INDIANA UNIVERSITY
"NEW" EARLY RETIREMENT PLAN
(IU SUPPLEMENTAL RETIREMENT PLAN)

by action of University Faculty Council
(February 27, 1996)

This retirement plan is intended to provide specified Indiana University employees with financial resources to supplement other retirement assets. Financial resources accumulated by participants of this retirement plan, along with other retirement assets, may provide individuals with an opportunity to terminate full-time employment activities at the University and pursue other personal objectives. In essence, Plan benefits provide participants with an opportunity to initiate retirement activities at an earlier date than other retirement assets would otherwise allow.

[This retirement plan was initially approved by the University's Trustees on May 3, 1991, as a replacement plan for the 18/20 Retirement Plan. Plan provisions have been modified so as to comply with federal regulations, with no change in overall cost to the University.]

ELIGIBILITY

Participants of the IU Retirement 12% Plan shall be eligible for benefits under this retirement plan.

[Full-time Appointed Faculty and Staff Grade 16 or above hired January 1, 1989, or later are participants of the IU Retirement 12% Plan. This base retirement plan was adopted by the University's Trustees as a replacement plan for the "15%" retirement plan.]

PLAN TYPE

Plan benefits shall be based on features of a defined contribution-type of plan. Provisions of this plan shall be controlled by the Internal Revenue Code, the Age Discrimination Employment Act, and other federal regulations, along with any applicable state of Indiana regulations.

Indiana University shall contribute a "defined" amount to this retirement plan, for future benefit payments to participants. The value of the benefit payments shall be the participant's account balance(s), which will be based on Indiana University contributions and the performance of associated investment allocations.

Plan participants shall be responsible for the allocation of Indiana University contributions to approved investment fund options.

Prior to the participant becoming vested in the designated account balance(s), all associated assets shall be owned by Indiana University. Following the participants' vesting, account balance(s) shall be owned by the participant.

DEFINED CONTRIBUTION AMOUNT

Indiana University shall contribute to this retirement plan an amount equal to 2.4% of the participant's actual base salary. This contribution shall be deposited immediately following each pay period, to the investment fund(s) designated by the plan participant.

In that plan benefits are retroactive to eligibility since January 1989, the following contribution rates apply for the specified participants, for the indicated time period.

"Make Up" Contributions - For 3 Year Period

Initial Plan Participation Date*	"Make Up" Contribution Rate
1989	9.18%
1990	8.10%
1991	7.06%
1992	6.05%
1993	5.09%
1994	4.16%
1995	3.26%

* Calendar year rates apply to participants hired between January and September of the respective year. Participants hired between October and December shall receive the next years' rate.

At the end of the 3 year period, contribution rates will be converted to 2.4%.

The above "Make Up" Contributions shall only apply to participants employed by the University on the date these plan provisions are adopted by the University; and shall only continue until the end of the "3 year period," date of termination from the University, or date not longer an eligible plan participant, whichever occurs first.

RECOGNIZABLE COMPENSATION LIMIT

In addition to applicable limitations stated in the Plan and all other IRC limitations, for Plan year beginning January 1, 1996, the annual compensation amount considered for each participant under the Plan shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is $150,000, as adjusted by the Commissions of the Internal Revenue Service for increases in the cost of living in accordance with section 401(a)(17) of the Internal Revenue Code.

In determining the compensation of a Participant for this limitation, the rules of section 414(a)(6) of the Code shall apply, except in applying such rules, the term "family" shall include only the spouse of the Participant and any lineal descendants of the Participant who have not attained age 19 before the close of the year.

COORDINATION WITH OTHER PLANS

This Plan shall be coordinated with other defined contribution or defined benefit plans maintained by the University and related employers (within the meaning of IRS Code) for the purpose of determining benefit/contribution limits of IRC § 415 and 403.

For example:

IRC § 415(c) Maximum Contributions -- limits total annual contributions for both employer and employee contributions to all retirement plans to the lesser of: $30,000 or 25% of compensation for the year. There are once-in-a-lifetime alternative elections that may provide a higher contribution limit.

IRC § 403(b) Exclusion Allowance -- limits the total annual contributions for both employer and employee contributions to IRC § 403(b) retirement plans to: 20% of Includible Compensation times Years of Service [at the University] less the total of all prior employer and employee IRC § 403(b) and IRC § 401(a) retirement plan contributions.

VESTING CRITERIA

Plan participants shall be 100% vested in their account balance(s) upon obtaining age 55 in an active employment status. All participant's rights to his/her Plan account balance(s) shall be contingent upon the fulfillment of this vesting condition.

If a participant terminates employment for any reason prior to obtaining age 55, , other than total disability as defined in IRC Section 72, then no benefit payment shall be due or payable under this Plan. A participant who becomes totally disabled prior to obtaining age 55 shall be 100% vested in their account balance(s) upon obtaining age 55, if they remain totally disabled through that date.

Participants who begin employment at the University following age 55 shall be 100% vested upon employment.

The right of the participant or any other person to Plan benefits shall not be assigned, transferred, pledged or encumbered, except by laws of intestacy.

Account balance(s) shall be owned by the University until such time as the participant obtains vesting rights. Upon obtaining vesting rights, account balance(s) shall be converted to participant ownership, and so recorded at the respective investment vendor (TIAA-CREF or Fidelity).

LEAVE OF ABSENCE

During a paid leave of absence, Plan contributions will continue to be made for a Participant on the basis of actual base salary then being paid by the University. No Plan contributions will be made during an unpaid leave of absence.

Following any period of unpaid leave, the Participant shall become vested only after being actively back at the University for a period of nine months, and obtaining age 55 in an active employment status. Following a period of 24 consecutive months of unpaid leave, the Participant shall be considered terminated for the purpose of determining vesting under this Plan. (This provision only impacts participants who initiate unpaid leave prior to obtaining age 55.)

BENEFICIARY DESIGNATION

Participants shall have the right to designate at any time a person or persons as the beneficiary(s) to whom account balance(s) shall be designated in the event of the participants death and obtainment of vesting rights.

INVESTMENT FUNDS

Participants shall be responsible for the allocation of contributions to specific investment fund opportunities. The same investment opportunities adopted by the University for the base retirement plan shall be available to participants of this Plan.

As of March 1996, participants may direct contributions to either TIAA-CREF or Fidelity. Participants have the option of allocating these contributions and accumulations among the University approved funds at each investment vendor: 9 funds at TIAA-CREF and 41 funds at Fidelity.

University contributions under this Plan will be directed to either TIAA-CREF of Fidelity, based on the same participant election for the IU Retirement 12% Plan.

BENEFIT PAYMENTS

Participants shall have the right to initiate benefit payments from their account balance(s) upon obtaining vesting rights and termination from the University as an Appointed employee or any other employee category that would result in participation in any University-sponsored retirement plan.

The amount and payment frequency of benefits shall be solely based on the participants account(s) accumulation and the payout option selected with the respective investment vendor. In general, benefit payments could be in the form of a withdrawal, an annuity, or a combination of the two.

ACCOUNT STATEMENTS

Every effort will be made to distribute account statements to participants on a quarterly basis. Prior to obtaining vesting, participant statements will be distributed throughout the University Benefits Office. Following vesting, participants shall receive their statement directly from the respective investment vendor.

[Account statements distributed by the University Benefits Office will include notification of vesting criteria.]

PLAN YEAR

The Plan Year means the twelve (12) consecutive month period beginning on each January 1 and ending on the following December 31.

PLAN AMENDMENTS

The University shall have the right to amend or terminate these retirement plan provisions at any time; however, no such action shall adversely affect the benefits or rights accrued by participants prior to the date of any amendment or termination.