

SAMFORD UNIVERSITY PENSION PLAN
SUMMARY PLAN DESCRIPTION

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These pages contain a brief explanation of your retirement program and an outline of your benefits and rights as a Plan member. Since this is only a summary of the Pension Plan, it does not contain all of the provisions of the Plan. We have summarized the provisions as of April 2008 that will normally affect you as a member of the Pension Plan. This summary supersedes any prior summaries you may have received explaining the terms of the Plan, and in order to avoid confusion, you should discard any previous summaries and refer to this one instead. The complete Pension Plan is contained in the Samford University Pension Plan and Trust documents which are on file in the Personnel Office and available for your review during normal business hours.

IF THERE ARE DIFFERENCES BETWEEN THIS SUMMARY AND THE PLAN DOCUMENT, THE PROVISIONS OF THE PLAN DOCUMENT WILL APPLY.

In general:

- To participate in the Pension Plan an employee must be at least 21 years of age and have completed 1 year of membership service - 1,000 hours in the twelve-month period from the date of hire or in any plan year (which is January 1 - December 31) after date of hire. Membership is automatic following the completion of these requirements.
- The University completely funds the plan. Employees do not contribute.
- The normal retirement date is the first day of the month on or following the 65th birthday. At this time or as soon after as is reasonably practicable full retirement benefits from the plan will begin if the employee ceases to be an employee.
- Early retirement is allowed if the employee has reached age 55 and has completed at least 5 years of vesting service.

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WHO IS ELIGIBLE TO JOIN THE PLAN?

You are eligible to participate in the Plan after you have met all of the following requirements:

- you are an employee;
- you are at least 21 years old; and,
- you have completed 1 Year of Service.

In order to complete 1 Year of Service under this Plan, you must work at least 1,000 Hours of Service in the 12-month period beginning on the day you were hired or in any Plan Year (January 1 - December 31) beginning after you were hired.

You will automatically become a member on the first day of the month following completion of these requirements.

In addition, if you were a Member of the Southern Baptist Convention target benefit plan on December 31, 1987, you are automatically a member as of January 1, 1988.

Hour of Service

The term “Hour of Service” refers to hours for which you are directly or indirectly paid or entitled to payment by Samford University. You will receive one Hour of Service for:

- each hour that you are paid by Samford University for performing your job duties;
- each hour (up to a maximum of 501 hours) that you are paid by Samford University for reasons other than performing your job duties, for example: vacations, sickness, accident, disability, layoff, jury duty, or leave of absence to the extent required by law;
- each hour that you are paid by Samford University for qualifying military service
- each hour that back pay has been awarded or agreed to by Samford University (hours for back pay will be credited when the pay was due).

Salaried employees will be credited with 45 Hours of Service for each week in which they perform at least one hour of service during employment.

Retired employees who come back to work after their Normal Retirement Date and are classified as part-time members of the faculty will be credited with ten (10) Hours of Service for each day for which they perform services for Samford University.

WHEN WILL I BE ABLE TO RETIRE?

Normal Retirement

Your Normal Retirement Date will be (i) the first day of the month on or following your 65th birthday or (ii) the first day of the month on or following the fifth anniversary of your participation in the Plan, whichever is later. At that time or as soon thereafter as is reasonably practicable you may begin receiving your full retirement benefit from the Plan if you cease to be an employee.

If you retire, begin to receive your pension benefits, and then return to work for Samford University, your benefits may be suspended as described in the “CAN I EVER LOSE MY BENEFITS?” section later in this summary.

Early Retirement

You may retire early if you have reached age 55 and have completed at least 5 years of Vesting Service.

If you decide to retire early, your benefit payments will begin on the first day of any month after you actually stop working or as soon as is reasonably practicable thereafter. If you do not request early payment of your benefit, payments will generally begin automatically on or as soon as is reasonably practicable following the date you would have been eligible for normal retirement. If you request early payment of your benefit, you will receive a smaller monthly amount than you would have received on your Normal Retirement Date because you will receive payments for a longer period of time.

Deferred Retirement

The Plan also provides for deferred retirement, which means that you continue to work after your Normal Retirement Date and, therefore, postpone receiving your benefit payments.

In this case your benefit payments will begin on the first day of the month after you stop working or as soon as is reasonably practicable thereafter. Your benefit will be determined by your earnings and service you had completed as of the date you actually retire, but will not be less than the benefit that you would have been entitled to receive had you retired on your Normal Retirement Date.

You must begin to receive distributions of your vested retirement benefit by April 1 of the year following the later of (i) the year you reach age 70-1/2 or (ii) the date you retire from Samford University. Severe tax penalties apply if you do not observe these deadlines, so you should contact the Human Resources office if you have questions.

If you work past age 70-1/2, your accrued benefit will be actuarially increased to take into account any lost value resulting from the period after age 70-1/2 until retirement when you were not receiving any benefits under the Plan. Please note, however, that your benefit is not

similarly increased for the time period you work past Normal Retirement Age (65) until age 70-1/2.

HOW IS MY SERVICE COUNTED?

Service refers to the length of time that you work at Samford University. There are three types of Service: Service for purposes of participation in the Plan (previously mentioned under “WHO IS ELIGIBLE TO JOIN THE PLAN?” on Page 1), Credited Service, and Vesting Service.

Credited Service is used to calculate your Normal Retirement Benefit and is equal to the number of Plan Years in which you are a member of the Plan and complete at least 1,000 Hours of Service. For each of these years you will receive one year of Credited Service. You will also receive Credited Service during qualifying military service (explained below). You will not receive Credited Service for any Plan Year in which you do not complete 1,000 Hours of Service; except that in the Plan Year in which you terminate employment, die, or retire you will receive partial Credited Service based on the number of hours that you worked during that Plan Year divided by 1,000. Generally, you will not receive Credited Service under the following additional circumstances:

- A. Breaks in Service (see below);
- B. Leaves of Absence (see below);
- C. Periods during which you are not a member of the Plan; or
- D. Service before January 1, 1988.

In addition to Credited Service, you will receive credit for Vesting Service during the period of your employment at Samford University.

Vesting Service refers to the length of time you have been employed by Samford University. For each calendar year that you complete at least 1,000 Hours of Service, you will receive one year of Vesting Service.

You do not have to be a member of the Plan to earn Vesting Service. For any Plan Year that you do not work at least 1,000 hours, you will not receive any Vesting Service. Unlike Credited Service, no partial credit for Vesting Service will be given.

Once you have completed five years of Vesting Service, you will be vested in your accrued Retirement Benefit. In other words, you will “own” all of the retirement benefits that you have earned. If you have not completed five years of Vesting Service, you “own” none of the benefits you have earned thus far.

In addition to years in which you do not complete 1,000 Hours of Service, you will not receive Vesting Service under the following circumstances:

- A. Breaks in Service (see below); or,
- B. Leaves of Absence (see below).

Breaks in Service

If you complete less than 500 hours of Service in any Plan Year, you will incur a Break in Service and will not receive Vesting Service or Credited Service for that year. Each time that happens, it will be considered a separate Break in Service. In other words, if you complete less than 500 hours in the 2007 Plan Year and less than 500 again in the 2008 Plan Year, you will have incurred two Breaks in Service.

If you incur five or more consecutive one-year Breaks in Service before you are vested you will lose all the years of Vesting Service and Credited Service you have earned.

Once you are vested, you will not forfeit any of the Vesting Service or Credited Service you have earned regardless of how many Breaks in Service you incur.

You will not incur any Breaks in Service due to service with the Armed Forces if you return to work for Samford University during the statutory period (currently 90 days) during which your right to reemployment is guaranteed by the veteran's reemployment rights law after you first become eligible for discharge or separation from active duty. If you do return to work during the guarantee period, you will receive Hours of Service which will count toward Vesting Service and Credited Service for the years that you were on active duty. The number of Hours of Service you receive for each year of military service will be based on the number of hours you had worked during the six-month period immediately preceding the date you entered the military service. If you do not return to work during the guaranteed period, your employment will be considered terminated as of the first day your absence began and you will not receive Vesting or Credited Service for your period of military leave.

Leaves of Absence

You will not receive Vesting Service or Credited Service for any period(s) during which you are on an authorized leave of absence, but neither will any such period(s) cause you to incur a Break in Service. Authorized leaves of absence include:

- (1) Absence with the consent of Samford University for up to one year (or longer if Samford University agrees); and,
- (2) Absence due to a temporary layoff.

However, if you are on approved leave of absence for maternity or paternity, you will be given credit for the Hours of Service you would have worked during your absence up to a maximum of 501 hours so that you will not incur a Break in Service.

In each of the above instances, you must return to work at the end of the leave. If you don't, your absence will not be considered an authorized leave and will not be counted as employment for purposes of this Plan.

WHAT BENEFIT WILL I RECEIVE WHEN I RETIRE?

Your Normal Retirement Benefit depends on your Average Final Compensation and your Credited Service (discussed above). These two factors are used in the Plan's Basic Benefit Formula to determine the actual amount of your monthly benefit. If you began work with Samford University on or after January 1, 2008, your Normal Retirement Benefit will also depend on the applicable "Covered Compensation" amount identified in IRS publications.

Also, you should keep in mind that the benefit you receive is in addition to your benefits from Social Security and other pension and retirement plans.

Average Final Compensation

Average Final Compensation is the average of your monthly compensation for the five full consecutive calendar years in the last ten full calendar years of Credited Service that produce the highest average. If you have less than five full calendar years of Credited Service, it will be the average of all the full calendar years of Credited Service you have worked. Partial calendar years of service are not counted for this purpose.

For purposes of Plan benefit calculations, your compensation consists of your taxable income from Samford University, as reported on your W-2 form, plus (i) pre-tax salary reductions such as dependent care spending account payments, health plan premiums, qualified transportation fringes, or tax-deferred annuity payments, and (ii) ministers' housing allowances for ordained ministers who are not "highly compensated employees" for a given year. The definition of highly compensated employee, which is complicated and is mandated by tax law, changes as the cost of living and tax law change. Beginning in 2007, a highly compensated employee is generally one who earns at least \$100,000 annually (not counting housing allowance). If you want to know whether you are likely to be considered highly compensated in a given year, ask the Human Resources office. Tax law also requires that any compensation in excess of \$225,000 per year be disregarded for purposes of plan benefit calculations. This \$225,000 limit is increased for inflation from time to time, but the increase is not retroactive for previous Plan years.

Covered Compensation

Covered Compensation is also used to calculate your Normal Retirement Benefit under the Plan if you began working for Samford University after 2007. Your Covered Compensation is the monthly average of the social security taxable wage bases for the 35-year period ending with the year in which you reach your social security retirement age. If your employment is terminated prior to reaching your social security retirement age, the taxable wage base for future years is deemed to be the same as the taxable wage base for the current year in making this determination. The Plan bases its calculations on Covered Compensation tables updated annually by the IRS.

Basic Benefit Formula

Pre-2008 Commencement Benefit Formula

If you began working for Samford University before January 1, 2008 (and had worked for Samford University on or after January 1, 1989), your monthly Normal Retirement Benefit is calculated using the following formula:

$$\begin{aligned} & 1.83\% \text{ of your Average Final Compensation} \\ & \text{PLUS} \\ & 0.47\% \text{ of your Average Final Compensation over } \$1,250 \\ & \text{TIMES} \\ & \text{your years of Credited Service, up to a maximum of 25} \end{aligned}$$

As an example, let's suppose that, in 2008, you retire on your Normal Retirement Date with 20 years of Credited Service, and your Average Final Compensation is \$1,860 per month. Your Normal Retirement Benefit would be calculated as follows:

-	1.83% x \$1,860	\$ 34.04
	PLUS	
-	0.47% x (\$1,860 - \$1,250)	<u>2.87</u>
-	TOTAL	\$ 36.91
-	Times Credited Service	x <u>20</u> years
-	Normal Retirement Benefit	\$738.20

Post-2007 Commencement Benefit Formula

If you began working for Samford University on or after January 1, 2008, your monthly Normal Retirement Benefit will be calculated using the following formula:

$$\begin{aligned} & 1.83\% \text{ of your Average Final Compensation} \\ & \text{PLUS} \\ & 0.47\% \text{ of your Average Final Compensation over the Covered Compensation amount} \\ & \text{TIMES} \\ & \text{your years of Credited Service, up to a maximum of 25} \end{aligned}$$

Stated differently, the Normal Retirement Benefit is a two-tiered benefit; the first tier provides a standard benefit:

$$\begin{aligned} & 1.83\% \text{ of your Average Final Compensation} \\ & \text{TIMES} \\ & \text{your years of Credited Service, up to a maximum of 25} \end{aligned}$$

The second tier benefit will not only depend on Average Final Salary and Credited Service, but also on the applicable Covered Compensation:

*0.47% (0.0047) of your Average Final Compensation to the extent
it exceeds the Covered Compensation amount
TIMES
your years of Credited Service, up to a maximum of 25*

Note that if Covered Compensation exceeds Final Average Compensation, the second-tier benefit will be fully phased out; however, Covered Compensation has no effect on your first tier benefit.

For example, let's suppose that you began working at Samford University in 2008 and subsequently leave employment with 20 years of Credited Service and Final Average Compensation of \$1,860 per month. The "first tier" benefit will be calculated as follows:

-	1.83% x \$1,860	\$ 34.04
-	Times Credited Service	x <u>20</u> years
-	"First Tier" Benefit	\$680.80

The "second tier" benefit will depend on the Covered Compensation amount, which is based on your birth date and the date on which you cease employment with Samford University, and therefore will depend on your individual circumstances. Assuming Covered Compensation equals or exceeds \$1,860, the second-tier benefit will be calculated as follows:

-	.047% x (\$1,860 - \$1,860)	\$ 0
-	Times Credited Service	x <u>20</u> years
-	"Second Tier" Benefit	\$ 0

On these facts, your Normal Retirement Benefit is \$680.80.

Early Retirement Benefit

If you are eligible and you choose to retire early, your Early Retirement Benefit will be determined by the Basic Benefit Formula, using your Average Final Compensation and Credited Service (and Covered Compensation, if applicable) that apply on the date of your retirement (your Early Retirement Date).

You may choose to begin receiving your benefits upon your Early Retirement Date (or as soon thereafter as is reasonably practicable), or you may begin receiving benefits at some later date.

- If you wait until your Normal Retirement Date to begin receiving benefits, you will receive your full Early Retirement Benefit.
- If you choose to begin receiving benefits before your Normal Retirement Date, the amount of your benefits will be reduced because the payments will be paid over a longer period of time. The amount of reduction is 3.33% for each year (or 5/18 of 1% for each month) that your Early Retirement Date precedes your Normal Retirement Date.

The following table indicates the percentage of your benefit you will receive at specific retirement ages:

<u>Retirement Age</u>	<u>Number of Months Early</u>	<u>Percentage of Age 65 Benefit</u>
55	120	66.7%
56	108	70.0%
57	96	73.3%
58	84	76.7%
59	72	80.0%
60	60	83.3%
61	48	86.7%
62	36	90.0%
63	24	93.3%
64	12	96.7%

Now, let's look at an example of how to determine your Early Retirement Benefit. Let's suppose that in 2008 you have completed 16 years of Credited Service at Samford University and you decide to retire at age 57, and your Average Final Compensation is \$2,000 per month.

-	1.83% x \$2,000	\$ 36.60
	PLUS	
-	0.47% X (\$2,000 - \$1,250)	<u>3.53</u>
-	TOTAL	\$ 40.13
-	Times Credited Service	x <u>16</u> years
-	Early Retirement Benefit	\$642.08 per mo.

If you wait until age 65 to begin receiving your benefits, you will receive 100% of your Early Retirement Benefit (\$642.08/month). If you begin receiving payments at age 57, you will receive 73.3% of your Early Retirement Benefit (\$470.65/month).

Maximum Benefits

There is a maximum benefit you can receive under this Plan. This limit is set by federal law. If you are close to reaching the limit, the plan administrator will notify you.

Top-Heavy Rules

There is a set of rules for “top-heavy” plans. A plan is considered “top-heavy” when a certain percentage of the total benefits has accumulated for officers, owners, highly paid employees or substantial stockholders. The Internal Revenue Service has established a set of rules to determine whether or not a plan is top-heavy. If this Plan is found to be top-heavy, an accelerated vesting schedule will apply.

WHAT BENEFIT WILL I RECEIVE IF I TERMINATE MY EMPLOYMENT BEFORE I AM ELIGIBLE TO RETIRE?

If your employment at Samford University stops before you are eligible for retirement, you will still be entitled to the benefit that you have earned up to the day your employment ended if you have earned at least five years of Vesting Service. Your benefit is computed in a manner similar to the Early Retirement Benefit, using the Basic Benefit Formula with your Average Final Compensation and Credited Service (and Covered Compensation, if applicable) that apply on the date your employment ends. You will begin receiving benefits at age 65, but you may instead elect to receive your benefit payments beginning at any time after you reach age 55, reduced in the same manner as Early Retirement Benefit payments beginning before age 65.

WHAT BENEFIT WILL I RECEIVE IF I AM DISABLED?

You will receive Credited Service for periods during which you are certified as totally and permanently disabled. You will be considered to be totally and permanently disabled if you are unable to substantially perform the function of your employment by reason of a physical or mental impairment which can be expected to result in death or to be of a long and indefinite duration. Under no circumstances will you be considered to be totally and permanently disabled unless you are eligible for disability benefits under the Social Security Act.

For purposes of computing plan benefits, your compensation during a period of disability is assumed to be the same as your compensation prior to the disability.

HOW WILL MY BENEFITS BE PAID?

Before you retire, you will be given the opportunity to select the form of retirement benefit payments you wish to receive. You will have 90 days, ending on the day you will begin receiving your benefits, in which to elect an optional form of payment. The amount of your payments will vary according to the form you choose.

Automatic Form of Benefit

If you are not married on the date you retire, your Normal Retirement Benefit will be paid to you monthly for your life.

If you are married on the date you retire, your benefit will be paid to you for your life and will continue to your spouse after your death in an amount equal to fifty percent (50%) of your benefit amount. In this case, your monthly amount of your benefit will be less than the amount determined by the Basic Benefit Formula (because of the longer expected payment period).

Optional Methods of Payment

Instead of receiving your benefit in the automatic form described above, you may choose any of the options listed below (married participants must have written spouse agreement for optional methods of payment):

(1) **Contingent Annuitant Option**

This option will provide you with a monthly benefit during your lifetime and, after your death, will provide a monthly benefit to a person of your choice (your Contingent Annuitant) for the remainder of his or her lifetime. You may elect to have 100%, 75%, or 50% of your benefit continued to your Contingent Annuitant. If you elect this option, your benefit will be less than the amount determined by the Basic Benefit Formula. Two things will affect the amount of benefit you receive: (1) the percentage you elect to have continued and (2) your Contingent Annuitant's age. The Administrative Committee can tell you how your benefit will be affected.

(2) **Single Life Annuity.**

This option will provide you with a monthly benefit during your lifetime only. No benefits will be paid after your death. This is the automatic form for Members who are not married.

(3) **Larger monthly payments before age 62**

If you retire before age 62, you can elect to have your benefit paid so that your monthly payments before you begin receiving Social Security retirement benefits will be roughly the same as the sum of your monthly Pension Plan payments and Social Security retirement payments after you begin receiving Social Security retirement benefits.

Involuntary Cash Out and Automatic Rollover Distributions

The Plan requires an immediate distribution of your accrued benefit in the Plan when you terminate employment if the present value of your accrued benefit is \$5,000 or less. Your prior

consent to this distribution is *not* required. This is commonly referred to as an “involuntary cash out” provision. If your benefit is distributed under this provision, you may elect to have it paid directly to you or you may elect to have it directly rolled over to a new employer’s qualified plan or your IRA.

If you do not provide us with written instructions indicating how you want this distribution to be handled, the law requires that the Plan directly transfer your benefit to an individual retirement plan (an IRA) of a designated trustee or issuer. This is commonly referred to as an “automatic rollover” provision.

The automatic rollover provisions in the Plan will apply only to vested benefits with a present value over \$1,000, but not over \$5,000. If the present value is \$1,000 or less, unless you instruct us in writing to rollover such amount to either an IRA or another qualified retirement plan of your choice, you will receive a check representing your benefit less the applicable 20% Federal income tax withholding.

When you terminate employment, we will send you a distribution form for you to make an election as to how you would like your benefits paid. If you do not complete and return this form to us within a reasonable period of time (normally thirty days), the Administrative Committee will proceed with an automatic rollover to the IRA. The Administrative Committee will send all information relating to any IRA established on your behalf to your last known mailing address. If you do not wish for this automatic rollover to occur, it is imperative that you timely respond to all communications from the Administrative Committee regarding the disposition of your Plan benefit.

Regions Bank has been selected to serve as the custodian of automatic rollovers from the Plan. If an involuntary cash out of your benefit is subject to the automatic rollover provision, it will be rolled over to a Regions Bank IRA. The IRA will be invested in an investment product that is designed to preserve principal and provide both liquidity and a reasonable rate of return. You should understand, however, that investment products that preserve principal may have relatively low rates of return. Your IRA will be charged with all investment and recordkeeping fees. It is possible that IRA fees could exceed your investment earnings, and will reduce your principal, possibly even to zero. So it is in your interest that you return your election form if you terminate employment under these circumstances. If you wish to know more about the automatic IRA feature, including the IRA product, investments and fees you can request information from:

Regions IRA Service Center
25 Washington Ave.
Montgomery, AL 36104
Phone: 877-472-0034

Normally your benefits are paid monthly. However, the Administrative Committee will pay a single lump sum instead of a monthly benefit if the cash value of your benefit amounts to \$1,000 or less, unless you instruct us in writing to rollover such amount to either an IRA or

qualified retirement plan. If the value of your benefit is more than \$1,000, but less than \$5,000, your benefit amount will be automatically rolled over to an IRA with Regions Bank, unless you elect to receive the distribution directly or to roll the amount over to another eligible retirement plan. See the discussion above in the section "WHAT BENEFIT WILL I RECEIVE IF I TERMINATE MY EMPLOYMENT BEFORE I AM ELIGIBLE TO RETIRE?"

WHAT IF I DIE BEFORE I RETIRE?

If you are married, a death benefit will be paid to your spouse if you have at least five years of Vesting Service, and:

- (1) you die while employed by Samford University; or
- (2) you terminate employment and die before your retirement benefits begin.

The amount of your spouse's monthly benefit will be equal to one-half of the benefit that you would have received under the automatic form of payment if your benefits had started on the earliest date that you could have elected to receive them.

WHAT IF I GET DIVORCED?

If you and your spouse obtain a divorce, your spouse may become entitled to a portion of your unpaid benefit by means of a "qualified domestic relations order." You or your beneficiary may obtain, without charge, a copy of procedures used by the Plan for qualified domestic relations orders from the Human Resources office. If possible, have the Human Resources office review the proposed order before it is signed by the judge, to ensure that it meets pension law requirements for a "qualified" order and that it is consistent with the terms of the plan. Note that a qualified domestic relations order is an exception to the general rule that your pension benefit cannot be promised to someone else; for example, you cannot use your unpaid pension benefit as collateral for a loan.

CAN I EVER LOSE MY BENEFITS?

Benefit Denial, Reduction, or Suspension

Under certain circumstances your benefits may be denied, reduced, or suspended. Examples of some of these conditions are as follows:

- If your employment terminates before you meet the vesting requirements, you will forfeit your benefit.
- Having a Break in Service may doubly affect you. Upon returning to work and again becoming an active Member in the Plan, you may find that your years of Vesting Service and Credited Service have been forfeited. This will, however, only happen if you are not vested and you have a Break in Service longer than five years. A Break in Service does not necessarily mean you will forfeit any benefit you will become entitled to; but it does mean

that your Vesting Service and Credited Service, both of which are important in determining your future benefits, will not increase as planned because of the break or breaks.

- If you are receiving benefits in a form that does not continue after your death, your beneficiary or spouse will not have any right to survivor benefits.
- If you are a retiree of Samford University who is receiving a monthly benefit and who has returned to work for us, and if you perform 1,000 or more hours of service in a single plan year, your monthly benefit under the Plan will be suspended. The suspension of your benefit will end by the third month after the month in which you work fewer than 40 hours for Samford University. When your retirement benefit resumes, it will be based upon your service and compensation both before and after your return to work, and will be actuarially reduced to take into account payments that you have already received. But in no event will your recomputed retirement benefit be less than the benefit you were receiving before you came back to work for Samford University.
- If the Plan is discontinued and your benefit exceeds the limit guaranteed by the Pension Benefit Guaranty Corporation, you may lose a portion of your benefit.
- If your benefit exceeds the maximum benefit allowable under the law, you may lose a portion of your benefit.

THE FUTURE OF THE PLAN

Termination

Samford University expects to continue the Plan indefinitely. However, if it becomes necessary or desirable to discontinue the Plan, no further benefits will be accrued, and the Plan's assets would be allocated in accordance with the Employee Retirement Income Security Act of 1974. Generally, the order in which assets would be set aside to pay benefits is:

1. Benefits that were in pay status three years before the plan termination, as well as benefits that would have been in pay status three years before termination if the participant had retired at that time.
2. Other benefits in pay status or payable at retirement on or before termination.
3. All other vested benefits.
4. All other benefits.

In addition, vested benefits that resulted from plan amendments within the five years before termination will not be considered until all other vested benefits have been covered.

If there are enough assets to provide for all benefits earned up to the termination date, any remaining assets may be returned to Samford University.

Change in Benefits through Plan Amendments

Samford University may amend the Plan at any time to change your future benefit structure. However, you will never lose the benefits you have already accrued due to a Plan amendment. Additionally, your benefits will not be decreased because of any increase in Social Security benefits or Social Security wage base.

Pension Benefit Guaranty Corporation

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

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) some or all of the benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

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

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

CLAIMS PROCEDURE

If you apply for a distribution of benefits from the Plan and if the Administrative Committee denies your application, you will receive a written or electronic notice explaining the basis for the denial. The Administrative Committee will give you this notice within 90 days of the date on which you file your claim unless the Administrative Committee determines that

special circumstances require an extension of time, in which case the Administrative Committee will notify you before the expiration of the 90-day period that it will require an additional period of 90 days within which to process your claim.

If you are dissatisfied with the Administrative Committee's decision, you may ask the Administrative Committee to reconsider its decision. Your request must be in writing and must be delivered to the Administrative Committee within 60 days of the date on which your claim was denied. Under the procedures that govern requests for review,

- you have the opportunity to submit written comments, documents, records, and other information relating to your claim for benefits;
- 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; and
- all comments, documents, records, and other information that you submit relative to your claim for benefits will be taken into account, even if the information was not submitted or considered in the initial benefit determination.

Not later than 60 days after receipt of your request for review, the Administrative Committee will notify you in writing or electronically of the benefit determination on review. If the Administrative Committee determines that special circumstances require an extension of the 60-day limit, the Administrative Committee may extend the period for a benefit determination on review for up to 60 additional days. In this case, the Administrative Committee will provide you with written notice of the extension prior to the end of the original 60-day period.

WHAT ARE MY LEGAL RIGHTS AS A MEMBER OF THE PLAN?

As a participant in the Plan you are 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:

Receive Information About Your Plan and Benefits

Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration. Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The 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.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the Employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan 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, welfare) benefit or exercising your rights under ERISA.

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan’s decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in 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.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

OTHER INFORMATION

Plan Year: Plan Year is the 12-month period beginning on January 1 and ending on the following December 31. Although the Plan’s accounting year end is also December 31, Plan funding matters are also reported to the Plan sponsor in terms of the sponsor’s fiscal year, which ends on May 31.

Employer Identification Number: 63-0312914. This is the number assigned to Samford University by the Internal Revenue Service.

Plan Name and Number: The legal name of the Plan is Samford University Pension Plan. The number assigned to the Plan is 004. These should be referenced on all correspondence.

Administrative Committee: The Plan is administered by an Administrative Committee. The Committee is responsible for administration of the Plan. The Committee may be contacted during normal working hours, or you may write to it at the following address:

Pension Plan Committee
Samford University
800 Lakeshore Drive
Birmingham, Alabama 35229

Plan Type: The Plan is known as a defined benefit plan.

Trustee: The trustee of the Plan is the Annuity Board of the Southern Baptist Convention. The trustee invests the assets of the fund from which benefits are paid to Plan members, their spouses and beneficiaries.

Legal Process: In the event that you should ever feel it necessary to take legal action against the Plan, legal process may be served on Administrative Committee or the Plan trustee.

This summary should answer most of your questions about the Plan. If you have further questions, the actual document is available for you to see. If you would like your own copy of the Plan, you may obtain it by writing to the Administrative Committee. There may be a small charge for copy services.

No provision of the Plan or of this Summary shall give any employee any rights of continued employment or shall in any way prohibit changes in the terms of employment of any employee.

Dated: April 21, 2008