

**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 January 1, 2014 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 Human Resources Office and available for your review during normal business hours. This summary should answer most of your questions about the Plan. If you have further questions, the actual Plan 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 Retirement 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.

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

In general:

- To participate in the Pension Plan an employee must be at least 21 years of age and have completed 1 Year of 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. However, any person hired as an adjunct professor or adjunct faculty member on or after January 1, 2010 will not be eligible to participate in the Plan.
- Except as described in the section entitled "Who is Eligible to Join the Plan", membership in the Plan was frozen effective as of January 1, 2013. In addition, a person hired or rehired on or after January 1, 2013 is not eligible for membership in the Plan.
- 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 member's 65th birthday. At this time or as soon after as is reasonably practicable full retirement benefits from the Plan will begin if the member 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?

Except as provided in the following paragraphs, membership in the Plan was frozen effective as of January 1, 2013. In addition, a person hired or rehired on or after January 1, 2013 is not eligible for membership in the Plan.

If you were hired by Samford University prior to January 1, 2013 (and you remain continuously employed thereafter), 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.

To be eligible for membership in the Plan, you must have satisfied the above requirements no later than December 31, 2012 or, if you were hired during 2012, you satisfy the above requirements prior to the first anniversary of your date of hire.

Example: You are hired in 2010 at age 25 but do not complete a Year of Service during your first year of employment and do not complete a Year of Service during 2011. You complete a Year of Service during 2012. If you satisfy all other eligibility requirements, you will participate in the Plan on January 1, 2013.

Example: Assume the same facts as in the prior example, but you do not complete a Year of Service in 2010, 2011 or 2012. You then complete a Year of Service in 2013. You are not eligible to participate in the Plan because you did not complete your Year of Service by December 31, 2012.

Example: You are hired on July 1, 2012 and you earn a Year of Service by June 30, 2013. If you satisfy all other eligibility requirements, you will participate in the Plan on July 1, 2013.

Any employee hired as an adjunct professor or adjunct faculty member on or after January 1, 2010 will not be eligible to participate in the Plan. Furthermore, an adjunct professor or adjunct faculty member in the Plan prior to January 1, 2010, ceased to accrue benefits under Plan as of December 31, 2009.

In addition, if you were a member of the Southern Baptist Convention target benefit plan on December 31, 1987, you were 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, or entitled to be 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, holidays, sickness, accident, incapacity (including disability), layoff, jury duty, or leave of absence (including sabbatical leave) to the extent required by law;
- each hour that you are paid by Samford University for qualifying military service; and
- 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 (excluding adjunct faculty members and adjunct professors) will be credited with 10 Hours of Service for each day for which they perform services for Samford University. However, membership in the Plan was frozen effective as of January 1, 2013, and no one may become a member in the Plan on or after that date. Furthermore, any employee rehired on or after January 1, 2013 will not be eligible to resume membership in the Plan.

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 membership 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 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 your reach age 70½ 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 70½, your accrued benefit will be actuarially increased to take into account any lost value resulting from the period after the April 1 of the year following the year you reach age 70½ 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 70½.

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 membership in the Plan (previously mentioned under “WHO IS ELIGIBLE TO JOIN THE PLAN?” on Page 1), Credited Service, and Vesting Service.

Credited 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

Nine Month Employees Who Elect to Get Paid Over a 12-Month Period –

If you are a nine-month employee who is paid over a period of 12 months and you retire or terminate employment at the end of an academic year (e.g., at the end of your nine-month contract), you are considered terminated at the end of the nine months even though you continue to get paid for three additional months. This means, if you are eligible for early retirement, you can elect to begin receiving retirement benefits immediately following the end of the academic year rather than waiting until the end of the twelve month period. Please contact the Human Resources Office prior to the end of the academic year to make this election.

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.

You may not accrue more than one year of Credited Service during any Plan Year.

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;
- D. Service before January 1, 1988;
- E. Service by an adjunct professor or adjunct faculty member on or after January 1, 2010; or
- F. Service following hire or re-hire date on or after January 1, 2013.

Vesting 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.

If your employment terminates on or after January 1, 2012, you will be credited with one year of Vesting Service for each Plan Year that you complete at least 1,000 Hours of Service.

If your employment terminated between January 1, 1993 and December 31, 2011, you will be credited with one year of Vesting Service for the initial 12-month period following your date of hire, provided you complete at least 1,000 Hours of Service, and subsequently one year of Vesting Service for any Plan Year that you complete at least 1,000 Hours of 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 501 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 501 hours in the 2012 Plan Year and less than 501 again in the 2013 Plan Year, you will have incurred two

Breaks in Service.

If you incur five or more consecutive Breaks in Service before you are vested you will lose all the years of Vesting 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 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 worked during the six-month period immediately preceding the date you entered the military service. If you do not return to work during the guarantee 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. If you die on or after January 1, 2007 while performing qualified military service, you will be entitled to benefits under the Plan, if any, as if you resumed your membership in the Plan on the day prior to your death and then terminated employment on account of death.

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, including sabbatical leave, for up to one year (or longer if Samford University agrees);
- (2) Absence due to a temporary layoff; and
- (3) Absence for maternity or paternity.

If you are on approved leave of absence, 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 do not return to work, 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, or you have earned years of Credited Service on or after January 1, 2017, your normal retirement benefit will also depend on the applicable "Covered Compensation" amount identified in IRS publications. No employees classified as adjunct professors or adjunct faculty members will accrue benefits under the Plan for service on or after January 1, 2010. In addition, no employee hired or rehired on or after January 1, 2013 will accrue benefits under the Plan for service on or after January 1, 2013.

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 produces 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 Credited 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 and health flexible spending account payments, health saving account contributions, 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. In 2014, a highly compensated employee is generally one who earned at least \$115,000 during the 2013 (the prior year) (not counting housing allowance) and is in the group consisting of the top 20% of all employees when ranked by compensation. If you want to know whether you are likely to be considered highly compensated in a given year, ask the Human Resources Office. Compensation also includes any compensation described in the preceding sentences that is paid by the later of (i) 2½ months after your termination of employment or (ii) December 31 after the termination of employment. Compensation also includes any military differential pay that is paid to a member who is on active military duty for more than 30 days. Tax law also requires that any compensation in excess of \$260,000 per year be disregarded for purposes of Plan benefit calculations. This \$260,000 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 or if you have earned years of Credited Service on or after January 1, 2017. 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 sum of the following two formulas:

Formula 1

*1.83% of your Average Final Compensation
PLUS
0.47% of your Average Final Compensation over \$1,250
TIMES
your years of Credited Service earned on or prior to December 31, 2016**

Formula 2

*1.83% of your Average Final Compensation
PLUS
0.47% of your Average Final Compensation over the Covered Compensation amount
TIMES
your years of Credited Service earned on after January 1, 2017**

*Your total years of Credited Service under both formulas cannot exceed 25. Years of Credited Service will first be counted under Formula 1 and to the extent there are remaining years of Credited Service, they will be counted under Formula 2.

As an example, let's suppose that, in 2019, you retire on your Normal Retirement Date with 26 years of Credited Service. 24 of your years of Credited Service would be calculated under Formula 1 and 1 of your years of Credited Service would be calculated under Formula 2 for a total of 25 years of Credited Service. You would then add the results of Formula 1 and Formula 2 to find your total normal retirement benefit.

2008-2009 Commencement Benefit Formula

If you began working for Samford University on or after January 1, 2008, but before January 1, 2010, your monthly normal retirement benefit will be calculated using the following formula:

*1.83% of your Average Final Compensation
PLUS
0.47% of your Average Final Compensation over the Covered Compensation amount
TIMES
your years of Credited Service, up to a maximum of 25*

Stated differently, the normal retirement benefit is a two-tiered benefit; the first tier provides a standard benefit:

*1.83% of your Average Final Compensation
TIMES
your years of Credited Service, up to a maximum of 25*

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

*0.47% 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 Services	<u>x 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:

0.47% x (\$1,860 - \$1,860)	\$ 0
Times Credited Services	<u>x 20</u> years
"Second Tier" Benefit	\$ 0

On these facts, your normal retirement benefit is \$680.80.

Post 2009 Commencement Benefit Formula

If you were hired or rehired by Samford University on or after January 1, 2010 and you are eligible to participate in the Plan, your monthly normal retirement benefit for periods of service on or after January 1, 2010 will be calculated using the following formula:

*1.50% of your Average Final Compensation
PLUS
0.47% of your Average Final Compensation over the Covered Compensation amount
TIMES
your years of Credited Service, up to a maximum of 25*

Stated differently, the normal retirement benefit is a two-tiered benefit; the first tier provides a standard benefit:

$$\begin{aligned} & 1.50\% \text{ of your Average Final Compensation} \\ & \qquad \qquad \qquad \text{TIMES} \\ & \text{your years of Credited Service, up to a maximum of 25} \end{aligned}$$

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

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

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 2010 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:

1.50% x \$1,860	\$ 27.90
Times Credited Services	<u>x 20</u> years
"First Tier" Benefit	\$ 558.00

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:

0.47% x (\$1,860 - \$1,860)	\$ 0
Times Credited Services	<u>x 20</u> years
"Second Tier" Benefit	\$ 0

On these facts, your normal retirement benefit is \$558.00.

Early Retirement Benefit

If you are eligible and you choose to retire early, your early retirement benefit will be determined by the Plan's 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 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. For the portion of your early retirement benefit accrued prior to January 1, 2010, 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. For the portion of your early retirement benefit accrued with respect to your service for Samford University on or after January 1, 2010, the amount of the reduction is 6.67% for each year (or 5/9 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 for the portion of your early retirement benefit with respect to your service accrued prior to January 1, 2010:

Retirement Age	Number of Months Early	Percentage of Age 65 Benefit
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%

The following table indicates the percentage of your benefit you will receive at specific retirement ages for the portion of your early retirement benefit with respect to your accrued service on or after January 1, 2010:

Retirement Age	Number of Months Early	Percentage of Age 65 Benefit
55	120	33.3%
56	108	40.0%
57	96	46.7%
58	84	53.3%
59	72	60.0%
60	60	66.7%
61	48	73.3%
62	36	80.0%
63	24	86.7%
64	12	93.3%

Now, let's look at an example of how to determine your early retirement benefit. Let's suppose

that in 2009 you have completed 16 years of Credited Service at Samford University and you decide to retire at age 57.

If you wait until age 65 to begin receiving your benefits, you will receive 100% of your normal retirement benefit. If you begin receiving payments at age 57, you will receive your early retirement benefit, which is 73.3% of your normal retirement benefit.

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 Plan’s 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 generally 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. If you choose to begin your benefit payments prior to reaching age 65, your benefit payments will be reduced in a manner similar to the reduction for early retirement benefit payments described above. If the value of your benefit is less than \$17,500, you may be eligible to receive an immediate lump sum or annuity distribution regardless of your age. These options are described in more detail in the “How Will My Benefits Be Paid” section below.

For more details, contact the Human Resources Office.

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. If you elect an optional form of payment, you may revoke the election prior to your annuity starting date. However, after your annuity starting date, you may no longer revoke or change your benefit election.

Automatic Form of Benefit

If you are not married on the date you retire, your 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, the monthly amount of your benefit will be less than the amount determined if you were not married on the date you retire 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 (if you are married on the date you retire, the written consent of your spouse is required to select any 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, subject to certain limitations under the Internal Revenue Code (contact the Plan Administrator for details). If you elect this option, your benefit will be less than the amount determined by the Plan's 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 Retirement 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) Monthly payments before age 62

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

(4) Lump Sum Distribution

If you terminate employment and the value of your retirement benefit is \$17,500 or less, you may elect to receive a lump sum distribution of your benefit. The lump sum distribution will occur on the first day of the month following the later of your termination of your proper completion of the lump sum application.

(5) Immediate Annuity

If you terminate employment and the value of your retirement benefit is \$17,500 or less, you may elect to receive an annuity payment even if you have not yet reached your Normal, Early, or Deferred Retirement date. The payment options under the immediate annuity feature are more limited than if you wait to receive an annuity on your Normal, Early, or Deferred Retirement date. If you are unmarried and wish to elect an immediate annuity, the payment form will be a single life annuity. If you are married and wish to elect an immediate annuity, the only payment forms available are a 75% or 50% contingent annuity.

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 not more than \$5,000. 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 Plan will 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 more than \$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 Retirement Committee will proceed with an automatic rollover to an IRA. The Retirement 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 Retirement 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

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. The benefit will begin on the first of the month following the date you would have first been eligible for an Early Retirement date, or the date of your death, if later.

If the value of the death benefit is less than or equal to \$17,500 on the date it would be paid to your spouse, your spouse may elect to receive the benefit as a lump sum distribution or as an immediate annuity. This means they can receive the benefit before the first Early Retirement date.

If you die on or after January 1, 2007 while performing qualified military service, you will be treated as having returned to employment on the day prior to your death and then terminated employment on account of death.

If you elect to retire with a 100% or 75% contingent annuity option, but die before your benefits commence, your beneficiary will receive the contingent annuity portion for the remainder of their lifetime.

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, please request for the Plan Administrator to 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 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. 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 the Plan does not meet certain funding requirements or if Samford University enters bankruptcy, some optional methods of payment (such as lump sum payments) may not be available under law and benefit accruals may be frozen.
- 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 will be allocated in accordance with the Employee Retirement Income Security Act of 1974 (ERISA). 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 member 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, the benefits you have already accrued 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 the 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 employer; (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

You or your beneficiary must apply for your benefits in accordance with the procedures established by the plan administrator or its designee. If you have a claim for a benefit under the Plan, you must file the claim in writing with the Retirement Committee at the plan administrator's address shown in the Plan Summary List below.

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 Retirement Committee will furnish 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 no later than 90 days after the receipt of your claim by the Retirement Committee, unless the Retirement Committee determines that special circumstances require an extension of time for processing your claim. If the Retirement Committee 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.

In the case of a claim regarding total or permanent disability, then instead of the above, the Retirement Committee will provide you with written or electronic notification of the Plan's adverse benefit determination within a reasonable period of time, but no later than 45 days after receipt of the claim by the Retirement Committee. This period may be extended by the Plan for up to 30 days, provided that the Retirement Committee both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first 30-day extension period, the Retirement Committee determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided the Retirement Committee notifies you, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the dates as of which the Plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.

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

- (1) The specific reason or reasons for the adverse determination.
- (2) Reference to the specific Plan provisions on which the determination is made.
- (3) 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.
- (4) Appropriate information as to the steps to be taken if you or your beneficiary want to submit your claim for review, the relevant time limits, and a statement that you or your beneficiary have a right to bring a civil action under Section 502(a) of ERISA following

an adverse benefit determination on review.

If your claim is denied and you want to submit your claim for review, you must follow the claims review procedure described below.

Within 60 days following receipt of an adverse benefit determination, you may submit a written request to the plan administrator for review of the determination. During this review process, you will have the opportunity to submit written comments and other information relating to your claim and you will have reasonable access to, and copies of, all documents and other information related to your claim free of charge. Any items you submit to the plan administrator will be considered without regard to whether the items were considered in the initial benefit determination.

Within 60 days following your request for review (or within 120 days under special circumstances, in which case you will receive written notice of the circumstances requiring the extension prior to its commencement), the plan administrator must, after providing you with a full and fair review, render its final decision in writing (or electronically) to you. The review process may be delayed if you fail to provide information that is requested by the plan administrator. In the event of an adverse benefit determination on review, the plan administrator's final decision will include:

- (1) The specific reason or reasons for the adverse benefit determination.
- (2) Reference to the specific Plan provisions on which the determination is made.
- (3) A statement that you are entitled to reasonable access to, and copies of, all documents and other information related to your claim free of charge.
- (4) A description of your rights to bring a civil action under Section 502(a) of ERISA with respect to the adverse benefit determination.

You may, by submitting a written statement to the plan administrator or its designee, authorize an individual or entity to pursue your claim for benefits under the Plan and/or your request for a review of an adverse benefit determination made with respect to your claim.

You must fully complete the claims review procedures described above before you (or any person claiming rights through you) begin any legal or equitable action in connection with a claim for benefits under the Plan.

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

As a member 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 members shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Retirement Committee's office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Retirement Committee, copies of all 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 Retirement Committee may make a reasonable charge for the copies.

- Receive a summary of the Plan's funding status. The Retirement Committee is required by law to furnish each member with a copy of the annual funding notice.
- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a retirement benefit, the statement will tell you how many more years you have to work to get a right to a retirement benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan members, ERISA imposes duties upon the people who are responsible for the operation of the 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 members and beneficiaries. No one, including your Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit 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 after you have exhausted your administrative remedies. 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 questions about your Plan, you should contact the Retirement Committee. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Retirement Committee, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

PLAN SUMMARY LIST

PLAN NAME	Samford University Pension Plan
COMPANY NAME AND ADDRESS	Samford University 800 Lakeshore Drive Birmingham, Alabama 35229 Telephone: (205) 726-2469 The Company is the Plan Sponsor and appoints the Retirement Committee. The Retirement Committee may be contacted at the Company's address.
PLAN ADMINISTRATOR, AGENT FOR LEGAL SERVICE, AND NAMED FIDUCIARY	Retirement Committee Samford University 800 Lakeshore Drive Birmingham, Alabama 35229 Telephone: (205) 726-2469 Legal process may also be served on the Trustee.
PLAN ADMINISTRATION	The Plan is administered by Samford University, through the Retirement Committee.
PLAN TRUSTEE	Northern Trust 801 S. Canal Street Chicago, IL 60607, USA Telephone 312-557-2878
EMPLOYER ID NUMBER	63-0312914
TYPE OF PLAN	Defined Benefit Pension Plan
PLAN NUMBER	004
PLAN YEAR	January 1 – December 31