CASH BALANCE PENSION PLAN FOR STAFF EMPLOYEES

OF

MOUNT HOLYOKE COLLEGE

SUMMARY PLAN DESCRIPTION

January 26, 2001
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INTRODUCTION

Mount Holyoke College (the “College”) is pleased to provide you with this summary of the Cash Balance Pension Plan for Staff Employees of Mount Holyoke College (the “Plan”). The Plan is a continuation of your pension plan, but has been amended to incorporate the new cash balance features. The College continues to sponsor the Plan.

Your Pension Benefits and rights, as outlined in this booklet, are determined by the actual terms of the Plan. You may examine a copy of the Plan and related documents in the Plan Administrator's office at any time during the business day.

The Plan Administrator is the Vice President for Finance and Administration and Treasurer of the College. If any ambiguity concerning the meaning of any of the provisions of the Plan arises, the Plan Administrator shall have complete discretion and the sole right to construe such provisions. The Plan Administrator shall also have the power and complete discretion to decide all questions of eligibility for participation and for benefits provided under the Plan.

This booklet is a Summary Plan Description. It has been prepared to comply with the Employee Retirement Income Security Act of 1974 (ERISA). It is not intended to be a complete description of the Plan. It simply states the highlights of the Plan. If statements in this booklet are inconsistent with the actual provisions of the Plan, the actual provisions of the Plan will apply. For additional information, see your Plan Administrator.
GLOSSARY OF IMPORTANT TERMS

The following important terms appear throughout this Summary Plan Description, and have the following meanings:

Hour of Service - Each hour for which you are paid, or entitled to payment, by your employer for the performance of duties or for vacation, holidays, sickness, disability, jury leave, military duty, leave of absence, paid layoff, and other non-working time. For purposes of determining if you have a break in service, up to 501 Hours of Service may be considered for periods of unpaid maternity or paternity leave.

Credited Service - With respect to a “grandfathered employee” (see page 5), the service used in calculating the amount of your Pension Benefit. Effective July 1, 1998, Credited Service is counted in whole years and months regardless of the number of hours worked. Service before July 1, 1998 is counted as Credited Service in accordance with the terms of the Plan as in effect before that date.

Year of Service - If you work 12 months during the year, a Year of Service is a Plan Year in which you complete 910 Hours of Service. If you work nine months during the year, a Year of Service is a Plan Year in which you complete 665 Hours of Service.

Break in Service - A 12-month period during which you do not complete at least 501 Hours of Service. If you incur a Break in Service your participation in the Plan will be interrupted.

Accrued Pension - The amount of pension credited to you under the Plan while you are a Plan member. This is expressed as an annuity and, for most members, is based on the amount in your cash balance account under the Plan.

Pension Benefit - The actual annual benefit paid to you under the Plan when you retire. This is equal to your final Accrued Pension (or cash balance account converted to an annuity). The monthly benefit amount is adjusted to reflect when you elect to retire and the form of benefit under which payments are made to you.

Plan Year - Each 12-month period beginning on July 1st and ending on the following June 30th. Most Plan records are maintained on a Plan Year basis.

Vesting - The process of acquiring a permanent right to your Accrued Pension under the Plan.

Eligible Employee - You are an Eligible Employee if you are employed by Mount Holyoke College and you are a member of the bargaining units for Food Service and Building and Grounds. Effective January 1, 2000, employees of Orchard Golf Course will no longer be Eligible Employees.
ELIGIBILITY & PARTICIPATION

CASH BALANCE PLAN EFFECTIVE DATE

The Plan (formerly called the Retirement Plan for Staff Employees of Mount Holyoke College) was originally effective July 1, 1955. The Plan was amended for conversion to a cash balance pension plan effective July 1, 1998. This booklet describes the Plan as it is operating on January 1, 2000.

ELIGIBILITY AND ENROLLMENT

You are eligible to become a member in the Plan when you have satisfied the Plan's eligibility requirements. Under these rules, you will become a member on the first day of the month on or next following the date you complete one year of eligibility service and reach your 26th birthday.

A year eligibility service is the 12-month period beginning on the day you complete an Hour of Service if you complete a Year of Service during that period. If you do not complete a Year of Service during that first 12-month period, you will be granted a year of eligibility service if you complete a Year of Service during any 12-month period beginning on an anniversary of the day you first complete an Hour of Service.

REJOINING THE PLAN FOLLOWING TERMINATION

If you are a member and incur a Break in Service due to a termination of employment and you are subsequently rehired, you can rejoin the Plan on the day you first perform an hour of service as an Eligible Employee. You will not lose the benefits accumulated prior to your Break(s) in Service.

A one-year Break in Service does NOT occur in the service computation period in which you enter or leave the Plan for reasons of an authorized leave of absence or certain maternity or paternity absences (includes pregnancy, birth, or adoption of your child). No more than 501 Hours of Service may be credited for this purpose, and these Hours of Service would be credited solely to avoid your incurring a one-year Break in Service.

RETIREMENT

Normal Retirement: Your normal retirement date is the first day of the month on or next following your 65th birthday. Pension Benefit payments begin on the first day of the month following your actual retirement date.

Early Retirement: You may choose to retire before your normal retirement date if you are at least age 55. If you retire early and you elect to receive your benefit before your 65th birthday and in an annuity form of payment, your monthly payments will be reduced to reflect the longer period over which you will receive your Pension Benefit.
Late Retirement: If you continue working after your normal retirement date, you will continue to earn cash balance credits (and Credited Service if you are a “grandfathered employee”). Payment of your Pension Benefit will begin on the first day of the month following the date you actually cease employment.

CASH BALANCE PENSION PLAN BENEFITS

PLAN FUNDING

Effective July 1, 1998, the College pays for the entire cost of the Plan. You are neither required nor permitted to contribute to the Plan. To help assure that enough money will be available for all members' Accrued Pensions, the College hires actuaries to determine the amount that should be contributed to the pension fund. All Plan assets are available to pay all Plan benefits. However, for recordkeeping purposes, each member is assigned a bookkeeping cash balance account.

If you contributed to the Plan before July 1, 1998, your pension will never be less than your actual contributions plus accumulated interest.

PRIOR PLAN BENEFITS - OPENING BALANCE

If you are an employee on July 1, 1998, you will receive credit for benefits you earned under the pension Plan formula prior to the Plan's conversion to a cash balance plan. This benefit will be your “opening balance” in the cash balance plan. Your opening balance is established on June 30, 1998, and equals the actuarially determined present value of your prior accrued pension, determined as of that date. Your opening balance is calculated by an independent actuary.

CASH BALANCE ACCOUNT

For most members, the Plan Administrator maintains a separate bookkeeping account in your name. Throughout each Plan Year the College credits your Plan cash balance account biweekly with an amount equal to ten percent of your compensation. This contribution is credited to your account irrespective of whether or not you complete a year of Credited Service during the Plan Year.

The amount in your cash balance account will also earn interest throughout each year. The interest you earn on the amount in your cash balance account for any Plan Year is at least six percent but never more than eight percent, compounded daily. The actual rate depends on the average rate of return on all Plan assets for the preceding three Plan Years.
GRANDFATHERED PENSION BENEFITS

If, before July 1, 1998, you (1) were an employee of the College and (2) had attained age 53½, then you will receive a monthly Pension Benefit equal to the greater of:

An annuity that is the actuarial equivalent of your cash balance account when benefits begin;

or

An annuity equal to: 1 percent of your “final average compensation” multiplied by your years of Credited Service completed prior to July 1, 1990, plus 1.5 percent of your final average compensation multiplied by your years of Credited Service completed from July 1, 1990 through June 30, 1998, plus 1.65 percent of your final average compensation multiplied by your years of Credited Service completed after June 30, 1998. “Final average compensation” means your average compensation for the five Plan Years of your highest compensation during the last ten Plan Years before your retirement or other termination of employment.

MAXIMUM BENEFIT

Federal law imposes maximum limits on annual pension payments. Your Pension Benefit may be limited by the law in effect on the date you retire. If you are affected by these restrictions, you will be notified.

DISABILITY BENEFITS

If you become disabled while you are actively employed, and you continuously receive benefits under the College’s long-term disability program until your 65th birthday, you will continue to be granted cash balance contributions, interest accumulation and, if you are a “grandfathered employee,” Credited Service during the period of time that you are collecting disability benefits. This means that your period of disability will be included in determining the amount of your pension at your normal retirement date. Upon reaching your normal retirement date, your Pension Benefit will be based on your compensation when you became disabled, your Credited Service granted through your normal retirement date, the cash balance contribution credited to your account each year and the interest accumulated during all years, including your period of disability. For purposes of the Plan, “disability” means a physical or mental condition that, in the opinion of the insurance company providing long term disability benefits, renders a member totally and permanently incapable of performing any work for the College for which the member is suited by education, experience and training.

VESTING
The term "Vesting" refers to ownership, or your earned right to receive a benefit from the Plan. If you are an employee on or after July 1, 1990, you have a 100 percent vested interest in your entire Pension Benefit.

PRE-RETIREMENT DEATH BENEFITS

Married Members

If you are an active Plan member on or after July 1, 1998, and you die prior to the date your Pension Benefit payments begin, your surviving spouse will receive a benefit based on the amount in your cash balance account. Your surviving spouse will receive an annuity for life equal to 50 percent the monthly amount you would have received if you had retired on your date of death with benefits in the 50 percent joint and survivor form of payment.

Payment will begin on the first day of the month following your death, or, if later, on the date you would have reached your 55th birthday. If your spouse does not consent to this starting date, payments will begin on the first day of the month following the date you would have reached your 65th birthday.

Your spouse may elect to receive payment of death benefits in:

(1) The form of a single lump sum

(2) The form of a "Social Security Adjustment Option" such that the amount you receive from the Plan before you can begin to receive retirement benefits under the Social Security act, and the amount you receive after that date (when combined with such Social Security pension) will be about the same.

(3) If you had made contributions to the Plan before July 1, 1998, the amount of any contributions not previously withdrawn, plus accumulated interest, in a single lump sum.

Unmarried Members

If you are not married and you die prior to the date your Pension Benefit begins, your beneficiary will receive any contributions you made to the Plan before July 1, 1998, together with accumulated interest. This benefit will be paid in a single lump sum.

PAYMENT OF PENSION BENEFITS
You are eligible to receive, or to begin to receive, the vested portion of your Accrued Pension as soon as administratively feasible in the following situations:

- When you retire on or after your normal retirement date or early retirement date;

- Upon your becoming disabled; or

- If your employment ends before you are eligible to retire, then upon reaching your 55th birthday.

PENSION BENEFIT - NORMAL FORMS OF PAYMENT

The benefits you accrue under the Plan are determined assuming that a monthly annuity will be paid to you for life with no benefits after your death. The amount of this annuity payment is the actuarial equivalent of your cash balance account. If you elect to receive your Pension Benefit in a different form, your monthly payments may be reduced because the benefit is expected to be paid over a longer period of time. Thus, your monthly benefit will vary according to the form of annuity you select. However, all Plan payment options are actuarially equivalent.

If you are married when payments begin:

Your Pension Benefit will be paid in the form of a 50 percent joint and survivor annuity unless your spouse consents in writing to another payment option. Under this form of payment, you will receive a reduced Pension Benefit for life. Upon your death, your surviving spouse will receive payments in an amount equal to 50 percent of your Pension Benefit for the remainder of his or her life.

As an alternative, you may elect for your surviving spouse to receive continuation payments equal to 66 2/3 percent, 75 percent or 100 percent of the monthly benefit you receive prior to your death. Spousal consent is not required if you make such an election.

If you are single when payments begin:

Your benefit will be paid as a single life annuity with no annuity benefits payable after your death, unless you elect an optional form of payment.

OPTIONAL FORMS OF PAYMENT

If you are not married or if you are married and receive spousal consent, several options are available. If you are married and wish to elect an optional form of payment, you and your spouse will be asked to sign a form waiving your rights to a joint and survivor benefit. Your spouse's consent must be witnessed by the Plan Administrator or a notary public. In addition, you will be asked to sign a benefit application electing an optional form of payment. The following actuarially equivalent optional forms of payment are available:
**Lump Sum** - Your retirement benefit may be paid in a single lump sum cash payment. You must attain age 59½ when the benefit is paid in order to elect this option.

**Contingent Pensioner Option** - A reduced Pension Benefit will be payable to you for life, and, if you die first, a percentage (as you elect) of your Pension Benefit will be payable to the beneficiary you choose for the remainder of his or her life. If you elect this option, you may elect for your beneficiary or “contingent pensioner” to receive a lifetime income equal to 100 percent, 75 percent, 66 2/3 percent or 50 percent of your retirement income. Payments cease upon the death of your beneficiary.

**Social Security Adjustment Option** - If Pension Benefits begin before your 65th birthday, you will receive a greater Pension Benefit amount each month before Social Security pension benefits are expected to begin and a lesser monthly payment thereafter. The intent is to make your total monthly retirement income (including social security) somewhat equal throughout your retirement.

**Life-Only Annuity** - If you are married when Pension Benefits are to begin, you may elect to receive an annuity payable to you for your life only with no benefit payable after your death.

If you are not married, you need to inform the Plan Administrator of your election of an optional form of payment and sign a benefit application. You may (with the consent of your spouse, if married), change your election or revoke your waiver at any time before benefits begin. Once you begin to receive your pension, the form of payment cannot be changed.

If you made contributions to the Plan before July 1, 1998, you will always receive a minimum benefit equal to your actual contributions plus accumulated interest.

**AUTOMATIC LUMP SUM PAYMENTS**

If the value of your benefit is $5,000 or less when benefits begin, you will automatically receive your Pension Benefits in a single lump sum cash amount. However, if the present value of your Pension Benefit is greater than $5,000, you (and your spouse, if you are married) must agree, in writing, to a lump sum payment.

**SPECIAL RULES**

**TEMPORARY ABSENCE FROM WORK**
A temporary absence because of sickness, accident, or authorized leave of absence will not be considered a termination of employment. If your temporary absence becomes permanent and your earnings cease, you will be considered a terminated employee, and your Accrued Pension will be determined using the termination date established by the College.

ASSIGNMENT OF BENEFITS

Your benefits may not be assigned and are not subject to garnishment or attachment by your creditors. However, based upon a valid qualified domestic relations order (QDRO), the Plan Administrator will determine whether your former spouse could share in your vested Pension Benefit.

The QDRO must relate to the provision of child support, alimony payments or marital property rights of a spouse, former spouse, child or other dependent of the Member. The account balance available to you would be reduced to reflect any amount to which your former spouse (or another person) becomes entitled.

TAXATION OF DISTRIBUTIONS

Generally, Plan benefits distributed to you, or your beneficiary, will be taxed as ordinary income in the year received. Certain Plan payments (such as lump sum payments) which are not directly transferred to an IRA or another employer’s tax qualified retirement plan may be subject to IRS mandatory withholding requirements.

In certain circumstances, you may reduce or defer entirely the tax due on your distribution through the rollover or direct transfer of your distribution to an IRA or another tax qualified retirement plan.

Certain Plan distributions that you receive directly will be eligible for rollover. The rollover of the distribution MUST be made within 60 days after you receive your distribution. Under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment. For example, if you made contributions to the Plan before July 1, 1998, those contributions cannot be rolled over; however, earnings on those amounts may be rolled over to an IRA or another employer’s tax qualified pension plan.

You may request a direct transfer of all or a portion of your distribution amount be made to either an IRA or another qualified Plan. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other qualified Plan.

Most distributions that are not directly transferred will be subject to mandatory 20 percent federal income tax withholding. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a part of your distribution, the direct transfer option described above will be preferable to a rollover of amounts you receive in a distribution.
WHEN YOU RECEIVE A DISTRIBUTION, THE PLAN ADMINISTRATOR WILL PROVIDE A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT IS VERY COMPLEX AND YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

AMENDMENT AND TERMINATION

PLAN AMENDMENT

The Board of Trustees of the College may amend your Plan at any time. However, no amendment will reduce the amount of your Pension Benefit earned to the date of the amendment.

PLAN TERMINATION

The College intends to continue the Plan indefinitely. However, the Board of Trustees reserves the right to terminate it at any time. If the Plan is terminated, each member will receive his Accrued Pension as of the date of termination, but only to the extent that the benefit is funded and not subject to any change required by ERISA or any other applicable laws.

A cash balance plan is considered to be a “defined benefit” pension plan under ERISA. Accordingly, the PBGC guarantees most vested accrued Pension Benefits, and certain disability and spouse's Pension Benefits at the level in effect on the termination date. However, if benefits have been increased within five years of the Plan's termination, the PBGC may not guarantee the entire amount of the benefit increases. There is also a ceiling on the amount of monthly benefit that the PBGC guarantees.

For more information on the PBGC insurance protection and its limitations, ask your Plan Administrator or the PBGC. You may contact the PBGC at:

Office of Communications
Pension Benefit Guaranty Corporation
1200 K Street, NW
Washington, DC 20005-4026
Phone: (202) 326-4000

If the Plan does not have enough assets to pay all accrued Pension Benefits that are not guaranteed by the PBGC, the assets will be allocated to members and beneficiaries in accordance with ERISA. If Plan assets remain after all Plan benefits have been paid or provided for, they may be returned to the College.

CLAIMS PROCEDURES
PRESENTING A CLAIM

You must file a written request for Pension Benefits with the Plan Administrator. Within 90 days from its receipt, you will be notified that your request was accepted, denied, or that the period of time to process your claim has been extended. Any extension will not be longer than 180 days from the date you first submitted your request. If you are not notified of the acceptance or denial of your claim within 90 days from the date of submission, you may request a review as if the claim had been entirely denied.

If your claim is denied, the Plan Administrator will tell you why and if additional information is needed based upon certain Plan provisions to evaluate the claim. The Plan Administrator will also provide you with an explanation of the review procedures.

CLAIM REVIEW PROCEDURES

Upon the denial of a claim, you can:

- request, in writing, within 60 days, a review of your claim by the Plan Administrator;
- review pertinent documents relating to the denial; and
- submit issues and comments in writing.

The Plan Administrator shall make a final written decision on a claim review within 60 days (unless the time to review the appeal has been extended for another 60 days). The final decision will give you the specific reasons and make specific references to Plan provisions on which the decision is based.

TOP-HEAVY PLAN

Under federal law, a plan is “top-heavy” if 60 percent or more of benefits are attributable to key employees (certain owner-employees and officers) of an employer. A top-heavy plan must provide accelerated vesting and minimum benefits for non-key employees. It is very unlikely that this Plan will become top-heavy; however, you will be notified if it does.

ERISA RIGHTS CONCERNING PLAN BENEFITS

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 are entitled to:
- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and offices, all Plan documents, including insurance contracts, investment agreements and copies of all documents filed with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.

- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. There may be a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The Plan Administrator will furnish a copy to you each year.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what the amount of your Pension Benefit would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing. The statement must be provided, free of charge, but not more than once a year.

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, called "fiduciaries" of the Plan, have a duty to operate the Plan prudently and in the interest of you and other Plan members and beneficiaries. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Pension Benefit or exercising your rights under ERISA.

If your claim for a Pension Benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have a right to have the Plan Administrator provide a full and fair review and reconsider your claim. Under ERISA, there are steps you can take to enforce these rights. For instance, if you request materials from the Plan Administrator 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 Plan 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.

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 the court finds your claim to be frivolous.

If you have questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

**OTHER IMPORTANT INFORMATION**
The College’s full name, address and tax identification number are:

Mount Holyoke College
50 College Street
South Hadley, MA 01075

EIN: 04-2103578

The Plan Administrator is:

Vice President for Finance and Administration and Treasurer
Mount Holyoke College
50 College Street
South Hadley, MA 01075

Phone: (413) 538-2467

The Plan's IRS reporting number is: 001.

The Plan's Agent for service of legal process is:

Mount Holyoke College
50 College Street
South Hadley, MA 01075

Plan assets are held by:

The Trustees of Mount Holyoke College
50 College Street
South Hadley, MA 01075