Stanford University

Contributory Retirement Plan

SUMMARY PLAN DESCRIPTION

Effective January 1, 2013

STANFORD

University Human Resources

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This booklet provides a summary of eligibility, coverage, vesting, retirement dates, payment options and other subjects. However, the official Plan Document, together with certain annuity contracts and custodial agreements with investment providers (all as amended from time to time) govern the Plan's actual operation and the determination and payment of benefits. In the event of any conflict between this booklet and the official Plan Document or any of the annuity contracts or custodial agreements, the Plan Document, annuity contract, or custodial agreement will govern. This document does not constitute an employment contract or any promise of employment.

INTRODUCTION

Stanford University established a retirement savings plan on April 18, 1957, now called the Stanford Contributory Retirement Plan (SCRP) for the purpose of allowing employees to set aside part of their pay for retirement. This booklet explains the major provisions in effect as of January 1, 2012. It is called is the Summary Plan Description (SPD) and sometimes refers to the SCRP simply as the "Plan."

On January 1, 2012, the former Tax-Deferred Annuity Plan merged into the SCRP. Although the Tax-Deferred Annuity Plan is now part of the SCRP, the eligibility to participate and the distribution provisions that applied to benefits under the Tax-Deferred Annuity Plan remain the same. Now called the Tax-Deferred Account (TDA), this part of the Plan allows you to start saving for your retirement as soon as you receive your first paycheck. This summary includes details on eligibility and how to make contributions to the TDA.

Generally, if you are in a benefits-eligible position, you become eligible for the Contributory Retirement Account (CRA) part of the Plan (the name given to the eligibility, contribution and distribution provisions of the pre-merger SCRP) once you complete one year of service at Stanford. After you become eligible, you receive a Stanford contribution, called the Basic Contribution, even if you do not make any contribution to the Plan. If you make your own contributions to the CRA, Stanford will match part of those contributions. This summary includes details on eligibility and the Basic and Match Contributions from the university.

Although Stanford expects to continue the SCRP indefinitely, it reserves the right to amend, modify, or terminate the Plan at any time in its sole discretion. Stanford may not amend the Plan retroactively to take away any benefit belonging to you. If the Plan is terminated, any accumulated benefits will remain fully vested and will be distributed to participants and beneficiaries in accordance with the provisions of the Plan. You will be notified if any substantial changes are made to the Plan.

A copy of the SCRP official plan document is available for inspection at the Stanford Benefits office and the SLAC National Accelerator Laboratory (SLAC) Human Resources lobby during regular business hours. This booklet is also available through the Stanford Benefits website at **benefits.stanford.edu** or by calling a benefits representative at (650) 736-2985 or toll-free at (877) 905-2985 and press option 2.

IMPORTANT INFORMATION

Definitions

Certain capitalized terms used throughout this SPD are defined in *Definitions* on page 37.

Controlled Group

As of January 1, 2009, Stanford University must treat its retirement plans and plans maintained by other Stanford-related employers as belonging to a single "controlled group" for various purposes. This controlled group includes Stanford University, Stanford Hospitals and Clinics (Stanford Hospital), Lucile Packard Children's Hospital, and SAA Sierra Programs LLC (including Alpine Chalet). For certain administrative purposes, employees who work for any of these organizations will be considered employed by the same employer: Stanford.

Unexpected Processing Delays

Neither Stanford nor any Plan fiduciary or investment provider will be liable if an administrative plan process (e.g., enrollment, distribution) is delayed due to circumstances beyond their reasonable control. These include, but are not limited to, war, earthquake, fire, flood, hurricane, tornado, pandemic, acts of terrorism and acts of God that could not be avoided by the exercise of due diligence.

Overview

The SCRP is an employer-sponsored retirement plan under Internal Revenue Code Section 403(b). The purpose of the SCRP is to allow Stanford University employees to set aside part of their pay for retirement in a mutual fund or tax-deferred annuity using before-tax contributions and, for certain participants, after-tax contributions. The SCRP is called a defined contribution plan because the contribution formula (not the final benefit) is defined by plan documents and salary reduction agreement(s).

There are many financial benefits to participating in the SCRP. Your Before-Tax Contributions reduce your federal and state taxable income for the year they are made. Your Before-Tax Contributions, university contributions (if applicable) and all investment earnings are sheltered from taxes until you start to receive payments from the Plan. You may specify a percentage of your pay to contribute each pay period. Anyone employed by the university, other than a student whose primary affiliation with the university is as a regularly enrolled student, is eligible to contribute to the Plan. If you are in a benefits-eligible position working 50 percent or more time in a full-time equivalent position (FTE) and reach one year of service, you will also be eligible to receive Basic and Match Contributions from the university. You decide where to invest all contributions among the Plan's available options, and accept all investment risks and benefits from the investment gains or losses.

The SCRP has three separate components called accounts. The three accounts are the Tax-Deferred Account (TDA), the Contributory Retirement Account (CRA) and the Temporary-Casual Account (TCA). The following charts show an overview of the different eligibility criteria and types of contributions available for each account.

Tax-Deferred Account (TDA)

Eligibility	You are paid directly from university payroll and your primary affiliation with the university is not as a regularly enrolled student.
Enrollment	You can enroll and defer Non-Matchable Before-Tax Contributions after you receive your first paycheck from the university.
Contributions	You can make: ▪ Non-Matchable Before-Tax Employee Contributions ▪ A rollover contribution
Distributions	You can request a distribution from this account: ▪ Due to a financial hardship ▪ When you reach age 59½ ▪ When your employment ends

Contributory Retirement Account (CRA)

Eligibility	You are in a benefits-eligible position at 50 % or more full-time equivalent (FTE) and not in an excluded position listed on page 9.
Enrollment	You can enroll and defer Before- and After-Tax Contributions after you have attained 1,000 hours of service within a consecutive 12-month period starting on your hire date or any anniversary.
Contributions	You can make these contributions: ▪ Matchable Before-Tax Employee Contributions ▪ Matchable After-Tax Employee Contributions Stanford will contribute on your behalf: ▪ Basic Contributions ▪ Match Contributions
Distributions	You can request a distribution from this account: ▪ Due to financial hardship (Before- and After-Tax Contributions) ▪ When you reach age 59½, subject to certain restrictions ▪ When your employment ends

Temporary-Casual Account (TCA)

Eligibility	The university classifies you as a temporary or casual employee.
Enrollment	You will be enrolled automatically if you are employed as a temporary or casual employee.
Contributions	Stanford will contribution a TCA Basic Contribution on your behalf for any calendar year during which you attain 1,000 hours of service as a temporary or casual employee. You cannot make any employee contributions to the TCA.
Distributions	You can request a distribution from this account when: ▪ You reach age 59½ ▪ Your employment ends

ELIGIBILITY AND ENROLLMENT

TAX-DEFERRED ACCOUNT (TDA)

Eligibility for TDA Employee Contributions

You are eligible to participate in the Tax-Deferred Account (TDA), if you are one of the following:

- University faculty or staff.
- University temporary or casual employee.
- An employee who is a postdoctoral scholar.

You are **not** eligible to participate in the Plan if you are student whose primary affiliation with the university is as a regularly enrolled student.

Enrollment for TDA Employee Contributions

If you wish to make Non-Matchable Before-Tax Employee Contributions to a TDA, you must complete the enrollment process. Although there is no waiting period to enroll, for administrative purposes, you must receive at least one paycheck before you can start making Employee Contributions to a TDA. After you receive a paycheck and complete the enrollment process, a Stanford Retirement Manager account will be set up on your behalf.

Before you enroll, think about the percentage of your salary you wish to save and your investment options. For help, go to the Stanford Benefits website at **benefits.stanford.edu** and refer to *Deciding Your Contribution.*

For access to your Stanford Retirement Manager account, go to the Stanford Benefits website at **benefits.stanford.edu,** click on ***My*BENEFITS**, and then login. You may also call (888) 793-8733 and a retirement services specialist will help you enroll.

To set up your Stanford Retirement Manager account, you must:

- **Elect** the percentage (whole percentages only) of your regular salary you wish to contribute each pay period.
- **Determine** the percentage of contributions that you would like to direct to your Stanford Retirement Manager account and/or an account you set up at TIAA-CREF. (***Important:*** If you want to direct contributions to TIAA-CREF but do not complete a TIAA-CREF contract, your funds will default into a designated TIAA-CREF default fund. Once you have completed the TIAA-CREF contract, you can transfer the accumulated funds out of the default fund.)
- **Choose** the investment options for your contributions.
- **Complete** a beneficiary designation for your Stanford Retirement Manager account and/or TIAA-CREF account.

Once you complete these steps, you will be enrolled and can start making Non-Matchable Before-Tax Employee Contributions.

You can revoke or change your contribution amount at any time by going to your Stanford Retirement Manager account online at **benefits.stanford.edu** or calling a retirement service specialist at (888) 793-8733.

When Enrollment/Changes Start

If you complete enrollment or change your Employee Contribution amount on your Stanford Retirement Manager account by noon on the:

- 10th of the month, your Employee Contributions will normally begin or change with the paycheck on the 22nd of that month.
- 25th of the month, your Employee Contributions will normally begin or change with the paycheck on the 7th of the following month.

If the 10th or the 25th of the month falls on a holiday or weekend, the enrollment or change deadline is noon the prior business day.

Your Employee Contributions are shown on each paycheck. Please review your paychecks to verify that your Employee Contributions are accurate. Your salary reduction election stays in effect until revoked by you or the university. It is ***your*** responsibility to monitor and verify that your Plan deductions are accurate.

CONTRIBUTORY RETIREMENT ACCOUNT (CRA)

Eligibility for CRA Employee and Employer Contributions

If you are university faculty or staff (with certain exceptions noted below) and have attained one year of qualifying service, you are also eligible to participate in the Contributory Retirement Account (CRA).

For CRA eligibility, one *year of qualifying service* is a 12-month period starting on your date of hire or rehire, or any anniversary of that date, in which you complete at least 1,000 hours of service.

One *hour of service* is each hour you are:

- Actually paid for services.
- Entitled to back pay.
- On a paid absence such as vacation, holiday, sick leave, family leave or disability.
- On an official leave of absence without pay, as long as you return to employment at Stanford at the end of your leave.

Generally, no more than 501 hours of service will be recognized for a period in which you do not actually perform services.

Prior Employment Service

If you were employed by Stanford Health Services (SHS), Lucile Salter Packard Children's Hospital (LSPCH), UCSF Stanford Health Care (UCSF-SHC), or Stanford Hospital and Clinics (SHC), that employment will be taken into account to determine your qualifying service.

You are ***not*** eligible to participate in the CRA if:

- You are a police sergeant or deputized patrol officer of the university and have not elected to participate in the Plan.
- You are hired on a temporary basis with an approved appointment of less than 12 months or hired on any other temporary basis.
- Your employment is governed by a collective bargaining agreement, unless it provides for participation in SCRP.

- You are a post-doctoral fellow or researcher.
- You made an irrevocable election to continue earning benefits under SRAP.
- You are a non-resident alien with no U.S.-source income.
- You are a leased employee.
- Your primary affiliation with Stanford is as a regularly enrolled student.
- You are normally scheduled to work less than 20 hours per week (unless you changed to less than 20 hours per week before January 1, 1997).
- You are paid for your university work through the payroll of an organization other than the university, or
- You are a resident fellow and are not otherwise eligible.

Enrollment for CRA Contributions

Eligible employees who meet the qualifications for the CRA will be automatically enrolled on the first of the month after completing the one-year service requirement and will start receiving the Basic Contribution (see *Basic Contribution*, 13).

If you wish to make Matchable Before-Tax and/or After-Tax Employee Contributions to the CRA, you must complete the enrollment process. The enrollment process for the CRA is the same enrollment process for the TDA as described in on page 8, *Enrollment for TDA Employee Contributions*.

Be aware that any Non-Matchable Before-Tax Employee Contributions you make to the TDA will ***not*** automatically convert to Matchable Before-Tax Employee Contributions when you become eligible to participate in the CRA. Therefore, if you make Non-Matchable Before-Tax Employee Contributions when you become eligible for the CRA, you must re-enroll and elect to make Matchable Before-Tax and/or After-Tax Employee Contributions to begin receiving Match Contributions.

If you wish, you can continue to make Non-Matchable Before-Tax Employee Contributions to a TDA ***and*** defer Matchable Before-Tax Employee Contributions to a CRA. You must defer at least 4 percent in Matchable Before-Tax or After-Tax Employee Contributions in order to receive the maximum 5 percent Match Contribution from the university.

Re-Enrollment

If you stop employment with the university and are later rehired, no additional waiting period is required to participate in CRA as long as you have completed at least one year of qualifying service.

If you remain employed by the university but no longer meet the CRA eligibility criteria described above, your Employee Contributions will automatically stop. If you later meet the CRA eligibility requirements again, you must re-enroll.

You can re-enroll for your contribution deductions through the Stanford Retirement Manager account by going to the Stanford Benefits Website at **benefits.stanford.edu,** click on ***My*BENEFITS**, and then login. Or, you can call (888) 793-8733 and a retirement services specialist will help you re-enroll.

Reclassified Employees

If your job becomes subject to a collective bargaining agreement, you will become a participant in the retirement plan specified by your bargaining agreement and Basic and Match Contributions to CRA may stop.

TEMPORARY-CASUAL ACCOUNT (TCA)

Eligibility for TCA Basic Contribution

You are also eligible to participate in the Temporary-Casual Account (TCA) of the Plan, if you are a university temporary or casual employee on your date of hire. There is no waiting period for TCA.

At the end of each calendar year, if you attain 1,000 hours of service in that calendar year as a temporary or casual employee, you will automatically receive a TCA Basic Contribution from the university. There is no enrollment process for TCA.

An *hour of service* is each hour you are:

- Actually paid for services.
- Entitled to back pay.

Contributions

Your SCRP investment account balance can grow three ways:

- Employee Contributions while employed.
- Basic Contributions (if eligible for CRA or TCA) and Match Contributions (if eligible for CRA) from the university while employed.
- Interest or other investment earnings either during employment or after your employment ends.

The university regularly reviews the level of Basic and Match Contributions in the SCRP and they are subject to IRS contribution limits and to change by the university.

The amount of money you accumulate in your retirement accounts depends on three factors:

- How much you and the university contribute.
- How long contributions remain in the Plan.
- The investment performance of the investment funds you select.

Regular Salary

By law, the amount of your regular salary for purposes of determining Employee and Employer Contributions under the Plan is limited to $250,000 – the maximum for 2012 ($255,000 for 2013). The IRS may periodically change this amount to reflect a change in the cost of living.

The definition of regular salary is defined below and is determined before taking out any Employee Contributions to the SCRP or a before-tax cafeteria plan:

Regular salary includes	Regular salary does not include
▪ Base salary for services to the university	▪ Bonuses
▪ Sabbatical pay	▪ Honoraria
▪ Shift differential	▪ Cash awards
▪ Fourth-quarter payments	▪ Overtime
▪ Administrative supplements	▪ One-time payment
▪ Eligible supplemental income	▪ Severance
▪ Paid leave	▪ Imputed income
	▪ Housing or travel allowances
	▪ Reimbursements
	▪ Compensation from sources other than the university

TAX-DEFERRED ACCOUNT (TDA)

Employee Contributions

When you enroll, you designate your Non-Matchable Before-Tax Employee Contributions in whole percentages of your *regular salary* up to the federal contribution limits (see *Contribution and Compensation Limits* on page 17).

Rollovers

TDA accepts rollovers from Individual Retirement Accounts (IRAs) or other employer-sponsored retirement plans. If you wish to make a rollover to your TDA, contact your investment provider for instructions.

CONTRIBUTORY RETIREMENT ACCOUNT (CRA)

Employee Contributions

When you enroll, you designate your Matchable Before-Tax Employee Contributions and/or Matchable After-Tax Employee Contributions in whole percentages of *regular salary* up to the federal contribution limits (see *Contribution and Compensation Limits* on page 17).

After-Tax Contributions

CRA Employee Contributions can be made on an after-tax basis also. This means the contribution is subtracted from your pay after taxes are calculated. Therefore, you will already have paid income tax on these contributions to the Plan. When you take a distribution of these contributions from the Plan, you will owe income tax only on the investment earnings, not on your Matchable After-Tax Employee Contributions.

Matchable After-Tax Employee Contributions allow you to continue putting money into your account and receiving Match Contributions even after you reach certain IRS limits on Before-Tax Contributions. You can stop making Matchable After-Tax Employee Contributions at any time. Matchable After-Tax Employee Contributions are subject to the same distribution restrictions imposed on Before-Tax Contributions.

Rollovers

CRA does ***not*** accept rollovers.

Basic Contribution

The university makes a Basic Contribution for all CRA-eligible participants. Employee Contributions are not required for you to receive Basic Contributions.

The current Basic Contribution is a percentage of your regular salary per pay period, and the percentage will depend on years of eligible service:

Years of Eligible Service	Percentage of Salary
Less than 1	0%
1	1%
2	2%
3	3%
4	4%
5 or more	5%

You will earn one year of *eligible service* for every 12 calendar months in which you work at least one day for the university in a faculty or regular staff position in which you are scheduled to work at least six consecutive months at 50 percent or more FTE.

Your years of service with Stanford Health Services (SHS), Lucile Salter Packard Children's Hospital (LSPCH), UCSF Stanford Health Care (UCSF-SHC), or Stanford Hospital and Clinics (SHC) will be taken into account under this Plan if you transfer directly to the university. A *direct transfer* occurs when you end employment with SHS, LSPCH, UCSF-SHC or SHC on one day and start employment with the university on the next business day. For example, if you worked at the SHC full-time for three years and transfer to the university, your Basic Contribution will start at 3 percent.

***Exception*:** LPCH service before January 17, 1997 will not be taken into account.

The Basic Contribution is 5 percent for any participant who:

- Was a CRA-eligible employee before January 1, 2006.
- Was employed by the university as a police sergeant or a deputized patrol officer before January 1, 2006 and elected to participate in the Plan.
- Is employed under a collective bargaining agreement that allows participation in the Plan and hired into such a position before January 1, 2007.

Match Contributions

The university provides a Match Contribution in addition to the Basic Contribution for employees who make Matchable Before-Tax or After-Tax Employee Contributions. Currently, the university matches Matchable Employee Contributions each pay period according to the following schedule.

When You Contribute	Stanford's Match Contribution is
0% of regular salary	0% of regular salary
1%	1.5%
2%	3%
3%	4%
4% or more	5%

You may contribute more than 4 percent of your regular salary to the Plan in a pay period, but any amount over 4 percent does not increase the amount of the Match Contribution.

***Note*:** You must contribute at least 4 percent in Matchable Before-Tax or After-Tax Employee Contributions in a pay period to receive the 5 percent Match Contribution for that pay period. If the university stops or reduces your Employee Contributions due to the IRS limit, then the Match Contribution will also be stopped or reduced. For more information, see *Contribution and Compensation Limits*, page 17.

True-Up of Match Contributions

The university's Match Contribution will never exceed 5 percent of compensation for a payroll period. Therefore, if you contribute more than 4 percent of compensation for some payroll periods and less than 4 percent for other payroll periods, you could receive less in Match Contributions over the year than had you contributed at an even rate throughout the year. To enhance the university's Match Contributions for those employees whose contributions may vary over the course of the plan year, the Plan provides an additional "true-up" Match Contribution.

For example, if you contribute 0 percent for a pay period, and then contribute 8 percent in the next pay period to make up for the missing contributions, you will only receive a 5 percent Match Contribution for the second pay period even though you contributed 8 percent because the Match Contribution is limited to 5 percent each pay period. At the end of the year, the university will review your Employee Contributions and Match Contributions during the entire plan year and "true-up" your account by providing any missing Match Contribution. True-up contributions will be posted after the close of the plan year.

TEMPORARY-CASUAL ACCOUNT (TCA)

TCA Basic Contribution

The university makes a TCA Basic Contribution for all university temporary or casual employees who attain 1,000 hours of service in the calendar year. Hours of service credited in a non-temporary or non-casual position are not counted toward the 1,000 hour of service requirement for the TCA Basic Contribution. The current TCA Basic Contribution is a percentage of your regular salary per pay period, and will depend on years of service:

Years of Service	Percentage of Salary
1	1%
2	2%
3 or more	3%

For this purpose, you will earn one year of eligible service for every calendar year in which you work at least 1,000 hours as a university temporary or casual employee. Prior service will also be counted. The following examples illustrate how service is counted to determine the level of TCA Basic Contributions:

- **Hired during 2011:** Your TCA Basic Contribution will be 1 percent.
- **Hired before January 1, 2011 and a participant in the Staff Retirement Annuity Plan (SRAP):** Your years of service will transfer to this Plan. For example, if you had one year of service in SRAP in 2010, your TCA Basic Contribution for 2011 will be 2 percent.
- **Hired before January 1, 2011 in a benefits-eligible position, terminate employment and then rehired:** Your prior years of service will transfer to this Plan. For example, if you had three years of prior full-time service, your TCA Basic Contribution will be 3 percent.
- **You transfer directly from the Stanford Hospital and Clinics:** Your years of service with the Hospital will transfer to this Plan. For example, if you worked at the Hospital full-time for three years and transfer to the university, your TCA Basic Contribution will be 3 percent.
- **You work for the Stanford Hospital and Clinics (or other Stanford controlled group entity), terminate employment and then become employed by the university:** Your years of service with the Hospital from January 1, 2009 until you terminate will count toward your TCA Basic Contribution level. For example, you worked full-time for the Hospital from March 1, 2009 to March 1, 2010, terminated and then found a job at the university starting January 1, 2011. You will be credited with one year of service and your TCA Basic Contribution will start at 2 percent.

Rollovers

TCA does ***not*** accept rollovers.

IMPORTANT INFORMATION ON CONTRIBUTIONS

Vesting

All Plan contributions (yours and the university's) and investment fund earnings are fully and immediately *vested* (non-forfeitable). This means that you have 100 percent ownership at the time contributions and earnings are made and you keep the right to all contributions and earnings when you leave the university (subject to federal, university, and investment fund distribution rules).

If You Leave Stanford and Return

If you are a CRA-eligible participant, your Basic Contribution level (1—5 percent) automatically restarts at the same level you were receiving when you left. For example, if you are at the 2 percent Basic Contribution level when you leave Stanford, you will be eligible for a 2 percent Basic Contribution when you return ***until*** you have completed 12 months of employment at the 2 percent level, counting service both before and after your time away. Then, the Basic Contribution will move to the next level.

Contributions During Leaves of Absence

Leave with Salary: Employee, Basic and Match Contributions to the SCRP continue if you are on a paid leave or vacation.

Leave Without Salary*:* No contributions will be made to the Plan if you are on an unpaid leave, or on disability pay after sick leave is exhausted. After you return from a leave, Employee, Basic and Match Contributions restart automatically.

Contributions During Sabbatical

You may continue to contribute to the Plan during a paid sabbatical leave. Employee, Basic and Match Contributions during sabbatical leaves will be based on your sabbatical salary.

Contributions When University Employment Ends

All Plan contributions (yours and the university's) stop when you stop working for the university for any reason. However, as long as you have a Plan account balance, you will continue to receive statements and investment earnings. In addition, you may:

- Continue to direct the investment of your Plan account (but you may not make or receive additional Plan contributions).
- Choose to withdraw amounts from your Plan account balance, subject to federal, university and investment provider rules.

If your employment ends and you later return to work at the university as a CRA-eligible employee, Basic Contributions automatically restart. To begin making Employee Contributions and receiving Match Contributions again, you must re-enroll by accessing your Stanford Retirement Manager account online at **benefits.stanford.edu** or call a retirement services specialist at (888) 793-8733 for help.

Contributions While on Leave for Military Service

If you have an approved unpaid leave to serve on active duty in the United States Armed Forces, you may be eligible to make retroactive Employee Contributions when you return. If you were a CRA-eligible employee, you may also be eligible to receive:

- Credit for service during your leave for purposes of determining Basic Contributions when you return.
- Retroactive Match Contributions when you return.

If you think you may be eligible, please contact the Stanford Benefits Department.

Contribution and Compensation Limits

Plan contributions are subject to limits under the Internal Revenue Code for each calendar year. The same limits apply to other retirement plans of other employers. The university reserves the right to stop or reduce contributions to comply with these legal limits.

However, it is your responsibility to monitor the limits (particularly if you contribute to a non-Stanford plan) and to pay any taxes, tax penalties or interest due because of excess contributions. If you have questions about the application of these limits, you should consult your tax adviser. This summary includes the limits for 2012, which the IRS may adjust from time-to-time to reflect changes in the cost of living**.** These annual limits are available on the Stanford Benefits website. Generally, this is how the limits operate:

- **Annual limit on your before-tax contributions:** You may contribute up to an annual dollar maximum of $17,000 ($17,500 for 2013) if you are under age 50; $22,500 ($23,000 for 2013) if you are age 50 or older by year-end. These limits apply to all SCRP Before-Tax Contributions, as well as to before-tax and Roth contributions you make to 401(k) or 403(b) plans of other employers. This means, the limit is applied to the sum of all before-tax contributions plus Roth contributions (if available to you in another employer's plan).
- **Special catch-up limit on your contributions:** If you have worked at the university for 15 or more years, you may be able to increase the above limits by as much as $3,000 for up to five years. Contact Stanford Benefits if you would like to receive information about this catch-up or to have catch-up limits calculated. The university will not allow catch-up contributions without first calculating a limit for you. Consult your tax adviser if you have specific questions about your situation.

  Note**:** If you qualify to make both this special 15-year catch-up and the extra contribution over age 50, but do not contribute to both in full, the IRS will treat you as using your special 15-year catch-up first before your age 50 catch-up amount. This means you could use up the benefit of this special 15-year catch-up and miss an opportunity to make age 50 catch-up contributions, unless you make both.
- **Annual limit on all contributions:** The IRS has an annual overall contribution maximum of $50,000 ($51,000 for 2013). This limit applies to the ***sum*** of university contributions ***and*** Employee Contributions to the SCRP (both before-tax and after-tax), including the special 15-year catch-up and any contributions you make to a qualified retirement plan of an employer you control. If you own your own business that maintains a retirement plan, it is ***your*** responsibility to remain under the dollar limit. The age 50 catch-up is not included in this overall contribution limit.
- **Annual limit on compensation:** The annual limit on compensation that can be taken into account for measuring any retirement plan contribution is $250,000 ($255,000 for 2013).

Important**:** If the university stops or reduces your Employee Contributions because you have reached one of the IRS limits, the Match Contribution will also be stopped or reduced. Remember, you must contribute at least 4 percent in Matchable Before-Tax or After-Tax Employee Contributions in any pay period to receive the university's maximum 5 percent Match Contribution in that pay period. Employee Contributions and Match Contributions cannot be made retroactively.

Non-Discrimination Tests

In accordance with IRS requirements, the Plan must pass a non-discrimination test each year. This test ensures that After-Tax Contributions, Basic Contributions and Match Contributions for higher-paid employees (as an average percentage of regular salary) are not substantially more than those for other eligible employees. If the test is not satisfied, actions will be taken to bring the Plan into compliance. For example, Basic and Match Contributions for highly-paid employees may be reduced. If adjustments are made to pass non-discrimination tests, affected Plan participants will be notified.

Statements

Quarterly statements will be emailed to you if your email address is on file with the Stanford Retirement Manager and/or TIAA-CREF. If you prefer a paper statement, you can request to receive it by mail. Your statement will show the contributions made during the reporting period and investment fund performance. It is ***your*** responsibility to verify and update your email and mailing address to receive statements and important plan information.

INVESTMENT OPTIONS

You direct the investment fund selections for Employee, Basic, and Match Contributions. You may select from any of the available Plan investment fund options. If you do not select an investment fund for Employee, Basic, and Match Contributions, they will be deposited automatically into a university-selected investment fund in your name. The default fund is currently the age-appropriate Vanguard Target Retirement Fund. This fund may change from time to time. If you select to invest in TIAA-CREF funds, but do not complete the TIAA-CREF contract, your funds default into the Vanguard Target Retirement Fund.

General information about the Plan investment providers is available on the Stanford Benefits website and from the Stanford Benefits Department. In addition, each investment provider can send you a prospectus or other written description of its funds. Be sure to read the written descriptions before making your investment choices.

The investment providers available for Plan contributions are:

Fidelity Investments (provides administration for Fidelity and Vanguard funds)
P.O. Box 31401
Salt Lake City, UT 84131
(888)793-8733
www.fidelity.com

TIAA-CREF
730 Third Avenue
New York, NY 10017
(800) 842-2776
www.tiaa-cref.org/stanford403b

Note: For contributions to be invested with TIAA-CREF, you must complete a separate contract. Go to the TIAA-CREF website listed above for the enrollment form/contract and instructions. If you elect to invest in TIAA-CREF funds, but do not complete the TIAA-CREF contract, your funds will default into the Vanguard Target Retirement Fund until you complete the contract and elect to re-direct your account investments.

For additional investment information, log on to your Stanford Retirement Manager account or go to the Retirement section on the Stanford Benefits website at **benefits.stanford.edu.**

Investment Responsibility

SCRP is intended to constitute a plan described in Section 404(c) of ERISA and Department of Labor regulation section 2550.404(c)-1. This means the Plan provides you with the opportunity and obligation to:

- Choose from a broad range of investments.
- Take responsibility for your own decisions on the investment of the assets in your own account.

You will be provided with information necessary to make informed decisions on your investment options and the rights and responsibilities that come with owning those investments.

The Plan Administrator and others responsible for the operation of the Plan (called *fiduciaries*) are obligated, with certain limited exceptions, to comply with your investment instructions. As a result, they are generally relieved of liability for any losses that are the direct and necessary result of your exercise of control as to the investment of the assets in your own account. Although the Plan's fiduciaries are generally obligated to comply with your instructions, they are not required to implement a direction that would result in a prohibited transaction under federal law or would generate taxable income to the Plan.

Amounts held in your account are subject to increases or decreases in value depending on the investment options you select and their performance. At the Plan Administrator's discretion, your share of reasonable expenses to administer the Plan may be paid out of your account assets. The investment providers charge fees for investment management and other services provided to the investment funds they manage, which are charged directly to each of the funds. Any other investment funds made available from time to time may also charge fees.

Note: Your account will be subject to an annual recordkeeping fee (currently $56) unless your investments are limited exclusively to TIAA-CREF. This recordkeeping fee may change from time to time.

Information concerning the investment options offered by each investment provider is given to you in enrollment and information packets. The packets include descriptions of the investment objectives and the risk and return characteristics, as well as information relating to the type and diversification of assets making up the portfolio of each fund or contract. For more specific details regarding the funds and investments, please contact the investment providers directly. You may obtain the following additional information concerning the investment options available under the Plan by contacting Stanford Benefits or your investment provider:

- A description of the annual operating expenses of each available investment fund (e.g., investment management fees, administrative fees, and transaction costs) which reduce the rate of return, and the aggregate amount of such expenses expressed as a percentage of average net assets of the designated investment option.
- Copies of any prospectuses, financial statements and reports, and other materials relating to the investment options available under the Plan.
- Information concerning the value of shares or units in each investment fund, as well as past and current investment performance, determined, net of expenses, on a reasonable and consistent basis.
- Information concerning the value of shares of a mutual fund held in your account.

You are strongly encouraged to read the entire prospectus and similar descriptions and disclosure materials relating to each investment option under the Plan before making an investment decision.

Changing Your Investment Provider or Fund Choices

You may change your investment funds for ***future*** contributions at any time.

- For Fidelity and Vanguard funds, go to the Stanford Retirement Manager website at **benefits.stanford.edu** and click on ***My*****BENEFITS**, or call (888) 793-8733 and speak to a retirement services specialist.
- To change your TIAA-CREF investment option allocation, call TIAA-CREF at (800) 842-2776.

Most of the investment options available under the Plan permit transfer of **previous** contributions and earnings to any other investment provider or fund available. You can generally transfer existing balances in one investment option to another through your Stanford Retirement Manager account. To transfer an existing balance to TIAA-CREF, you must contact TIAA-CREF directly. Some investment providers may impose restrictions or charge a fee for certain transactions. Check with your investment providers about their rules and charges.

How Investments Grow

To explain how investments may grow over time, consider the examples below featuring you at three different ages. Assume for each example:

- You have been at Stanford long enough to qualify for the maximum 5 percent Basic Contribution, and you start saving today.
- You receive a 3 percent salary increase each year.
- You make a 4 percent Employee Contribution to CRA and receive a 5 percent Basic Contribution and a 5 percent Match Contribution for a total annual contribution of 14 percent.
- Investment earnings increase at a 6 percent (or 8 percent) rate.
- You retire at age 65.

Age when you begin participation	Salary when you begin participation	Total annual contribution	Annual investment earnings	Total investment at age 65
25	$25,000	14%	6%	$ 843,680
			8%	$1,342,270
38	$38,000	14%	6%	$ 475,092
			8%	$ 637,370
50	$50,000	14%	6%	$ 201,541
			8%	$ 234,632

You can see how length of time is important to increase savings. However, the amounts shown in this example are based on assumptions and do not guarantee continued employment to age 65, salary increases, future contribution rates or earnings. Your actual accumulations can vary significantly.

Beneficiary Information

Naming a Beneficiary

When you begin SCRP participation, you will be asked to name a beneficiary to receive your SCRP account balance (contributions and earnings) if you die. Each investment provider requires a beneficiary designation form with its application. That designation will apply to Plan contributions (yours and the university's) invested with that provider. You should consult your legal counsel about the effects of naming or not naming a beneficiary.

If you fail to designate a beneficiary or if your designated beneficiary dies before you, any death benefits will be paid in this order: your spouse, your children (in equal amounts) or, if you have no spouse or children, to your estate.

You may change a beneficiary at any time, as long as you follow the rules for spousal waivers if you are married. To name or change a beneficiary, complete a new beneficiary form available from the Stanford Retirement Manager or TIAA-CREF, or in the lobbies of the Stanford Benefits office or SLAC Human Resources.

Spousal Rights to Benefits

Federal law requires that married employees receive retirement benefits in the form of a 50 percent joint and survivor annuity, also known as a Qualified Joint and Survivor Annuity (QJSA). A QJSA provides you with annuity payments for your lifetime, and after you die, your spouse will receive 50 percent of your monthly payment for his/her lifetime.

You and your spouse may choose to receive your benefits in another form, but your spouse must consent in writing on the appropriate form provided by each of your investment providers. See *Waiver of Spousal Rights,* page 23.

Survivor Annuity If You Die Before Starting Retirement Benefits

If you are married, federal law also requires that if you die before you begin receiving your retirement benefits, your surviving spouse receives an annuity (a Qualified Pre-Retirement Survivor Annuity or QPSA) with a value at least equal to 50 percent of your Plan accounts unless your spouse waives that right in writing. If your spouse waives rights to a QPSA in writing, you may designate someone else to receive 100 percent of your Plan benefits if you die before receiving them. Waiver of QPSA rights must be on the appropriate form available from each of your investment providers. If your spouse does not consent, he/she remains entitled to receive the QPSA benefit and your designated beneficiary or beneficiaries (other than a spouse) will receive the difference between 100 percent of your Plan benefits and the amount due to your spouse.

The exact percentage that your spouse is entitled to receive (between 50-100 percent) is determined under the annuity contract or custodial account that you have with your investment provider. Contact the investment provider for more information. If your investment provider does not specify the percentage, the percentage will be 100 percent for TDAs transferred from the Tax-Deferred Annuity Plan on January 1, 2012, and 50 percent for all other accounts (CRAs, TCAs, and TDAs established on or after January 1, 2012).

Spousal Rights Under California Community Property Laws

Generally, California law gives a spouse the right to a one-half interest in marital property, including each spouse's earnings. You and your spouse should consult your legal counsel about rights under federal and

California law. The elections and waivers described in *Waiver of Spousal Rights* on page 23 affect rights under California and federal law.

Waiver of Spousal Rights

- If you are married and elect a benefit option that affects your spouse's right to the Qualified Joint and Survivor Annuity (QJSA) or the Qualified Pre-Retirement Survivor Annuity (QPSA), your spouse must consent in writing to give up his/her rights to benefits from the Plan. Consent must be on the appropriate form from each of your investment providers and either a notary public or an authorized Plan representative from the Stanford Benefits Department must witness your spouse's signature. If you cannot get spousal consent for any reason permitted under applicable federal rules, you must prove to the satisfaction of the Plan Administrator that you meet the permitted exception.
- For the QPSA, if you are married *and*:
  - You are under age 35 *and*
  - You have named a non-spouse beneficiary *and*
  - Your spouse has already signed a waiver.
- Your spouse must sign another consent form when you reach age 35 or leave the university, whichever happens first. This is a legal requirement, not university policy.
- If you remarry, any waiver given by a former spouse does not affect the rights of your new spouse. Your new spouse's written consent will be required for any election that affects his/her rights under federal or state law. You may revoke the elections and waivers at any time before you start receiving your benefit payments. If you are already receiving your benefits in the form of a QJSA and you divorce and remarry, your original spouse will still receive his/her benefits when you die.
- If you change from one non-spouse beneficiary to another, your spouse must sign a new written consent, unless your spouse has signed a blanket waiver giving you the ability to change beneficiaries without further consent.

If You Divorce – Getting a QDRO

By law, state court marital dissolution or separation orders affecting retirement plans are required to comply with federal law requirements for a Qualified Domestic Relations Order (QDRO). The Plan Administrator is required to review the state court order in any dissolution proceeding and to decide whether the order is a QDRO.

The court issues the order, but the Plan Administrator must approve it before it can take effect. Therefore, you should contact the Stanford Benefits Department to arrange for a review of a court order. If you and your spouse agree how to divide your university retirement benefits, or if your spouse agrees to waive his/her rights to your benefits under the SCRP, federal law still requires the SCRP Plan Administrator to review that agreement or court order. It is easier for the Plan Administrator, the court and you if you contact the Plan Administrator before your court-ordered marital dissolution become final. You and your spouse should each consult legal counsel about rights under federal and state law.

You may obtain a copy of the Plan's QDRO procedures and/or a model court order free of charge. Either call Stanford Benefits at (650) 736-2985 and press option 3. You can find the materials online at **benefits.stanford.edu,** then click on the *Resource Library* tab and type "QDRO" in the search box.

In accordance with Department of Labor guidelines permitting reasonable expenses of QDRO determinations to be charged to the account of the participant submitting the order, you will be charged a $300 fee to cover the cost of determining if the order satisfies the QDRO requirements. If for any reason the fee cannot be charged to your account, you will be asked to write a check to cover the fee.

LOANS AND HARDSHIP WITHDRAWALS

Loans

You may borrow part of the contributions in your Fidelity account. You may not take a loan from your TIAA-CREF funds. The minimum loan amount is $1,000. The maximum is the lesser of 50 percent of your account balance or $50,000 (reduced by the amount of any loan balance outstanding from the Plan and any other university plan during the previous 12-month period that ends on the day before the loan is made). You will need to obtain spousal consent (if applicable).

You can have only one outstanding loan at any time. The interest rate for your loan is the prime rate plus 1 percent at the time you request your loan. You may elect to repay your loan over one to five years. If the loan is for the purchase of a primary residence, you may repay your loan over a 15-year period. As proof of the purchase, you will need to submit a fully executed real estate purchase contract signed by both the buyer and seller. Loan payments are made by automatic monthly withdrawals from your bank account. If your Plan loan is outstanding when you stop employment with the university, the loan must be repaid before you receive a distribution from the Plan.

The loan amount available to you may be affected if you have been employed by any of the other entities within Stanford's controlled group and have taken a loan that has had an outstanding balance within the last 12 months. This will be determined during the review of your loan request by Stanford.

To apply for a loan, call (888) 793-8733 to speak with a Fidelity representative. You can model loan scenarios by logging on to the Stanford Retirement Manager at **benefits.stanford.edu** and click on ***My*BENEFITS.** Loans are subject to administrative processing fees.

For more information, including an explanation of what happens if you default, see the Stanford Contributory Retirement Plan Loan Procedures document available in the *Resource Library* of the Benefits website.

Hardship Distributions While Employed by the University

You may qualify for a financial hardship distribution from your Employee Contributions (and investment earnings credited on your Before-Tax Contributions before 1989). A financial hardship is an immediate and heavy financial need arising from one of the following:

- Tax-deductible medical expenses not covered by medical insurance and incurred by you, your spouse, or any of your dependents.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Payment of tuition and related educational expenses for the next 12 months of postsecondary education for you, your spouse, or your dependents.
- Payments necessary to prevent eviction from your principal residence or foreclosure of the mortgage on your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, child(ren) or dependent,
- Expenses for the repair of damage to your principal residence that would qualify for a casualty deduction under the Internal Revenue Code.

You will be required to submit written evidence of both the nature and amount of financial need. If you are married at the time you request a financial hardship distribution, your spouse must consent to the distribution.

The amount available for a hardship distribution is limited.

- You may not withdraw more than your account balance.
- You may not withdraw any investment gains earned on Before-Tax Contributions on or after January 1, 1989.
- You must first apply for all other distributions and nontaxable loans available to you under university-sponsored plans.
- An investment provider's custodial agreement or annuity contract may impose additional limits.
- You may not withdraw more than your current financial need. Amounts withdrawn to satisfy your tax liability on a hardship distribution are included in the determination of your financial need.

To find hardship distribution instructions and application forms:

- For Fidelity accounts, contact a retirement services specialist at (888) 793-8733.
- For TIAA-CREF accounts, go to the Stanford Benefits website (**benefits.stanford.edu**) or get a form in the lobby of the Stanford Benefits office or SLAC Human Resources lobby.

Hardship distributions may be subject to administrative processing fees.

General Tax Information on Hardship Withdrawals

Hardship withdrawals are taxed as ordinary income and are generally subject to a 10 percent federal early withdrawal penalty tax if you take the distribution before age 59½.

Applying For Benefits

Before you can receive any payments from the Plan, you need to apply for benefits (also called a distribution) in advance and go through the application review and waiting period.

To begin the process, contact your investment provider(s) directly. Be sure to file your application at least 30 days before the date you want your benefit payments to begin. All distributions are subject to a minimum 30-day waiting period after your termination date. In addition to the 30-day waiting period, allow at least 15 business days for the administrative review and approval process of your distribution request. Distributions may be subject to an administrative processing fee.

Note: Your account will be valued as of the date your distribution request has been fully reviewed, approved and processed. You bear the gain or loss in any market fluctuations that occur between the date you apply for a distribution and the date the distribution is made.

In-Service Distribution Tax-Deferred Account (TDA)

If you are still employed and reach age 59½, you may request a distribution of the benefits from your TDA unless your investment provider imposes restrictions.

At any time, you may elect to take a distribution of any amount attributable to a rollover contribution if that distribution is permitted by the investment provider, and if the rollover contributions and amounts attributable to it have been separately accounted for at all times.

In-Service Distribution Contributory Retirement Account (CRA) and Temporary-Casual Account (TCA)

If you are still employed, you may request a distribution of the benefits from your CRA and/or TCA if you have met all three of these conditions:

- You reach age 59½.
- You are employed by the university either at 50 percent time or less or for a fixed term.
- You either:
  - Do not have tenure (or a continuing term appointment) with the university.
  - Have resigned your tenured position or continuing term appointment with the university, relinquished all tenure rights (or similar rights) pertaining to your employment with the university, and resumed employment with the university at 50 percent time or less or for a fixed term.

If you are married, you will need to obtain spousal consent for an in-service distribution. The benefit will be payable in accordance with the terms described in *Payment Options* on 28.

Distribution After Employment Ends

You may begin to receive Plan benefits any time after you separate from service (subject to federal, university and investment provider rules regarding forms of benefit payments). You may roll over your Plan benefits into an Individual Retirement Account (IRA) or another employer-sponsored 403(b) or qualified retirement plan or an eligible government deferred compensation plan that accepts rollovers. To take a distribution, you must complete a distribution form and your investment provider may need to confirm with Stanford your eligibility to take a distribution.

If your entire account balance (TDA, CRA and TCA) does not exceed $1,000 when you separate from service, the Plan Administrator may distribute your account balance in the form of a lump sum payment without your consent.

If you have an account balance greater than $1,000 when you separate from service, you are not required to begin receiving payment of benefits until April 1 of the year following the end of the year in which you reach age 70½, or the year you retire, if later.

If you separate from service, elect to start a distribution, and are later rehired by the university, the distribution may continue if you:

- Reached age 59½ before your rehire.
- Had a bona fide separation from service of at least one year.

Distributions If You Die

If you die before you begin receiving any benefits, your surviving spouse or other beneficiary may choose an appropriate method of payment. For example, your surviving spouse may elect to defer payments until the end of the calendar year in which you would have reached age 70½. A non-spouse beneficiary must start annuity payments by the end of the calendar year following the year of your death, or take a lump sum payable within five years after the year of your death.

If you are married when you die, your surviving spouse will receive the QPSA described on page 22, and the remainder of your benefit will be paid to the beneficiary you named or, if none, as provided by the terms of your Plan investments. If you are not married, or your spouse has waived the QPSA, your benefits will be paid as provided by the terms of your Plan investments.

If you die after you have begun receiving benefits, the payment option you selected governs how and when your beneficiary receives the benefit. By federal law, the distribution of benefits must be made as rapidly as under the method of payment in effect at the time of your death. See *Payment Options* on page 28.

Normal Retirement Date

The normal retirement age for SCRP is the date you reach age 65. Plan participation, contribution, investment and distribution rules are the same before and after normal retirement age.

Payment Options

SCRP benefits are payable in several ways: as a lump sum, an annuity or a combination of both. You may also choose to transfer all or a portion of your account balances to an Individual Retirement Account (IRA) or a Roth IRA, to another 403(b) plan, to a governmental 457(b) plan, or to a 401(a) qualified employer plan in a direct rollover.

A lump sum is a withdrawal of all or a portion of your SCRP benefits any time after you retire or otherwise stop university employment. Several rules affect your ability to take a lump sum distribution, or to roll over your SCRP account balance into an IRA, Roth IRA, another 403(b) plan, a governmental 457(b) plan, or a qualified plan.

An annuity pays out your benefit in approximately even payments on a monthly or quarterly basis, typically for your remaining lifetime. You may obtain your annuity directly from TIAA-CREF by transferring your entire SCRP account balance to TIAA-CREF before retirement. Or, you may purchase an annuity from another company with Fidelity acting as a broker. Generally, once your payments begin under any type of annuity, you may not change to a lump sum or any other payment form.

Note: If you invest in a TIAA Traditional Annuity RA account, your distribution will be paid over a minimum of 10 years. Contact TIAA-CREF for more information.

If you are married at the time payments are to begin, federal law requires that you receive your benefits in the form of a Qualified Joint and Survivor Annuity (QJSA) that pays at least 50 percent of the benefit in an annuity to your spouse after you die. You will automatically receive your benefit in the form of a 50 percent QJSA unless you choose another payment form and/or name a beneficiary other than your spouse, subject to the terms of each annuity contract or custodial account. Choosing another form or naming a substitute beneficiary requires the written consent of your spouse. See *Waiver of Spousal Rights*, page 23.

If you are not married on the date payments are to begin, your SCRP benefits will be paid as a single life annuity, unless you elect another form of benefit or a rollover to an IRA, Roth IRA, another 403(b) plan, a governmental 457(b) plan, or a qualified plan.

Qualified Joint and Survivor Annuity (QJSA)

Your SCRP accumulations must be paid in the form of a QJSA if you are married when payments begin, unless your spouse waives rights to a QJSA. (A joint and survivor annuity is also available to share payments with someone else, whether or not you are married.) With a QJSA, you receive annuity payments for your lifetime. After you die, your spouse (if living) will receive payments equal to a portion (usually 50 percent) of your monthly payment for the balance of his/her lifetime. Because these annuity payments will be spread over the lives of two individuals, the amount of your payment will be less than it would be under a single life annuity. The exact amount of your annuity and your spouse's depends on age and other actuarial factors at the time payments begin. If you elect an annuity other than the QJSA and you are married, your spouse must consent in writing. For more information, see *Spousal Rights to Benefits*, page 22.

Single Life Annuity

If you elect a single life annuity, you receive a monthly or quarterly payment for your lifetime. Payments stop when you die. If you are married and elect this form of benefit, your spouse must consent. For more information, see *Spousal Rights to Benefits*, page 22.

Variable Annuities

These annuities reflect the value of a specified underlying investments fund or portfolio. Payments vary year-to-year, depending on the performance of the underlying investments.

Fixed Annuities

These annuities provide a guaranteed minimum payment. Interest rate assumptions may change from year to year causing the annuity amount to fluctuate, but not below a guaranteed amount.

Lump Sum Distributions

The Plan permits you to elect to receive a lump sum distribution of all or any portion of your SCRP benefit once you separate from service.

Tax Information On Distributions And Rollovers

Taxes on Distributions

Most distributions from SCRP are taxable as ordinary income. After-Tax Contributions are not taxed again at distribution, but the earnings on After-Tax Contributions are taxed when distributed. The investment provider is required by federal law to withhold income taxes of 20 percent on lump sums or annuities paid for less than 10 years. You must pay any additional federal and state income taxes that may be due when you file your tax return.

If you receive a lifetime annuity or a fixed annuity payable over 10 years or more, you have the option to have federal and state taxes withheld from your payments.

Distributions made before you attain age 59½ are generally subject to a 10 percent federal penalty tax in addition to ordinary income tax. This 10 percent penalty tax applies to all distributions made before you reach age 59½ unless one of several exceptions applies. Common exceptions include:

- You retire at age 55 or older.
- The distribution is in the form of regular payments for life with payments based on your life expectancy.
- The distribution is attributable to your permanent disability or death.
- The distribution is used for tax-deductible medical expenses.

General Tax Information on Your Distribution

Taxes differ depending on the type of distribution you request.

- Lump sum – If you are over age 59½, taxed as ordinary income. If you are under age 59½, taxed as ordinary income plus 10 percent federal early withdrawal penalty (with some exceptions).
- Rollover to an IRA, another 403(b) plan, a qualified retirement plan, or an eligible governmental deferred compensation plan – Not subject to taxation and tax-deferral continues.
- Rollover to a Roth IRA – Taxed as ordinary income (except for After-Tax Contributions) in the year of the rollover.
- Annuities – Taxed as ordinary income as you receive payments (except to the extent of the return of After-Tax Contributions).
- Combination – Depends on distribution.

Taxes on Rollovers

If you do not elect a direct rollover from the Plan, but you want to defer taxes on a lump sum or periodic distribution paid for less than 10 years, you may be able to roll over the full amount, which must include the amount withheld by the investment provider, into an IRA, Roth IRA or another employer's plan. All such rollovers must occur within 60 days of receipt of your lump sum or periodic distribution.

Additional Tax Information

Check with the investment provider(s) and your tax adviser on how the tax rules apply to you.

How Benefits Might Be Lost Or Decreased

There are circumstances that could cause you to lose your rights to distribution payments or decrease the value of your accumulations under SCRP:

- Amounts invested under SCRP are subject to increases or decreases in value depending on the investment options you choose and the investment performance of those options.
- If your contributions to SCRP exceed certain IRS limits (see *Contribution and Compensation Limits*, page 17), part of your contributions may be returned to you.
- Because payments from SCRP may be based on a valuation date which is not the date benefit payments are made, the amount of any payments may not be equal to the fair market value of assets in your account as of the date of the payments.
- Generally, accounts are charged an annual recordkeeping fee, and certain funds impose additional fees. Administrative processing fees may also be charged, for example in connection with distribution requests.
- Some annuity contracts may impose surrender charges if you decide to transfer funds to other investment provider(s). Any such charges are disclosed in the investment materials provided by the investment provider.
- Because SCRP is a defined contribution plan established under Internal Revenue Code Section 403(b), your account balance is not insured under Title IV of ERISA or by the Pension Benefits Guaranty Corporation if the Plan terminates.
- All or a portion of your accumulations under SCRP may be assigned under a Qualified Domestic Relations Order (QDRO). See *If You Divorce – Getting a QDRO*, page 23. In addition, special processing fees are imposed in connection with the legal review of QDROs.
- If you do not keep your current address on file with each investment provider that holds an account balance on your behalf under SCRP, the payment of your benefits could be delayed.

Requests For Information

For information or a question concerning Plan eligibility, participation, contributions or how the Plan operates, make your request in writing to:

Stanford University
Benefits Department
3160 Porter Drive, Suite 250
Palo Alto, CA 94304

Or call (650) 736-2985, and press option #3

To verify the current address for Stanford Benefits, go to **hrweb.stanford.edu/human_resources.html**

Claims Procedures And Rights For Review

If you believe you are being denied any rights or benefits under the Plan, you (or your duly authorized representative) may file a claim in writing with the Plan Administrator through the Stanford Benefits Department.

If your claim is denied, in whole or in part, the Plan Administrator will notify you in writing (or electronically), giving: the specific reasons for the decision, including specific reference to the pertinent Plan provisions; a description of any additional materials or information necessary to perfect your claim; and, an explanation of why such materials or information are necessary.

The notice will also advise you of your right to request a review of your claim, the steps you need to follow if you wish to submit your claim for review and your right to file suit in federal or state court if your claim is denied on review. Such notification will be given within 90 days after your claim is received by the Plan Administrator (or within 180 days, if special circumstances exist requiring additional time and you received a written explanation for the extension within the initial 90-day period). At that time, you may request a review of the denial of your claim.

At any time within 60 days after receipt of a notice of denial, you or your duly authorized representative may submit a written request for review to the Plan Administrator. As part of the request, you (or your duly authorized representative) may submit written issues and comments to the Plan Administrator and may review or request copies of pertinent documents (free of charge). The Plan Administrator's decision will be communicated in writing (or electronically if permissible under applicable law) within 60 days after your request has been received (or 120 days if special circumstances exist requiring more than 60 days and written notice of the extension is provided to you within the initial 60-day period). Again, the decision will include specific reasons, including references to pertinent Plan provisions. If your claim is denied on review, the notification will also include a statement of your right to review or request copies of pertinent documents (free of charge) and to file a suit in federal or state court due to the denial of the claim.

In no event may any legal proceeding regarding entitlement to benefits or any aspect of benefits under the Plan be commenced later than the earlier of:

- One year after the date on which a claimant receives a decision from the Appeals Committee regarding his or her appeal.
- The date otherwise prescribed by applicable law.

Find the Plan's full claims and appeals procedures in *Appendix A*, page 39.

General Plan Information

Plan Name
Stanford Contributory Retirement Plan

Type of Plan
Defined contribution retirement plan, established under Section 403(b), Internal Revenue Code of 1986.

How the Plan is Funded
The Plan is funded by contributions from Plan participants and the university.

Plan Identification Number
001

Plan Sponsor's Identification Number
94-1156365

Plan Year
January 1 to December 31

Plan Sponsor and Employer
The Board of Trustees of the Leland Stanford Junior University c/o Stanford Benefits Department, 3160 Porter Drive, Palo Alto, CA 94304

Plan Administrator and Service of Legal Process
Stanford University – Vice President of Human Resources c/o Stanford Benefits Department, 3160 Porter Drive, Palo Alto, CA 94304

The Plan Administrator is the Plan's agent for service of legal process. The Plan Administrator has the discretionary authority to interpret and administer the Plan. Subject to a request for review of denied claims, decisions are final and binding.

Plan Administration and Funding
Stanford University administers eligibility, participation, and contributions for the Plan. Investment allocations and transfers are made by investment provider(s) at the employee's direction. Investment provider(s) also perform administrative functions for other aspects of the Plan.

Plan Document
In the event of any conflict or inconsistency between this Summary Plan Description and the official Plan Document, the Plan Document will govern. A copy of the Plan Document is available for inspection at the Stanford Benefits office or the SLAC Human Resources lobby.

Plan Changes or Termination

The university reserves the right to change or terminate the Plan at any time. Participants will be notified of changes as required by law. If the Plan is changed or terminated, each participant's rights to Plan contracts and investments will remain fully vested. No further contributions will be made on or after termination. This Plan provides all benefits through annuity contracts or custodial accounts under Internal Revenue Code Section 403(b) and is not subject to, or covered by, Title IV of ERISA or federal pension plan termination insurance.

Non-Assignment

Except as permitted or required by law, Plan benefits may not be assigned or attached to meet the claims of any creditor, and any attempt to assign or attach such benefits shall be void and unenforceable.

Employment Rights

Neither eligibility for nor participation in this Plan constitutes any promise or guarantee of current or future employment.

YOUR RIGHTS UNDER ERISA

As a participant in the Stanford Contributory Retirement Plan, you are also entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Stanford Benefits Department, all documents governing the Plan, including the group annuity contract, collective bargaining agreements and a copy of the latest annual report (Form 5500) 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 the group annuity contract, collective bargaining agreements and copies of the latest annual report (Form 5500) and updated summary plan description. The Plan Administrator may make a 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.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stopped working now under the Plan. 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.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people (called *fiduciaries*) responsible for the operation of the Plan. Fiduciaries have a duty to operate the Plan 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 pension benefit or exercising your rights under ERISA.

If your claim for a pension 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 the reasons beyond the control of the Plan Administrator.

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

If you have any questions about the Plan, you should contact the Plan Administrator in care of the Stanford Benefits Department.

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 the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by visiting the website at www.dol.gov/dol/topic/retirement/erisa.htm or calling the publications hotline of the Employee Benefits Security Administration at (866) 444-3272.

DEFINITIONS

Annuity: An amount paid at regular intervals (generally monthly) at retirement. The regular payments are guaranteed by an insurance company and are generally payable for at least your lifetime and possibly beyond, depending on the form of annuity you select.

Beneficiary: The person(s) you designate to receive benefits from the Plan in the event of your death.

Before-Tax Contribution: An Employee Contribution made to the Plan before federal and state income taxes are imposed.

Controlled Group: Stanford University must treat its retirement plans and plans maintained by other Stanford-related employers as belonging to a single "controlled group" for various purposes. This controlled group includes Stanford University, Stanford Hospitals and Clinics (Stanford Hospital), Lucile Packard Children's Hospital, and SAA Sierra Programs LLC (including Alpine Chalet). Employees who work for any of these organizations will be considered, for certain administrative purposes, to be employed by the same employer: Stanford.

CRA Basic Contribution: The university makes a Basic Contribution to the Plan for a CRA-eligible participant whether or not the employee makes Employee Contributions.

CRA-Eligible: An employee who completes 1,000 hours of qualifying service in a 12-month period starting on date of hire or rehire, or any anniversary of that date.

Employee Contributions: Employee voluntary contributions made on a before-tax or after-tax basis which are subject to limits imposed by the IRS.

Employer: The Leland Stanford Junior University, known also as Stanford University. Additionally, the terms "university" and "Stanford" are used in this SPD to refer to Stanford University.

ERISA: Employee Retirement Income Security Act of 1974, as amended.

Financial Hardship: An immediate and heavy financial need as defined in Internal Revenue Code regulations adopted by the Plan. See *Hardship Distributions While Employed by the University*, page 24.

Investment Provider: A mutual fund provider or insurance company selected by Stanford to provide investment options.

Match Contribution: A Match Contribution is made by the university for a CRA-eligible participant when the participant makes Matchable Before-Tax and/or Matchable After-Tax Employee Contributions.

Matchable After-Tax Employee Contribution: Employee Contributions made to the CRA on an after-tax basis which are matched by the Employer.

Matchable Before-Tax Employee Contribution: Employee Contributions made to the CRA before federal and state income taxes are imposed which are matched by the Employer.

Non-Matchable After-Tax Employee Contributions: Employee Contributions made to the CRA after federal and state income taxes are imposed that are not matched by the Employer.

Non-Matchable Before-Tax Employee Contributions: Employee Contributions made to the TDA before federal and state income taxes are imposed that are not matched by the Employer.

Participant: An eligible employee enrolled in the Plan and any other individual who has vested rights to Plan benefits.

Plan or SCRP: Refers to the Stanford Contributory Retirement Plan.

Plan Administrator: The university's Vice President of Human Resources.

Plan Contributions: Refers to Employee, Match, Basic and TCA Basic Contributions.

Plan Year: January 1 through December 31 of each calendar year.

Prospectus: An official document issued by an investment provider, describing an investment fund or product. It contains information the Securities and Exchange Commission requires on such subjects as the fund's investment objectives and policies, services, investment restrictions, officers and directors, and expenses. The prospectus is a major source of information on the investment fund or product. Before choosing a fund or product, you should read a copy of the prospectus, available from the applicable investment provider. You may log onto **benefits.stanford.edu** where you will find links to websites from Fidelity, Vanguard and TIAA-CREF. Please refer to the Enrollment Guide brochure for additional information.

Regular Salary: The participant's salary for services to Stanford University plus, if applicable, any sabbatical pay, shift differential, fourth-quarter payments, administrative supplements, eligible supplemental income, and paid leave (determined before any Employee Contributions to the SCRP or contributions to a cafeteria plan) up to the federal limit of $250,000 ($255,000 for 2013) per calendar year. Regular salary does ***not*** include overtime, one-time payments, cash awards, bonuses, and honoraria, severance, imputed income, housing and travel allowances, reimbursements and amounts from sources other than the Employer.

Spousal Consent: As used in this Summary Plan Description, a spouse's acknowledgment in writing to waive his/her right to a benefit under the Plan.

TCA Basic Contribution: The university makes a Basic Contribution to the Plan for temporary or casual employees who work 1,000 hours within a calendar year.

Vested: Non-forfeitable.

APPENDIX A – CLAIMS PROCEDURES

These Procedures for filing and reviewing claims have been established and adopted pursuant to Section 12.6 of the Plan and are intended to comply with Section 503 of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and the related Department of Labor Regulations. These amended and restated Claims Procedures are effective for claims made under the Plan on or after January 1, 2012.

1. In General

Any employee or former employee, or any person claiming to be a beneficiary or an alternate payee named in a qualified domestic relations order with respect to such a person, may request with respect to the Plan:

- A benefit payment.
- A resolution of a disputed amount of benefit payment.
- A resolution of a dispute as to whether the person is entitled to the particular form of benefit payment.

A request described above and filed in accordance with these Procedures is a *claim* and the person on whose behalf the claim is filed is a *claimant*. A claim must relate to a benefit which the claimant asserts he or she is already entitled to receive or will become entitled to receive within one year following the date the claim is filed.

2. Effect on Benefit Requests in Due Course

The Plan has established procedures for benefit applications, selection of benefit forms, designation of beneficiaries, determination of qualified domestic relations orders, and similar routine requests and inquiries relating to the operation of the Plan. Many of these are set forth in the Summary Plan Description for the Plan or other materials provided to employees, or are available by contacting Stanford Benefits or by visiting the SLAC Human Resources lobby. Such routine requests and applications are not claims to be resolved under these Procedures and the ordinary procedures must be utilized fully before filing a claim. However, an employee, former employee, or individual claiming to be a beneficiary or alternate payee who wishes to dispute a determination resulting from such routine processing, may file a claim as described.

3. Filing of Claims

Each claim must be in writing and delivered by hand or first-class mail (including registered or certified mail) to the Vice President of Human Resources (the Plan Administrator), at the address listed on page 33.

A claim must clearly state the specific outcome being sought by the claimant. The claim must also include sufficient information relating to the identity of the claimant and such other information reasonably necessary to allow the claim to be evaluated.

4. Processing of Claims

A claim normally shall be processed and determined by the Plan Administrator within a reasonable time (but no longer than 90 days) following actual receipt of the claim. However, if the Plan Administrator determines that additional time is needed to process the claim and so notifies the claimant in writing within the initial 90-day period, the Plan Administrator may extend the determination period for up to an additional 90 days. Also, where the Plan Administrator determines the extension is required due to the claimant's failure to submit information necessary to determine the claim, the time the claim is required to be considered pursuant to this paragraph 4 shall be tolled from the date notification of the extension is sent to the claimant until the date the claimant responds to the request for additional information. Any notice to a claimant extending the period for considering a claim shall indicate the circumstances requiring the extension and the date by which the Plan Administrator expects to render a determination of the claim. The Plan Administrator shall not process or adjudicate any claim relating specifically to his or her own benefits under the Plan.

5. Determination of Claim

The Plan Administrator shall inform the claimant in writing of the decision regarding the claim by registered or certified mail posted within the time period described in paragraph 4. The decision shall be based on governing Plan documents. If there is an adverse determination with respect to all or part of the claim, the written notice shall include:

- The specific reason or reasons for the denial.
- Reference to the specific Plan provisions on which the denial is based.
- A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.
- Reference to and a copy of these Procedures, so as to provide the claimant with a description of the Plan's review procedures and the time limits applicable to such procedures, a description of the claimant's rights regarding documentation as described in paragraph 9, and a statement of the claimant's rights under Section 502(a) of ERISA to bring a civil action with respect to an adverse determination upon review of an appeal filed under paragraph 6.

For purposes of these Procedures, an *adverse determination* shall mean determination of a claim resulting in a denial, reduction, or termination of a benefit under the Plan, or the failure to provide or make payment (in whole or in part) of a benefit or any form of benefit under the Plan. Adverse determinations shall include denials, reductions, etc. based on the claimant's lack of eligibility to participate in the Plan.

6. Appeal of Claim Denials – Appeals Committee

A claimant who has received an adverse determination of all or part of a claim shall have 60 days from the date of such receipt to contest the denial by filing an appeal. An appeal must be in writing and delivered to the Plan Administrator at the address listed on page 33. An appeal will be considered timely only if actually received by the Plan Administrator within the 60-day period or, if sent by mail, postmarked within the 60-day period.

All timely appeals shall receive a full and fair review by an Appeals Committee appointed by the Associate Vice President of Benefits. The Appeals Committee shall meet at such times and places determined appropriate. The vote of at least two of the three members shall decide any question brought before the Appeals Committee.

7. Consideration of Appeals

The Appeals Committee shall make an independent decision as to the claim based on a full and fair review of the record. The Appeals Committee shall take into account in its deliberations all comments, documents, records and other information submitted by the claimant, whether submitted in connection with the appeal or with the original claim, and may, but need not, hold a hearing with its consideration of the appeal.

The Appeals Committee shall consider an appeal within a reasonable period of time, but not later than 60 days after receipt of the appeal, unless the Appeals Committee determines that special circumstances (such as the need to hold a hearing) require a time extension. If the Appeals Committee determines that a time extension is required, it will cause written notice of the extension, including a description of the circumstances requiring an extension and the date by which the Appeals Committee expects to render the determination on review, to be furnished to the claimant before the end of the initial 60-day period.

In no event shall an extension exceed 60 days from the end of the initial period, *provided*, in the case of any extension of time required by the failure of the claimant to submit information necessary for the Appeals Committee to consider the appeal, the period in which the appeal is required to be considered under this paragraph 7 shall be tolled from the date on which notification of the extension is sent to the claimant until the date on which the claimant responds to the Appeals Committee's request for additional information.

8. Resolution of Appeal

Notice of the Appeals Committee's determination with respect to an appeal shall be communicated to the claimant in writing by registered or certified mail posted within the time period described in paragraph 7. If the determination is adverse, such notice shall include:

- The specific reason or reasons for the adverse determination.
- Reference to the specific Plan provisions on which the adverse determination was based.
- Reference to and a copy of these Procedures, so as to provide the claimant with a description of the claimant's rights regarding documentation as described in paragraph 9, and a statement of the claimant's rights under Section 502(a) of ERISA to bring a civil action with respect to the adverse determination.

9. Certain Information

In connection with the determination of a claim or appeal, a claimant may submit written comments, documents, records and other information relating to the claim and may request (in writing) copies of any documents, records and other information relevant to the claim. An item shall be deemed relevant to a claim if it:

- Was relied on in determining the claim.
- Was submitted, considered or generated in the course of making such determination (whether or not actually relied on).
- Demonstrates that such determination was made in accordance with governing Plan documents (including, for this purpose, these Procedures) and that, where appropriate, Plan provisions have been applied consistently with similarly situated claimants.

The Plan Administrator shall furnish, free of charge, copies of all relevant documents, records and other information so requested provided that nothing in these Procedures shall obligate Stanford University, the Plan Administrator, or any person or committee to disclose any document, record or information that is subject to a privilege (including, without limitation, the attorney-client privilege) or the disclosure of which would, in the Plan Administrator's judgment, violate any law or regulation.

10. Rights of a Claimant Where Appeal is Denied

Where a claimant's appeal is denied, the claimant may be entitled to bring suit under Section 502(a) of ERISA. The claimant's actual entitlement, if any, to bring suit and the scope of and other rules pertaining to any such suit shall be governed by, and subject to the limitations of, applicable law, including ERISA. By extending to an employee or former employee the right to file a claim under these Procedures, neither Stanford University nor any person or committee appointed as Plan Administrator acknowledges or concedes that such individual is a participant in the Plan within the meaning of the Plan or ERISA, and reserves the right to assert that an individual is not a participant in any action brought under Section 502(a). Before any legal proceeding can be brought, a Claimant must exhaust the Claim and Appeal Procedures as set forth herein. In no event may any legal proceeding regarding entitlement to benefits or any aspect of benefits under the Plan be commenced later than the earlier of:

- One year after the date on which a Claimant receives a decision from the Appeals Committee regarding his/her appeal.
- The date otherwise prescribed by applicable law.

11. Authorized Representation

A claimant may authorize an individual to represent him/her with respect to a claim or appeal made under these Procedures. Any such authorization shall be in writing, shall clearly identify the name and address of the individual and shall be delivered to the Plan Administrator at the address listed in paragraph 3. On receipt of a letter of authorization, all parties authorized to act under these Procedures shall be entitled to rely on such authorization until similarly revoked by the claimant. While an authorization is in effect, the claimant as used in these Procedures shall include his/her authorized representative for purposes of all notices and communications to be provided under these Procedures.

12. Form of Communications

Unless otherwise specified above, any claim, appeal, notice, determination, request, or other communication made under these Procedures shall be in writing, with original signed copy delivered by hand or first-class mail (including registered or certified mail). A copy or advance delivery of any such claim, appeal, notice, determination, request or other communication may be made by electronic mail or facsimile. Any such electronic or facsimile communication, however, shall be for the convenience of the parties only and not in substitution of a writing required to be mailed or delivered under these Procedures, and receipt or delivery of any such claim, appeal, notice, determination, request, or other written communication shall not be considered to have been made until the actual posting or receipt of original signed copy, as the case may be.

13. Reliance on Outside Counsel, Consultants, etc.

The Plan Administrator and the Appeals Committee may rely on or take into account advice or information provided by such legal, accounting, actuarial, consulting or other professionals as may be selected in determining a claim or appeal, including those individuals and firms that may render advice to Stanford University or the Plan from time to time.

14. Amendment of Procedures – Interpretation

These Procedures may be modified at any time and from time to time by action of the Plan Administrator and shall be deemed automatically modified to incorporate any requirement attributable to a change in the applicable Department of Labor regulations after January 1, 2012. The Administrator shall have complete discretion to interpret and apply these Procedures, including, for purposes of applying these Procedures. Further, nothing in these Procedures shall be construed to limit the discretion of the Plan Administrator or its designee to interpret the Plan or, subject to the right of appeal of an adverse determination, the finality of the decision of the Plan Administrator or its designee, all as set forth in the Plan.