

UNIVERSITY OF WASHINGTON
401(a) SUPPLEMENTAL
RETIREMENT PLAN

Amended and Restated, Effective February 17, 2011

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ARTICLE 1. INTRODUCTION

1.1. Amendment and Restatement. This document amends, restates, and continues Part III of the University of Washington Retirement Plan (UWRP), as in effect on December 31, 2008, which previously set out the terms and conditions of the supplemental retirement benefit provided for in RCW 28B.10.400(3), as amended.

1.2. 401(a) Status. The Plan, as set forth herein and previously in the UWRP document, is a governmental plan as defined in Section 410(d) of the Code intended to qualify under Section 401(a) of the Code, and shall be construed accordingly.

ARTICLE 2. DEFINITIONS

2.1. “Average Annual Salary” means the average annual Basic Salary paid to a Participant for his or her highest 24 consecutive Months of Service.

2.2. “Basic Salary” means the salary received by a Participant under the terms of his or her appointment, including any summer appointments, but excluding other extended appointments. Basic Salary shall be determined before taking into account any salary reduction under Code sections 125, 132, 403(b) or 457(a). Basic Salary shall exclude leave cash-out payments, any settlement, severance or tenure purchase payments, and any other amounts that are not taken into account in computing UWRP contributions. For any Participant who first became a participant in this Plan or the UWRP on or after July 1, 1996, Basic Salary shall not be taken into account for any Plan Year in excess of \$230,000 (or such other limit as shall apply for such Plan Year under Section 401(a) (17) of the Code).

2.3. “Beneficiary” means the surviving spouse of the Participant or, with the written consent of such spouse, if any, such other person or persons as shall have an insurable interest in the Participant’s life and shall have been nominated by written designation duly executed and filed with the UW Benefits and WorkLife Office.

2.4. “Board” means the Board of Regents of the University of Washington.

2.5. “Break in Service” means termination of all UW employment and appointments for a full calendar month.

2.6. “Code” means the Internal Revenue Code of 1986, as amended (Title 26 of the United States Code).

2.7. “Eligible Employee” means any employee of UW who either

(a) is (and was on February 28, 2011) employed in an Eligible Position (as defined), other than an employee who has retired from a position which is covered by RCW 28B.10.400 et seq.; or

(b) was an employee of UW who was employed in an Eligible Position (as defined) but who, before February 28, 2011, was moved to or whose position was converted to a position that qualifies for participation in a Washington State Retirement

System, and who has irrevocably elected to remain in the UWRP under UWRP Section 3.1(c).

This provision shall not adversely affect the right of any individual who on February 28, 2011 has satisfied all conditions for receiving benefits under the Plan to receive those benefits.

2.8. “Eligible Position” means an academic, research, librarian, professional, or other salaried position designated by the Board that requires at least fifty percent of the normal full-time workload per month in at least six consecutive months. However, a position held by a person on a fee, retainer, or special contract basis, or as an incident to the private practice of a profession or to the employee's education, is not an Eligible Position. The job classes of resident (job code 0328), chief resident (job code 0329) and fellow (job code 0444) shall also be considered Eligible Positions. An Eligible Employee, once having begun participation in this Plan, shall be deemed to be employed in an Eligible Position even if his or her position no longer requires at least fifty percent of the normal full-time workload per month in at least six consecutive months, so long as the position otherwise qualifies as an Eligible Position.

2.9. “Fixed Annuity” means a Retirement Annuity contract issued by Teachers Insurance and Annuity Association (“TIAA”) under which 100% of the accumulation is invested in the TIAA Traditional Account.

2.10. “Month of Service” is a calendar month throughout which the employee is employed in an Eligible Position with 50 percent or more of the normal full time work load. If the employee is employed in an Eligible Position for only a fraction of a month, prorated credit shall be given for that month.

2.11. “Participant” means any Eligible Employee who participates in the Plan in accordance with Article 3.

2.12. “Plan” means the University of Washington 401(a) Supplemental Retirement Plan set forth in this document as it may be amended from time to time and, prior to January 1, 2009, as set forth in Part III of the UWRP plan document.

2.13. “Plan Year” means July 1 through June 30.

2.14. “Retirement Age”: “Normal Retirement Age means the last day of the calendar month in which age 65 is attained; Early Retirement Age means the last day of the calendar month in which age 62 is attained.

2.15. “Trust” means the trust established to hold and invest assets of the Plan.

2.16. “Trustee” means the trustee or trustees appointed by UW to administer the Trust.

2.17. “USERRA” means the Uniformed Services Employment and Reemployment Rights Act of 1994.

2.18. “UW” means the University of Washington.

2.19. “UWRP” means the University of Washington Retirement Plan.

2.20. “Variable Annuity” means a variable Retirement Annuity certificate issued by College Retirement Equities Fund (“CREF”) under which the entire accumulation is invested in the CREF Stock Account.

2.21. “Year of Service” is a Plan Year in which the employee completes at least five Months of Service, excluding Months of Service before a prior Break in Service (if any) and, after July 1, 1979, any Months of Service for which no contributions were made under the UWRP or any other plan established pursuant to RCW 28B.10.400. Authorized leaves of absence will also be included, as will periods of absence in the uniformed services to the extent provided in USERRA. A Participant's Years of Service will also include his or her credited Years of Service in a position covered by RCW 28B.10.400 et seq. or in a UW position covered by a Washington State Retirement System, provided that, with regard to the Washington State Retirement System, (a) the Participant transfers directly from the System to the UWRP, (b) the Participant was vested and will receive a retirement income benefit from such System, (c) service that has been withdrawn or for which a retirement income was begun prior to UWRP retirement does not count, and (d) the Participant signs a release within 60 days after the application for benefits, as needed to obtain the relevant information from the System. Any retirement income benefit that he or she is eligible to receive under the System attributable to Years of Service that are covered under the preceding sentence shall be included in the assumed benefit offset described in Section 5.3. Except as otherwise provided in USERRA, an Employee may receive credit for no more than two years during his or her entire working career for periods of authorized leave without pay, provided that the Employee contributes both the Employer and Employee contributions under the UWRP while on authorized leave, and returns to the employment of UW immediately following the leave for a period of not less than two years. The Employee and Employer contributions shall be based on the average of the Employee's compensation at the time the leave of absence was authorized and the time the Employee resumes employment. However, the benefit provided by this Plan shall be based only on the Participant's compensation earned from employment with UW.

ARTICLE 3. PARTICIPATION

3.1. Commencement of participation. An Eligible Employee begins (or began) participation in this Plan on the later of (a) the date he or she begins (or began) participation in the UWRP or (b) the beginning of the first period for which the Eligible Employee has made a contribution under the UWRP.

3.2. Cessation of participation. A Participant will continue to be a Participant so long as he or she continues to contribute under the UWRP (except while on authorized leave), and shall cease to be a Participant in this Plan when he or she ceases to contribute under the UWRP.

ARTICLE 4. RETIREMENT

4.1. Retirement because of age. On the first of any month after attaining age 62, a Participant who is actively employed by UW may elect to retire by submitting a written resignation to his or her superior and a retirement application to the UW Benefits and WorkLife

Office. A person is ineligible for any benefit under this Plan if he or she ceases to be a Participant prior to age 62 for reasons other than retirement because of condition of health as described in Section 4.2.

4.2. Retirement because of condition of health. A retirement because of condition of health may be approved by the President of UW upon request by a Participant or by the administrative officer concerned. The basis for approval is whether continued service by the Participant is likely to seriously impair or endanger the Participant's health, or if the Participant is permanently unable to carry on his or her usual duties because of health. A request for retirement because of condition of health is referred to the Executive Director of Benefits & WorkLife, who will convene the Special Board on Retirement Because of Health. The recommendations of the Special Board on Retirement Because of Health are presented to the President of UW. The Special Board consists of the Dean of the School of Medicine, the Executive Director of Benefits & WorkLife, one physician appointed by the Faculty Senate for a term of three years, and two Participant representatives selected by the Vice President, Human Resources after consultation with the Faculty Senate and other Participant groups.

4.3. Retiree reemployment means the reemployment of a former Participant up to 40% of full time following the date of retirement under Section 4.1. Such reemployment shall be subject to all applicable UW rules. Such reemployment after retirement will not be counted as service under the Plan nor result in any eligibility for increased benefits under the Plan. A reemployed retiree who retired under this Plan or the UWRP is not a Participant under the Plan.

ARTICLE 5. BENEFITS

5.1. Eligibility for benefit. A Participant is eligible for a benefit under this Plan if, at retirement, all of the following are true:

- (a) The Participant has reached age 62 or retires under Section 4.2, and
- (b) The number of his or her Years of Service is ten or more, and
- (c) The amount of his or her benefit, as calculated under Section 5.2, is a positive amount.

5.2. Amount of benefit. The monthly amount of lifetime benefit payable to an eligible retired Participant is the amount determined by UW at the time of retirement to be the excess, if any, of

- (a) one-twelfth of two percent of the Participant's Average Annual Salary multiplied by the number of his or her Years of Service (such product not to exceed one-twelfth of 50% of the Participant's Average Annual Salary) over
- (b) the amount of the assumed annuity benefit offset the retired Participant would receive in the first month of retirement, calculated as provided in Section 5.3.

The percentage factor in (a) above shall be 1.5 percent instead of 2 percent for any Month of Service commencing on or after July 1, 1974, during any portion of which the Participant, having

attained the age of fifty, had not elected to participate in the UWRP at the 10% plan contribution rate. The benefit hereunder is reduced by .5% times the number of full calendar months that benefit payments begin prior to Normal Retirement Age; however, if the Participant was given a retirement because of condition of health under Section 4.2, this reduction will not apply.

5.3. Assumed annuity benefit offset. The assumed annuity benefit offset for a married Participant is equal to the amount of monthly benefit from the Fixed and Variable Annuities calculated as a joint and survivor annuity with two-thirds of the benefit to the survivor, with the Participant's spouse as the survivor (using the spouse's actual age, if within five years of the Participant's age; otherwise, using the age closest to the spouse's age that is five years less than or five years greater than the Participant's age). For an unmarried Participant, the benefit offset is calculated as a single life annuity with a ten-year guaranteed period. In either case, the assumed annuity benefit offset will be the amount estimated by UW at the time of retirement. The following assumptions shall be used in computing the assumed annuity benefit offset:

(a) Benefit calculations related to contributions under the UWRP shall be computed on the assumption that the Participant had allocated 50 percent of such contributions to the Fixed Annuity and 50 percent of such contributions to the Variable Annuity and made no subsequent transfers from these accounts.

(b) Any portion of a Participant's accumulation account under the UWRP which is awarded by a court to such person's spouse under a domestic relations order is included in any subsequent calculation of the benefit under the UWRP as if such portion had remained in the Participant's accumulation account under the UWRP until the date of retirement.

(c) Annuity accumulations attributable to any additional voluntary employee contributions, beyond those provided for in the UWRP, and any contributions paid through employers other than State of Washington institutions of higher education, are excluded.

(d) All benefits that a retired Participant is eligible to receive from a plan established pursuant to RCW 28B.10.400 or (to the extent attributable to Years of Service) from a Washington State Retirement System shall be included in the assumed annuity benefit offset to the same extent as if received from the UWRP.

5.4. Alternative method of benefit calculation. The monthly amount of the benefit for a participant whose Months of Service began not later than October 1, 1955, is the greater of:

(a) The benefit defined in Section 5.2; or

(b) The supplemental benefit that would have been provided the Participant under the rules of the UWRP in effect on June 30, 1974.

5.5. Death benefit. If a Participant dies while eligible for benefits under the Plan after attaining age 62, the benefit, if any, payable to the Participant's Beneficiary shall be equal to the benefit that the Beneficiary would have received if the Participant had begun to receive retirement income on the first day of the month following the month in which the Participant's

death occurs and had elected a two-thirds benefit to survivor option with the Beneficiary as the survivor.

5.6. Form of distribution. Benefits under the Plan are to be received as lifetime income and may only be made over (a) the life of the retiree, or (b) at the written election of the retiree, the lives of the retiree and a Beneficiary, in any form of lifetime annuity made available by UW that does not include a guarantee period. If option (b) is chosen, the actuarially equivalent income shall be computed using the dividend, interest and mortality basis then in effect for the Fixed Annuity. Any form of distribution hereunder to a married Participant, other than a joint and survivor form under which the spouse to whom the Participant is married at the time of the election hereunder receives a survivor annuity equal to 50% or more of the lifetime annuity payable to the Participant, requires the consent of the Participant's spouse at the time of the election hereunder, in accordance with Section 5.7. Once an election has been made hereunder, the form of distribution may not be changed at any later time for any reason, including (without limitation) remarriage of the Participant, provided that in the event of a Beneficiary's death (or any other change in circumstances) before the starting date of any annuity payments a new Beneficiary may be designated by the Participant prior to that starting date. Benefit payments are made in equal monthly installments or more frequently, consistent with UW's payroll practices. At the election of UW, the supplemental payment may be made at longer intervals if the installments for a Participant or his or her Beneficiary would otherwise be less than a minimum amount established from time to time by the UW Benefits and WorkLife Office.

5.7. Application for benefits; spousal consent. To begin receiving benefits, the Participant or Beneficiary must write directly to the UW Benefits and WorkLife Office. The UW Benefits and WorkLife Office will provide the necessary forms to the Participant or the Beneficiary. UW will pay benefits upon receipt of a satisfactorily completed application for benefits and supporting documents. In any case in which the consent of the Participant's spouse is required, the consent must be in writing, must acknowledge the effect of the election or action to which the consent applies, and must be witnessed by a notary public. Unless the consent expressly provides that the Participant may make further elections without further consent of the spouse, the consent will be effective only with respect to the specific election of form of benefit, or Beneficiary, or both, to which the consent relates. Spousal consent will be effective only with respect to that spouse. Spousal consent will not be required if it is established to the satisfaction of the UW Benefits and WorkLife Office that the spouse cannot be located.

5.8. Application for benefits. Procedures for calculation of the benefits under this Plan are initiated by submitting an "Application for Retirement" form to the UW Benefits and WorkLife Office.

5.9. Benefit payments. Any benefits that become payable under this Article 5 will be paid from the general assets of UW, unless paid from the Trust. If benefits are paid from general assets of UW, they shall be treated as a contribution to the Trust and payment by the Trust. Nothing in this Plan will be construed to create a trust or obligate UW to segregate a fund, purchase an annuity contract, or fund in any other way the future payment of any benefits under this Plan.

5.10. Minimum distributions. All benefits under this Plan will be made in accordance with Code Section 401(a)(9) and the regulations thereunder. Minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or, if later, April 1 following the calendar year in which the Participant retires from UW. Upon the Participant's death after the time benefits are required to begin hereunder, any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death. If the Participant dies before benefit payments are required to begin under the second sentence of this Section 5.10, any benefits payable to (or for the benefit of) the Beneficiary will be paid beginning no later than the date the Participant would have attained age 70 1/2 over the life of the Beneficiary.

5.11. Maximum benefit. Benefits under the Plan shall not exceed the limitation of Section 415(b) of the Code, to the extent applicable.

5.12. Forfeitures. Forfeitures shall not be applied to increase the benefits any employee would otherwise receive under the Plan.

ARTICLE 6. ADMINISTRATION

6.1. Plan administration. UW is the administrator of this Plan and has designated the UW Benefits and WorkLife Office to be responsible for the day to day administration of the Plan.

6.2. Authority of UW. UW shall have final authority to determine all questions concerning eligibility and benefits under the Plan, to interpret all terms of the Plan, including any uncertain terms, and to decide any disputes arising under and all questions concerning administration of the Plan. Any determination made by UW shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious.

6.3. Requests for information. Any request for information concerning eligibility, participation, benefits, or other aspects of the operation of the Plan should be in writing and directed to the UW Benefits and WorkLife Office.

6.4. Payment of expenses. All reasonable costs and expenses incident to the administration of the Plan and the Trust, including but not limited to legal, accounting, and Trustee fees, shall be paid by the Trust unless UW elects to pay such expenses. Notwithstanding the foregoing, any and all expenses relating to settlor functions such as creation or termination of the Plan shall be paid by UW and may not be paid from the Trust.

ARTICLE 7. FUNDING

7.1. Trust agreement or declaration. UW shall appoint a Trustee (which may include UW itself) and enter into a trust agreement or declaration of trust. The Trustee will receive and invest all contributions, if any, made under the Plan to the Trust and all income derived therefrom. UW may remove a Trustee and may appoint a successor or additional Trustees and may divide their duties and responsibilities as it sees fit.

7.2. Exclusive benefit of Participants. All assets of the Trust shall be held for the exclusive purpose of providing benefits to Participants and Beneficiaries under the Plan and defraying reasonable expenses of administering the Plan and as otherwise permitted by law and the Plan. In no event shall it be possible at any time prior to the satisfaction of all liabilities under Plan for any part of the assets of the Trust, whether principal or income, to be used for or diverted to purposes other than those stated herein.

7.3. Return of contributions. Nothing herein shall prohibit a return to UW, within one year after payment, of excess sums contributed to the Trust as a result of a good faith mistake of fact. In addition, in the event that the Commissioner of Internal Revenue (or his or her delegate) determines that the Plan is not initially qualified under the Code, any UW contributions made to the Plan shall be returned to UW within one year after the date the initial qualification is denied.

ARTICLE 8. AMENDMENT AND TERMINATION

8.1. Amendment and termination. The Board reserves the right at any time to amend or terminate the Plan, in whole or in part, to the extent permitted by law. If the Plan is terminated, UW will notify all Participants. All benefits accrued to the date of termination will be nonforfeitable to the extent funded or as otherwise required by law. No amendment shall be effective if it permits any part of the Trust assets (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries, or permits any portion of the Trust assets to revert to or become property of UW, except as permitted by law.

8.2. Limitation. Notwithstanding the provisions of Section 8.1, the Board shall not make any amendment to the Plan that operates to recapture for UW any contributions previously made under this Plan except to the extent permitted by law.

ARTICLE 9. MISCELLANEOUS

9.1. Non-alienation of benefits. Except as provided in this section, no benefit under the Plan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors, or legal process. No participant will have power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so will be void and of no effect. This Plan will comply with any judgment, decree or order that establishes the rights of another person to all or a portion of a Participant's benefit under this Plan to the extent that it is treated as a qualified domestic relations order under Code Section 414(p).

9.2. Plan does not affect employment. Nothing in this Plan is a commitment or agreement by any person to continue his or her employment with UW, and nothing in this Plan is a commitment on the part of UW to continue the employment or the rate of compensation of any person for any period. All employees of UW will remain subject to nonrenewal, discharge or discipline to the same extent as if the Plan had never been put into effect.

9.3. Claims of other persons. The Plan does not give any Participant or any other person, firm, or corporation any legal or equitable right against UW, or its officers, employees,

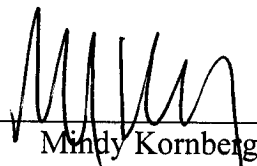
or Regents, except for the rights that are specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.

9.4. Governing law. Except as provided under federal law, the provisions of the Plan are governed by and construed in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF this Plan has been signed for and on behalf of the University this 9th day of March 2011.

UNIVERSITY OF WASHINGTON

By:


Mindy Kornberg

Title: Vice President, Human Resources