

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE**  
**457(B) DEFERRED COMPENSATION PLAN FOR KEY EMPLOYEES**  
**SUMMARY PLAN DESCRIPTION**

**TABLE OF CONTENTS**

**INTRODUCTION TO YOUR PLAN**

**ARTICLE I  
PARTICIPATION IN THE PLAN**

Am I eligible to participate in the Plan? .....3  
When am I eligible to participate in the Plan? .....4

**ARTICLE II  
CONTRIBUTIONS**

What kind of Plan is this? .....4  
How much may I contribute to the Plan?.....5  
How often can I modify the amount I contribute?.....5  
Will the Employer contribute to the Plan?.....6  
How will the Employer contribution be allocated to my account?.....6  
What compensation is used to determine my Plan benefits?.....6  
Is there a limit on the amount of compensation which can be considered?.....6  
May I "rollover" payments from other retirement plans?.....6  
How is the money in the Plan invested? .....6

**ARTICLE III  
RETIREMENT BENEFITS**

What benefits will I receive at normal retirement?.....7  
What happens if I leave the Employer's workforce before I retire? .....7  
What is my vested interest in my account?.....8  
As a veteran, will my military service count as service with the Employer? .....8

**ARTICLE IV  
FORM OF BENEFIT PAYMENT**

How will my benefits be paid? .....8  
What happens if my vested benefit under the Plan does not exceed \$5,000 and I do  
not elect to receive a distribution or roll over the amount to another plan or IRA? .....8  
May I delay the receipt of benefits?.....9

**ARTICLE V  
DEATH BENEFITS**

What happens if I die while working for the Employer?.....9  
Who is the beneficiary of my death benefit? .....9  
How will the death benefit be paid to my beneficiary? .....9  
What happens if I'm a participant, terminate employment and die before receiving all  
my benefits? .....10

ARTICLE VI  
IN-SERVICE DISTRIBUTIONS

Can I withdraw money from my account in the event of financial hardship? .....10  
What conditions must I satisfy to receive a hardship distribution? .....10  
Can I make a voluntary withdrawal? .....11

ARTICLE VII  
TAX TREATMENT OF DISTRIBUTION

What are my tax consequences when I receive a distribution from the Plan?.....11  
Can I reduce or defer tax on my distribution? .....11

ARTICLE XIII  
PROTECTED BENEFITS AND CLAIMS PROCEDURES

Is my benefit protected?.....12  
Are there any exceptions to the general rule?.....12  
Can the Plan be amended? .....13  
What happens if the Plan is discontinued or terminated? .....13  
How do I submit a claim for Plan benefits?.....13  
What if my benefits are denied? .....13  
What is the Claims Review Procedure?.....14

ARTICLE IX  
PLAN EXPENSES

Information on Plan Expenses .....15

ARTICLE X  
GENERAL INFORMATION ABOUT THE PLAN

General Plan Information.....16  
Sponsor/Administrator Information.....16  
Administration Information .....17  
Vendor and Trustee Information.....17

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE  
457(B) DEFERRED COMPENSATION PLAN FOR KEY EMPLOYEES**

**SUMMARY PLAN DESCRIPTION**

**INTRODUCTION TO YOUR PLAN**

The University System of New Hampshire (the "Sponsor") has adopted the University System of New Hampshire 457(b) Deferred Compensation Plan for Key Employees (the "Plan") to provide you with the opportunity to save for retirement on a tax-advantaged basis. This Summary Plan Description ("SPD") contains valuable information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this SPD to get a better understanding of your rights and obligations in the Plan.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS). We may also amend or terminate this Plan.

**ARTICLE I  
PARTICIPATION IN THE PLAN**

**Am I eligible to participate in the Plan?**

You must be an employee of the Sponsor to participate in the Plan. Provided you are not an Excluded Employee, you are eligible to participate in the Plan once you satisfy the Plan's eligibility conditions described in the next question. Then, you may elect to have your compensation reduced by a specific dollar amount, and have that amount contributed to the Plan as a salary deferral contribution.

If you are a member of a class of employees identified below, you are an Excluded Employee for purposes of the Plan. The Excluded Employees are:

- union employees whose employment is governed by a collective bargaining agreement unless such collective bargaining agreement provides for coverage under this Plan.
- an individual who renders services to the University System and who is not a Principal Administrator and who is not characterized by the University System as an employee for federal income and wage withholding.
- an individual who is not an active participant in the USNH 403(b) Retirement Plan.

### **When am I eligible to participate in the Plan?**

Provided you are not an Excluded Employee, you shall become a Participant as of the first entry date following the acceptance and approval of your properly completed salary deferral agreement by the Plan Administrator. Your salary deferred agreement must contain your election to have your compensation reduced by a specific percentage or dollar amount.

The Administrator reserves the right to reject any salary deferral agreement which does not conform with the uniform, non-discriminatory procedures the Administrator shall prescribe. In that instance, the Administrator shall advise you of the appropriate method of correction.

Your entry date will be the first of the month following the acceptance and approval of your salary deferral agreement by the Administrator.

## **ARTICLE II CONTRIBUTIONS**

### **What kind of Plan is this?**

This Plan is a type of retirement plan commonly referred to as a 457(b) Plan. As a participant under the Plan, you may elect to reduce your compensation by a dollar amount and have that amount contributed to the Plan as a salary deferral. If you make a deferral, then your taxable income is reduced by the deferral contribution so you pay less in federal income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, with a deferral, federal income taxes on the deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

In addition to your deferrals, we may make an additional discretionary contribution to the Plan on your behalf.

## **How much may I contribute to the Plan?**

As a participant, you may elect to defer a flat dollar amount of your regular budgeted compensation each year instead of receiving that amount in cash. If you are a participant who is subject to a severance arrangement, you may elect to defer from compensation paid in connection with such severance arrangement. However, your total deferrals in any taxable year may not exceed the lesser of (a) a dollar limit which is set by law, or (b) 100% of your compensation. The limit for 2007 (this limit is unchanged for 2008) is \$15,500. The limit will be reduced by any discretionary contribution made by your employer, if any. After 2008, the dollar limit may increase for cost-of-living adjustments. The Administrator will notify you of the maximum amount you may defer. The amount you elect to defer, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you. However, the amount you defer is counted as compensation for Social Security taxes.

If you will attain age 50 before the end of a calendar year, then you may elect to defer additional amounts (called "age catch-up contributions") to the plan as of the January 1st of that year. The additional amounts may be deferred regardless of any other limitations on the amount that you may defer to the plan. The maximum "age catch-up contribution" that you can make in 2007 is \$5,000. After 2007, the maximum may increase for cost-of-living adjustments.

Generally, if an annual dollar limit is exceeded, then the excess must be included in your income for the year. For this reason, it is desirable to request in writing that any such excess salary reduction amounts and "catch-up contributions" be returned to you.

If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Administrator no later than the March 1st following the close of the calendar year in which such excess deferrals were made. However, if the entire dollar limit is exceeded in this Plan or any other plan we maintain, then you will be deemed to have notified the Administrator of the excess. The Administrator will then return the excess deferral and any earnings to you by April 15th.

The Administrator will allocate the amount you elect to defer to an account maintained on your behalf. You will always be 100% vested in this account. This means that you will always be entitled to all amounts that you defer. This money will, however, be affected by any investment gains or losses. If there is an investment gain, then the balance in your account will increase. If there is an investment loss, then the balance in your account will decrease.

## **How often can I modify the amount I contribute?**

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Administrator. You may elect to defer your salary as of your Entry Date or as of the first of the month following the acceptance and approval of your salary reduction election. Your election will remain in effect until you modify or terminate it.

You may modify your salary deferral election on the first day of any payroll period. You are permitted to revoke your election any time during the Plan Year. The modification will become effective as soon as administratively feasible.

## **Will the Employer contribute to the Plan?**

Each year, in addition to depositing your salary deferrals, we may contribute to the Plan.

## **How will the Employer contribution be allocated to my account?**

If an Employer contribution is made, the Employer will determine how it will be allocated at the time of determination.

## **What compensation is used to determine my Plan benefits?**

For the purposes of the Plan, compensation has a special meaning. Compensation is generally defined as your regular budgeted compensation from your employer for the Plan Year. Certain deferrals are included in your compensation, including elective salary deferrals to this Plan, to an annuity contract under Internal Revenue Code Section 403(b), or to a cafeteria plan. If you are a participant who is subject to a severance arrangement, compensation may also mean compensation paid in connection with such severance arrangement.

## **Is there a limit on the amount of compensation which can be considered?**

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2007 is \$225,000. After 2007, the dollar limit may increase for cost-of-living adjustments.

## **May I "roll over" payments from other retirement plans?**

At the discretion of the Administrator, provided you comply with administrative requirements established by the Administrator, once you become a participant you may be permitted to deposit into the Plan distributions you have received from other plans which are eligible deferred compensation plans as defined in Internal Revenue Code Section 457(b). Such a deposit is called a "rollover" and may result in tax savings to you. You may ask your prior plan administrator or trustee to directly transfer (a "direct rollover") to this Plan all or a portion of any amount which you are entitled to receive as a distribution from a prior plan. Alternatively, if you received a distribution from an eligible deferred compensation plan as defined in Internal Revenue Code Section 457(b), you may elect to deposit any amount eligible for rollover within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is permitted and in your best interest.

Your rollover will be placed in a separate account called a "rollover account." You will always be 100% vested in your "rollover account." This means that you will always be entitled to all of your rollover contributions. Rollover contributions will be affected by any investment gains or losses.

## **How is the money in the Plan invested?**

You will be able to direct the investment of your interest in the Plan. The Administrator has established participant direction procedures setting forth investment choices available to you, the frequency with which you can change your investment choices and instructions on how you

can obtain other important information on directed investments available from the Administrator. You need to follow these procedures when you direct investments. You should review the information in these procedures carefully before you give investment directions.

When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance of other participants who have directed their own investments.

You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur. There are no guarantees of performance. The Employer, the Administrator, and the Trustee will not provide investment advice or guarantee the performance of any investment you choose.

In the event that you decline or fail to provide investment directions with respect to your account, the Administrator shall determine the appropriate manner in which assets in your account will be invested, and the Administrator, the Sponsor and the Trustee shall be fully protected with regard to such action. In determining such investment, the Administrator shall focus principally (but not necessarily exclusively) on safety of principal, secondarily on generation of a reasonable rate of income, and thereafter on the prospect of growth of principal. Any subsequent investment direction by you shall be effective with respect to future salary deferrals and all amounts previously invested by the Administrator.

### **ARTICLE III RETIREMENT BENEFITS**

#### **What benefits will I receive at normal retirement?**

You will be entitled to all of your accounts under the Plan if you retire on or after your Normal Retirement Age. However, the actual payment of benefits may generally not begin until you have terminated employment. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Age, you may generally defer the receipt of benefits until you actually retire. In such event, benefit payments will begin as soon as feasible following your retirement.

You will attain your Normal Retirement Age when you reach your 65th birthday. Your Normal Retirement Date is the date on which you attain your Normal Retirement Age.

Your Late Retirement Date is the date you choose to retire after first having reached your Normal Retirement Date.

#### **What happens if I leave the Employer's workforce before I retire?**

If your employment terminates for reasons other than death, disability or early or normal retirement, you will be entitled to receive only your "vested percentage" of your account balance. (See the question in this Article entitled "What is my vested interest in my account?".)



You may elect to have your vested benefit distributed to you as soon as administratively feasible following your termination of employment. However, if the value of your vested benefit does not exceed \$5,000, a lump-sum distribution will be made to you within a reasonable time after you terminate employment regardless of whether you elect to receive it. (See the question in Article V entitled "How will my benefits be paid?" for a further explanation.)

**What is my vested interest in my account?**

You are always 100% fully vested in amounts credited to your accounts under the Plan.

**As a veteran, will my military service count as service with the Employer?**

If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. If you may be affected by this law, ask your Administrator for further details.

**ARTICLE IV  
FORM OF BENEFIT PAYMENT**

**How will my benefits be paid?**

You will be entitled to receive your benefits under the Plan only upon or after your retirement or severance from employment. In that event you will receive a benefit from the Plan equal to the balance of your Account as of the Valuation Date immediately preceding the Benefit Commencement Date. That payment will be made in accordance with the benefit payment option elected by you. A special rule applies if your benefit in the Plan does not exceed \$5,000. In determining whether your benefit under the Plan exceeds the dollar threshold described above, "rollovers" (and any earnings allocable to "rollover" contributions) will not be taken into account.

You may elect to receive your benefit in any one or combination of benefit payment options which will be made available to you. Currently available options include the following:

- one lump sum
- under a systematic withdrawal plan (installments)
- term certain annuity
- life annuity
- life annuity term certain
- joint and spousal annuity

**What happens if my benefit under the Plan does not exceed \$5,000 and I do not elect to receive a distribution or roll over the amount to another plan or IRA?**

If you terminate employment and your vested interest in the Plan does not exceed \$5,000, then a lump sum distribution will be made to you as soon as administratively practicable following your termination of employment. For purposes of determining if your vested interest does not exceed \$5,000, amounts in your rollover account will not be considered.

### **May I delay the receipt of benefits?**

Yes, you may delay the receipt of benefits unless a distribution is required to be made, as explained earlier, because your benefit under the Plan does not exceed \$5,000. However, if you elect to delay the receipt of benefits, there are rules which require that certain minimum distributions be made from the Plan. Generally, these minimum distributions must begin not later than the April 1st following the end of the year in which you reach age 70 1/2. However, if you are not a 5% owner, there are certain options available to you.

## **ARTICLE V DEATH BENEFITS**

### **What happens if I die while working for the Employer?**

If you die while still employed by us, then 100% of your account balance will be used to provide your beneficiary with a death benefit.

### **Who is the beneficiary of my death benefit?**

You may designate a beneficiary on a form to be supplied to you by the Administrator or the Vendor. Please refer to the section of this document titled "GENERAL INFORMATION ABOUT THE PLAN" for information about the Vendors to whom many administrative details have been delegated. Please note that you must comply with the requirements of the Vendor with respect to beneficiary designations. It is anticipated that such designations may be made either in writing or electronically.

In the event no valid designation of beneficiary exists, or if the beneficiary is not alive at the time of your death, the death benefit will be paid to the properly appointed fiduciary of your estate provided that if a fiduciary has not been appointed and qualified within 120 days after your death, the payment shall be made in accordance with state law.

### **How will the death benefit be paid to my beneficiary?**

If your death occurs before your benefit has commenced, your beneficiary shall elect a benefit commencement date that is no later than December 31 of the calendar year in which the fifth anniversary of the date of our death occurs, and the benefit payment option must require a complete distribution of your account by such date. If the beneficiary is your spouse, your spouse may elect that distributions commence at any time on or before the later of (1) December 31 of the calendar year immediately following the calendar year of your death; or (2) December 31 of the calendar year in which you would have attained age 70 1/2, in either case in a payment option that provides payments no longer than over the life of your spouse (or over a period not extending beyond your spouse's life expectancy). If your surviving spouse dies before completion of such payments, the remaining balance of your account shall be paid to your spouse's estate.

If your death occurs after you have begun to receive benefits, the remaining payments, if any, shall be payable to your beneficiary commencing with the 30 day period, commencing with

the 61st day following your death. If the beneficiary is not your surviving spouse, such payments must be completed on or before the 15th anniversary of your death. In no event shall the sponsor or administrator be liable to your beneficiary for any payment before the administrator receives proof of your death. If your beneficiary dies before completion of such payments, the remaining balance of your account shall be paid to your beneficiary's estate.

**What happens if I'm a participant, terminate employment and die before receiving all my benefits?**

If you terminate employment with us and subsequently die, your beneficiary will be entitled to your remaining interest in the Plan at the time of your death.

**ARTICLE VI  
IN-SERVICE DISTRIBUTIONS**

**Can I withdraw money from my account in the event of unforeseeable emergency?**

Yes, if you satisfy certain conditions. An unforeseeable emergency distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement. You will be required to demonstrate the existence of an unforeseeable emergency requiring you to satisfy an immediate and heavy financial need. The determination as to the existence of an unforeseeable emergency and the manner of withdrawal will be made by the Administrator in accordance with applicable regulations.

**What conditions must I satisfy to receive an unforeseeable emergency distribution?**

An unforeseeable emergency must be a severe financial hardship suffered by you and resulting from

- an illness or accident of you, or your spouse, or your dependent (as defined in Code Section 152(a));
- loss of your property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowners insurance, for example as a result of a natural disaster);
- or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control.

For example, the imminent foreclosure of or eviction from your primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Also, the need to pay for the funeral expenses of a spouse or a dependent (as defined in Section 152(a)) may also constitute an unforeseeable emergency. The purchase of a home or the payment of college tuition will not constitute unforeseeable emergencies under the Plan.

A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of your assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the Plan.

Distributions because of the unforeseeable emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

### **Can I make a voluntary withdrawal?**

You may request a withdrawal of your account (other than portion attributable to rollover contributions) provided that:

- the total amount credited to your account does not exceed \$5,000;
- you have not authorized salary deferrals under the Plan during the two-year period immediately preceding such request; and
- you have not previously applied for a withdrawal under this section.

Rollover contributions will not be considered in determining whether your account is less than \$5,000. If the above conditions are met, the Administrator may distribute the balance in your account (other than that portion attributable to rollover contributions) without your consent.

## **ARTICLE VII TAX TREATMENT OF DISTRIBUTIONS**

### **What are my tax consequences when I receive a distribution from the Plan?**

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59 1/2 could be subject to an additional 10% tax.

### **Can I reduce or defer tax on my distribution?**

You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

- (a) The rollover of all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another qualified employer plan. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution (such as an unforeseeable emergency

distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to rollover all or a portion of your distribution amount, the direct transfer option described in paragraph (b) below would be the better choice.

(b) For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of a distribution be made to either an Individual Retirement Account or Annuity (IRA) or another qualified employer plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other qualified employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

WHENEVER YOU RECEIVE A DISTRIBUTION, THE ADMINISTRATOR OR VENDOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

## **ARTICLE VIII PROTECTED BENEFITS AND CLAIMS PROCEDURES**

### **Is my benefit protected?**

As a general rule, your interest in your account, including your "vested interest," may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred. In addition, your creditors may not attach, garnish or otherwise interfere with your account.

### **Are there any exceptions to the general rule?**

There are two exceptions to this general rule. The Administrator must honor a "qualified domestic relations order." A "qualified domestic relations order" is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by the Administrator, all or a portion of your benefits may be used to satisfy the obligation. The Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain, without charge, a copy of the QUALIFIED DOMESTIC RELATIONS ORDER PROCEDURE from the Administrator.

The second exception applies if you are involved with the Plan's operation. If you are found liable for any action that adversely affects the Plan, the Administrator can offset your

benefits by the amount that you are ordered or required by a court to pay the Plan. All or a portion of your benefits may be used to satisfy any such obligation to the Plan.

### **Can the Plan be amended?**

Yes. We have the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

### **What happens if the Plan is discontinued or terminated?**

Although we intend to maintain the Plan indefinitely, we reserve the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will become 100% vested. We will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. (See the question in Article V entitled "How will my benefits be paid?" for a further explanation.) You will be notified if the Plan is terminated.

### **How do I submit a claim for Plan benefits?**

Benefits will be paid to you and your beneficiaries without the necessity of formal claims. However, if you think an error has been made in determining your benefits, then you or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Administrator.

If the Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

### **What if my benefits are denied?**

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Administrator, unless the Administrator determines that special circumstances require an extension of time for processing your claim. If the Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90 day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

The Administrator's written or electronic notification of any adverse benefit determination must contain the following information:

- (a) The specific reason or reasons for the adverse determination.

- (b) Reference to the specific Plan provisions on which the determination is based.
- (c) A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary.
- (d) Appropriate information as to the steps to be taken if you or your beneficiary want to submit your claim for review.

If your claim has been denied, and you want to submit your claim for review, you must follow the Claims Review Procedure in the next question.

### **What is the Claims Review Procedure?**

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Administrator.

- (a) **YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM FOR BENEFITS.**
- (b) You may submit written comments, documents, records, and other information relating to your claim for benefits.
- (c) You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Administrator.
- (d) You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (e) Your claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

The Administrator will provide you with written or electronic notification of the Plan's benefit determination on review. The Administrator must provide you with notification of this denial within 60 days after the Administrator's receipt of your written claim for review, unless the Administrator determines that special circumstances require an extension of time for processing your claim. If the Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 60 day period. In no event will such extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review. In the case of an adverse benefit determination, the notification will set forth:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the benefit determination is based.
- (c) A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. However, in order to do so, you must file the suit no later than 180 days after the Administrator makes a final determination to deny your claim.

## **ARTICLE IX PLAN EXPENSES**

The Plan permits the payment of Plan expenses to be made from the Plan's assets. If we do not pay these expenses from our own assets, then the expenses paid using the Plan's assets will generally be allocated among the accounts of all participants in the Plan. These expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. The method of allocating the expenses depends on the nature of the expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated proportionately to each participant. If the Plan pays \$1,000 in expenses and there are 100 participants, your account balance would be charged \$10 ( $\$1,000/100$ ) of the expense.

After you terminate employment with us, we reserve the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether we pay some of these expenses on behalf of current employees.

There are certain other expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses may be paid directly from your account (and not the accounts of other participants) because they are directly attributable to you under the Plan. The Administrator will inform you when there will be a charge (or charges) directly to your account.

The Employer may, from time to time, change the manner in which expenses are allocated.



**ARTICLE X  
GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

**General Plan Information**

The full name of the Plan is University System of New Hampshire 457(b) Deferred Compensation Plan For Key Employees.

This Plan was originally effective on July 1, 2002.

The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1st and ends on December 31st.

The Plan will be governed by the laws of New Hampshire.

Service of legal process may be made upon your Employer. Service of legal process may also be made upon the Trustee, the Sponsor or Administrator.

**Sponsor/Administrator Information**

University System of New Hampshire  
25 Concord Road, Dunlap Center  
Durham, New Hampshire 03824  
Telephone Number: 603-862-0943

- (1) Sponsor's Employer Identification Number: 02-6000937
- (2) Sponsor's fiscal year end: June 30th
- (3) Type of governmental entity/instrumentality: Educational
- (4) Applicable State Law: New Hampshire

The term "Sponsor" includes the following eligible employers (as defined in IRC Section 457(e)(1))

University System of New Hampshire  
The University of New Hampshire Foundation, Inc.  
University of New Hampshire Alumni Association, Inc.

## **Administrator Information**

The Sponsor appoints the Administrator. If no Administrator has been appointed, the Sponsor serves as Administrator. The Plan's Administrator is responsible for the day-to-day administration and operation of the Plan, although this responsibility is generally delegated to the Vendor and the delegated responsibilities of the Administrator are generally performed by the Vendor (see the paragraph titled Vendor and Trustee Information). For example, the Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. The Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan and your participation, you should contact the Administrator. The Administrator may designate other parties to perform some duties of the Administrator.

The Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

## **Vendor and Trustee Information**

All money that is contributed to the Plan is held in a trust fund, or in an annuity contract which qualifies as a trust fund pursuant to the Internal Revenue Code. The term, Trustee, as used herein, refers to the Trustee of the Trust Fund and also to the person holding the assets of the annuity contract. The Trustee is responsible for the safekeeping of the Plan assets and must hold and invest Plan assets in a prudent manner and in the best interest of you and your beneficiaries. The Plan uses the services of two Vendors, Fidelity and TIAA-CREF. The trust fund or contract arrangements established by those Vendors will be the funding medium used for the accumulation of assets from which benefits will be distributed.

The name and address of the Plan's Trustees are:

Fidelity Management Trust Company  
82 Devonshire Street  
Boston, Massachusetts 02109

Teachers Assurance and Annuity Association of America  
730 Third Avenue  
New York, NY 10017

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

J:\WDOX\DOCS\CLIENTS\14407\72032\M1161383.DOC