re-employment.

If you are re-employed before your Normal Retirement Date and you are married, your spouse will be covered for the benefit described in the section “Protection for Your Spouse” (see page 10), but only with respect to any additional benefit earned after your re-employment.

Work Schedule of 1,000 Hours or More Per Year

If you retire under the Plan and are later re-employed by Duke, your payments will stop if you complete 1,000 hours of service or more in a fiscal year. Your payments will stop as of the first of the month following the month in which your one-thousandth hour of service is completed. If you are re-employed on or after your Normal Retirement Date, any optional form of payment you elected remains in effect unless you elect a different payment option. If you are re-employed before your Normal Retirement Date:

- Any optional benefit you elected will be void, and
- If you are married, your spouse will be covered for the benefit described in “Protection for Your Spouse.”

When you retire again, your benefit will be recalculated using the benefit formula then in effect and all of your service and earnings, with an adjustment to recognize the benefits you received before you were re-employed.

Social Security Benefits

Your retirement benefits from Social Security — for which you and Duke pay taxes — are supplemented by your pension plan income. If you were born before January 1, 1938, full Social Security benefits begin at age 65. If you were born after that date, full benefits begin between ages 65 and 67, depending on your date of birth. Reduced benefits can begin any time after age 62.

Your spouse also will receive a Social Security benefit at the retirement age explained above or reduced benefits at or after age 62. Your spouse’s benefit is based on your compensation — unless a higher benefit is earned based on his or her own compensation.

In addition to retirement benefits, Social Security provides:

- Disability benefits,
- Survivor benefits, and
- Hospital, surgical, and other medical benefits under Medicare.

You must apply for Social Security benefits — they are not paid automatically. You can contact your local Social Security office for details or visit the Social Security Administration’s web site at ssa.gov.

Legal Limitations

Government rules limit the total benefits payable under Duke’s retirement and savings plans. You will be notified in the unlikely event your benefits would be affected by these rules.

continued next page

Additional Information (continued)

Tax Regulations

When you receive a distribution from the pension plan, it generally will be subject to federal income tax, and in some cases, state and local taxes.

The following special rules apply if you receive a lump sum payment:

- Generally, the taxable portion of any lump sum payment is subject to 20% automatic federal withholding tax. You may defer income tax and avoid the 20% withholding tax by directing the plan to roll over all or a portion of the taxable part of this payment to a traditional IRA or another qualified plan.
- If you do not directly roll over all or part of your taxable distribution, the taxable portion which is not rolled over will be paid directly to you. That amount will be subject to 20% withholding.
- If any portion of your lump sum distribution is paid directly to you, you have the right to roll over all or any part of it to an IRA or another qualified plan within 60 days after you receive the distribution. When you file your income taxes, you might qualify for a refund up to the amount withheld if you deposit the entire distribution (including an amount equal to the 20% withheld). That means you would need to substitute money from other sources for the 20% withheld.

Future of the Plan

While Duke expects to continue the Plan indefinitely, it reserves the right by written action of its Board of Trustees, or an authorized officer of Duke acting on behalf of the Board of Trustees, to amend or terminate the Plan at any time. However, federal law guarantees that you will be fully vested in the benefits you earned up to the date of termination. The following additional guarantees apply:

- If there is enough money in the Plan to provide retirement benefits earned to the date of the Plan's termination, Plan assets would be used to buy annuities, payable at retirement, for each participant. Small benefits may be cashed out in a lump sum if annuities are not otherwise payable. Only then would any residual assets revert to Duke, and
- If the assets are not sufficient to provide these annuities and cash outs, Plan assets would be used, as provided by law, first to pay expenses, then to provide for the benefits of retired participants and beneficiaries, vested active participants and terminated vested former participants, and other participants, in that order. If the assets are not sufficient to provide all these benefits, certain benefits may be paid by the Pension Benefit Guaranty Corporation.

Pension Benefit Guaranty Corporation

Your pension benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- Normal and early retirement benefits,
- Disability benefits, if you become disabled before the plan terminates, and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates,
- Some or all of the benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the time the plan terminates,
- Benefits that are not vested because you have not worked long enough for Duke,
- Benefits for which you have not met all of the requirements at the time the plan terminates,
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age, and
- Non-pension benefits such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain benefits are not guaranteed, you still may receive some of them from the PBGC depending on how much money the Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact:

Pension Benefit Guaranty Corporation
PO Box 151750
Alexandria, VA 22315-1750
(800) 400-7242 or (202) 326-4000

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

Additional information about the PBGC's pension insurance program is available through the PBGC's web site on the Internet at pbgc.gov.

Your Rights Under ERISA

Receive Information About Your Plan and Benefits

As a participant in the Duke ERP, you are entitled to certain rights and protections under ERISA. ERISA provides that all participants of plans subject to ERISA are entitled to the following:

- Receive information about your plan and benefits.
- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series), and updated summary plan descriptions. The Plan Administrator may make a reasonable charge for copies.
- Receive a copy of the plan's annual funding notice. The Plan Administrator is required by law to furnish each participant with a copy of this annual funding notice.
- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

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

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in a federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. Any legal action challenging a denial must be brought within one year of the denial on appeal.

Assistance with Your Questions

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory. Or you can contact the Department of Labor's Division of Technical Assistance and Inquiries by writing to:

**Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210**

You also may obtain certain publications about your rights under ERISA by calling the publications hotline of the Employee Benefits Security Administration at (800) 998-7542.

Administrative Information

This section provides administrative information about the Plan, but is subject to the terms of the Plan, which may be modified from time to time. Where this description and the official documents vary, the official Plan documents or insurance contracts are the final authority. This description of administrative information is not an employment contract or any type of employment guarantee. No one speaking on behalf of the Plan or purporting to speak on behalf of the Plan can change the terms or provisions of the official Plan documents.

The Plan Administrator will help resolve any problem you might have regarding your rights to benefits. The official Plan documents, insurance contracts, and related information are available if you want to review these materials. If, for some reason, it becomes necessary to contact the U.S. Labor Management Services Administration, Department of Labor, you will need to provide the information contained in this section to properly identify the applicable plan.

Plan Name

The plan is the Employees' Retirement Plan of Duke University.

Employer and Plan Identification Numbers

The Employer Identification Number (EIN) assigned by the IRS is 56-0532129. The plan number assigned by Duke is 002.

Plan Type

The Plan is a defined benefit pension plan.

Plan Sponsor

The Plan Sponsor is Duke University. The address and telephone number of the Plan Sponsor:

Duke Benefits
705 Broad Street
Box 90502
Durham, NC 27708
(919)684-5600

Plan Administrator

The Plan Administrator is the Retirement Board. The Plan Administrator has the exclusive responsibility and complete discretionary authority to control the operation and administration of this Plan, with all powers necessary to enable it to carry out such responsibility properly. These powers include, but are not limited to, the power to construe the terms of this Plan, to determine status and eligibility for benefits, and to resolve all interpretive, equitable, and other questions that shall arise in the operation and administration

of this Plan. Any determinations made by the Plan Administrator, or its designee, shall be final and binding.

The Duke University Associate Vice President for Total Rewards has been appointed by the Retirement Board to be responsible for the day-to-day operations of the Plan. You can contact the Plan Administrator at:

Associate Vice President for Total Rewards
Duke University 705 Broad St.
Box 90502
Durham, NC 27708-0502
(919) 684-5600

Plan Funding

This Plan is funded by Duke's contributions, which are transferred to a trust. Any dividends or other refunds from a group insurance policy will be returned to the applicable trust.

Plan Trustee

The Bank of New York Mellon
One Wall Street
New York, NY 10286

Investment Responsibility

DUMAC Inc.
280 S. Mangum St.
Suite 210
Durham, NC 27701-3675

Agent for Service of Legal Process

Pamela Bernard
Office of Counsel
310 Blackwell St., 4th Floor
Box 104124
Durham, NC 27710

Service of legal process also may be made on the Plan Administrator or the Trustee for the Plan.

Plan Year

The Plan Year is from July 1 to June 30. The year for record keeping purposes is essentially the same, although the actual record keeping year ends on the last day of the last biweekly pay period in June, and the next year starts on the following day.

Plan Costs

Duke completely funds the Plan. You are not required or allowed to contribute to the Plan. All costs for general plan administration and investment management are paid from the assets of the plan's trust unless otherwise paid by Duke.

