Duke Savings for Retirement Plan

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Duke provides two retirement plans for employees who are paid on the biweekly payroll: the Employees' Retirement Plan (ERP) and the Savings for Retirement Plan.

ERP membership occurs automatically after an employee has met the eligibility requirements (age 21 and working 1,000 or more hours in the first year of employment). The retirement benefit from the plan is determined by a formula that includes average final pay and years of credited service. An employee is eligible for a benefit from the plan, or becomes vested, after five years of continuous service. Duke pays the entire cost of this benefit. Refer to the summary plan description on the Employees' Retirement Plan for more details.

The Savings for Retirement Plan permits eligible employees to voluntarily save additional money toward retirement by offering tax-deferred investment options.

The term "Duke" is used throughout this document. For purposes of this summary, "Duke" refers to the University, Duke University Health System, Inc., and any other entity which is or becomes controlled by Duke University and where, upon appropriate action by the Board of Trustees, the employees of that entity are included in the membership of this plan.

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Eligibility and Enrollment

Eligibility

You are eligible to participate in the plan if you:

- Are an employee paid on the biweekly payroll (except employees who are classified under Duke's personnel practices as students or temporary employees), or
- Are a faculty member or exempt staff member who is not eligible to contribute to the Duke University Faculty and Staff Retirement Plan.

Participation

You may participate in the plan upon employment and make contributions on your behalf by completing and properly executing the investment carrier applications and the enrollment/contribution change form. Please refer to the "Duke Savings for Retirement Plan Enrollment Kit" for these instructions and forms.

The investment carriers offered under the Savings for Retirement Plan are:

- AIG Retirement,
- Fidelity,
- DWS Investments (formerly Scudder),
- TIAA-CREF, and
- Vanguard.

How the Duke Savings for Retirement Plan Works

Plan Contributions

All contributions to the plan are voluntary and are made from your salary on a before-tax basis by means of salary-reduction agreements. Either you or Duke may terminate or change a salary-reduction agreement by giving at least 30 days written notice. The minimum voluntary contribution amount is $12.50 per pay period. The maximum contribution amount is 80% of your salary per pay period.

Contribution Limitations

For each plan year, your contributions are subject to a maximum dollar limit that is indexed periodically. The limit is $16,500 in 2009. If you have more than 15 years of service, you may be eligible to contribute an additional $3,000. In addition, if you are age 50 or older during the calendar year, you may contribute an additional $5,500 in 2009. The limits contained in Code Section 415 may apply to limit your contributions for the year. If you have questions about your contribution limits, contact the Human Resource Information Center (HRIC) at (919) 684-5600.

In order for your contribution to be effective in a specific month, the Salary Reduction Agreement must be received by the Benefits Office at least 30 days prior to the pay date.

If you make before-tax contributions in excess of the dollar limit for a plan year (for example, more than $16,500 in 2009 and you have not attained age 50), you must notify the HRIC of the excess amount. If notification occurs on or before March 1 following the plan year in which the excess contribution was made, the excess amount is adjusted to reflect any investment earnings or losses up to the date of distribution and will be distributed no later than April 15.

You are responsible for determining whether your contributions are within the dollar limitations and for payment of any tax or penalty if the dollar limitations are exceeded.

Contributions After Normal Retirement Date

If you are employed by Duke as an eligible employee after the "normal retirement date," you may continue your contributions.

Contributions During Leaves of Absence

If you are on a leave of absence with pay, you may continue your contributions. If you are on a leave of absence without pay, you may not make any contributions to the plan.

Termination of Employment

If you terminate your employment with Duke, your salary-reduction agreement will automatically terminate and your contributions will cease.

Maintenance of Account

All contributions made (including rollover contributions to the extent permitted by the investment carrier), and the income, expenses, gains and losses attributable to such contributions are allocated to separate accounts maintained by each investment carrier.

Vesting of Contributions

All contributions you make to the plan are fully and immediately "vested," that is, you have an irrevocable right to these contributions subject to the terms of the individual annuity contracts, certificates, or custodial accounts.

Investment of Contributions

You are solely responsible for making the decisions regarding the investment of your contributions. It is your responsibility to initiate and complete any procedure required by an investment carrier to enroll in or maintain an investment option.

Your contributions may be divided among investment carriers and their investment options in any whole percentages (but not fractions of a percent) that you select.

You may change the investment of your future contributions (subject to certain restrictions and/or fees imposed by the investment carriers) by completing the appropriate forms available by contacting the investment carrier or the HRIC.

You may exchange, in whole or in part, existing contributions from one investment carrier to another by completing the appropriate forms available from the investment carrier to which you are exchanging funds. Exchanges are subject to the restrictions and fees contained in the agreements with the applicable investment carriers. Neither the investment carriers nor Duke can guarantee the tax results upon any exchange. You should consult your own tax adviser prior to making any such exchange.

Investment Options

The plan offers a number of investment options in insurance company and mutual fund accounts operated by the following investment carriers:

- Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF),
- AIG Retirement,
- Fidelity Investments (Fidelity),
- DWS Investments (formerly Scudder), and
- The Vanguard Group (Vanguard).

The investment carriers are insurance companies and/or regulated investment companies (i.e., mutual funds). Duke has the right, upon reasonable notice to you, to add or eliminate an investment carrier or investment options.

A listing of the investment options currently offered by the investment carriers and available under the plan can be obtained by contacting the investment carriers at this web site: http://www.hr.duke.edu/benefits/retirement/vps-download.html.

The prospectus for each investment option is a major source of information and is available from the investment carriers. A prospectus describes the investment option's objectives and policies which are governed solely by the investment carriers' agreements and contains information required by the Securities and Exchange Commission on subjects such as the investment option's performance, services, restrictions, officers and directors, and expenses. **You are strongly encouraged to read the prospectus and other available literature before investing in a particular fund.**

Retirement Benefits

The normal retirement date under the plan is the end of the month in which you attain age 65. However, you may elect to retire at any age following termination of employment with Duke. Upon termination of employment, you may elect to receive plan benefits or may postpone the commencement of your benefits up to any date permitted under the investment carrier's contract or agreement, but not beyond April 1 of the calendar year following your attainment of age 70½, or if later, termination of employment with Duke.

Following your termination of employment, you may continue to direct the investment of your contributions among the investment options offered by your investment carrier(s) subject to such investment carrier's restrictions and fees. You also may transfer your contributions to an Individual Retirement Account (IRA), an eligible retirement plan, or from one investment carrier to another, subject to tax regulations and the restrictions and fees imposed by the applicable investment carriers.

You should contact your investment carrier(s) in order to arrange for retirement benefits to begin.

Commencement of Payment Benefits

Subject to any restriction, limitation, or fee contained in the contract or agreement with any applicable investment carrier, withdrawals of your contributions may commence upon the occurrence of any one of the following events:

- Your retirement,
- Your death,
- Your termination of employment,
- Your attainment of age 59½,
- Your disability, which is defined in Code Section 72(m)(7) as the inability to engage in any substantial gainful activity due to any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration, or
- You encounter a financial hardship as defined in the Internal Revenue Code and relevant regulations, applying applicable "safe harbor" rules, and as determined by the investment carrier holding the amounts requested for distribution, and upon submission to said investment carrier of such determination of hardship. **If you receive a hardship distribution, you will be suspended from participating in the plan for a period of six months and may be subject to other restrictions that are imposed under federal law.** It is your responsibility to restart contributions after the six month suspension has ended.

If you become an employee of another employer that maintains a Section 403(b) pension plan, you may elect to have your contributions transferred to the other employer's plan subject to any restrictions, limitations, or fees of the investment carrier or other employer.

You should contact the applicable investment carrier(s) prior to the commencement of benefit payments to determine if any restrictions, limitations, or fees apply.

Loans

The plan permits loans to be taken against your contributions subject to any restrictions, limitations, or fees of the investment carrier. You are solely responsible for complying with the investment carrier's rules. The HRIC maintains a listing of investment carriers who offer loans.

Taxation of Benefit Payments

Benefit payments are included in your income in the year of payment. In addition, substantial tax penalties may be imposed on withdrawals prior to attainment of age 59½, death, or disability. You should consult your accountant, tax attorney, or other qualified financial adviser before making a withdrawal from the plan.

In the case of certain benefit payments, you may defer taxation on the payment by electing a direct rollover of all or part of such distributions to an IRA, an eligible retirement plan, or another employer's Section 403(b) plan that accepts rollovers. If a benefit payment is eligible for direct rollover but you do not elect a direct rollover, the investment carrier is required to withhold 20% of the taxable portion of the benefit payment.

For more information about the taxation of benefit payments or whether a benefit payment is eligible for direct rollover treatment, contact your investment carrier.

Forms of Benefit Payments

Once you are eligible to begin receiving benefit payments, you may elect any of the payment options that are available with the investment carrier(s) selected.

If you do not elect a payment option, plan contributions will remain invested in the investment options selected until you initiate payment, but not beyond April 1 of the calendar year following your attainment of age 70½ or, if later, termination of employment.

Normal Form of Benefit Payment

If you are investing in mutual funds and if you are not married on the date benefit payments commence, benefits will be paid as a lump sum distribution.

If you are investing in annuities and if you are not married on the date benefit payments commence, benefits will be paid in the form of a single life annuity unless you elect an optional form of payment. Under a single life annuity, monthly benefit payments are made for your lifetime, and at your death, all benefit payments will stop.

If you are married on the date benefit payments commence, benefits will automatically be paid in the form of a Joint and Survivor Annuity, unless you and your spouse elect an optional form of payment. Under a Joint and Survivor Annuity, monthly benefit payments are made for your lifetime and, at your death, your surviving spouse will receive monthly benefit payments equal to 50% or more (depending on your election) of your monthly benefit. After your surviving spouse dies, all benefit payments will stop.

To receive retirement annuity benefits from this plan, you must purchase an annuity from a vendor offering such annuities, subject to any restrictions and fees contained in the agreement with the applicable vendor.

Optional Forms of Benefit Payment

If you do not wish to receive benefit payments under the normal form of payment described on the previous page, you can elect any one of the optional forms of payment, to the extent offered by the investment carrier(s), which may include: (1) lump sum payments, (2) installment payments, or (3) annuity with period certain. The election of an optional form of payment must be made during the 90-day period before benefit payments begin. In addition, if you are married when benefit payments begin, your spouse must give written, notarized consent to the optional form of payment within the same 90-day period. For more information about the optional forms of payments available, contact your investment carrier.

Qualified Domestic Relations Orders

The plan will comply with the terms of a qualified domestic relations order to the extent that the order is consistent with the terms of the plan as determined by the Plan Administrator or applicable investment carrier that has responsibility for qualified domestic relations orders.

Designation of Beneficiaries and Death Benefits

Designating a Beneficiary

It is important for you to designate one or more beneficiaries on the beneficiary designation form that is filed with the investment carrier. A beneficiary or beneficiaries are individuals you designate to receive plan benefits in the event of your death.

If you are not married, you can name anyone as a beneficiary. If you are married, your surviving spouse must be the beneficiary to at least 50% of your plan benefits unless your spouse provides written, notarized consent to the designation of a different beneficiary or beneficiaries.

You may change your beneficiary at any time (subject to the spousal consent requirement) by submitting a revised beneficiary designation form to the investment carrier. If your marital status changes, you should review your beneficiary designation. For example, your marriage will automatically revoke and revise a designation of a non-spouse beneficiary to 50% of your plan benefits, however, if you divorce, your beneficiary designation will not automatically be revoked.

Survivor Benefits

If you die before your benefit payments begin, the full value of your plan benefits will be paid to your designated beneficiary(ies). If you are married and die before your benefit payments begin, your spouse, unless you elected otherwise and your spouse consented, is entitled to receive 50% of your plan benefits in the form of an actuarially equivalent life annuity or other option permitted by the investment carrier. The remaining 50% will be payable to your designated beneficiary who may be your spouse or other beneficiary. If you wish to leave more than 50% of your plan benefits to a beneficiary other than your spouse, you and your spouse must waive the survivor life annuity and the waiver of your spouse must be notarized. You generally must be at least 35 years old to waive the survivor life annuity benefit.

If you die without having named a beneficiary, all plan benefits shall be distributed in accordance with the terms of the applicable investment carrier's agreement except as otherwise described in the preceding paragraph regarding your surviving spouse's interest.

A beneficiary may elect to withdraw the assets, in whole or in part, in any manner acceptable to the investment carrier and beneficiary which may include lump sum, installment, and annuity payments.

In the event you die after your benefit payments have commenced, then depending on the form of payment elected before death, your beneficiary will receive either nothing (if a single life annuity or a lump sum payment was elected) or the balance of your benefits (if your beneficiary is also your co-annuitant) in the form of a survivor annuity or in installments for the duration of the payment period you elected.

Requests for Information and Claims Procedures

If you have questions regarding eligibility or other similar administrative aspects of the plan, contact the Plan Administrator at:

Savings for Retirement Plan Administrator
Duke Benefits
705 Broad St.
Box 90502
Durham, NC 27708

If you believe you are denied benefits under your contract or agreement, contact the applicable investment carrier.

Definitions

ANNUITY: An amount paid at regular intervals (generally monthly) upon retirement. This amount is guaranteed by an insurance company and is payable for at least one's lifetime and possibly beyond, depending on the option selected.

BENEFICIARY: The individual(s), trust(s) or other entity(ies) you designate to receive benefits from the plan in the event of your death.

EFFECTIVE DATE: January 1, 2009, the date of this summary as most currently amended and restated.

EMPLOYEES PAID BEWEEKLY: Employees who are paid on the non-exempt payroll of the University or Duke University Health System.

EMPLOYER: Duke University, Duke University Health System, Inc., and any other corporation or entity that adopts this plan with the approval of the University.

INVESTMENT CARRIER: One or more of the companies selected by the University from time to time to provide investment options.

NORMAL RETIREMENT DATE: The last day of the month in which you attain the age of 65 years.

PARTICIPANT: Every eligible employee enrolled in the plan and every individual who has vested rights to benefits under the plan.

PLAN: The Duke University Savings for Retirement Plan, and all contracts and agreements, applications, and designations relating to it.

PLAN CONTRIBUTIONS: The money you contribute to be invested for the purpose of providing retirement benefits.

PROSPECTUS: The official document that describes an investment fund and offers its shares for sale. It contains information required by the Securities and Exchange Commission on such subjects as the fund's investment objectives and policies, services, investment restrictions, officers and directors, and expenses. The prospectus is a major source of information on the investment(s) of its fund and should be read carefully.

UNIVERSITY: Duke University (also referred to as "Duke" and "the University"). However, the term "Duke" also includes Duke University Health System.

The Duke Savings for Retirement Plan is administered by the University, which shall have final authority to construe the provisions of the plan, to determine all questions of eligibility for benefits, and to establish any administrative rules for operation of the plan. The University may amend or terminate the plan at any time, with respect to benefits not yet paid, for any reason that it deems appropriate in its discretion.