

Duke Employees' Retirement Plan



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The Employees' Retirement Plan (ERP) is a traditional defined benefit pension plan offered by Duke. The plan plays an important role in your future by working with Social Security and your personal savings (including your contributions to the Duke Savings for Retirement Plan) to help provide you with a lifetime income once you retire. The cost of the plan is paid entirely by Duke.

On the following pages, you will find valuable information describing the features of the plan, including:

- When you qualify for retirement,
- How your benefit is calculated and how it can be paid,
- How your spouse or same-sex spousal equivalent is protected in the event of your death, and
- Additional information that will help you plan ahead.

This summary describes the provisions of the Employees' Retirement Plan as they apply to biweekly-paid employees at Duke University or Duke University Health System, Inc., except certain Commissioned Police Officers. These provisions apply to the plan as it existed on July 1, 2009. Please read this summary carefully and share it with your family.

The term "Duke" is used throughout this document. For purposes of this summary plan description, "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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You are eligible to participate in the Employees' Retirement Plan as a biweekly-paid Duke employee, if you:

- Have reached age 21, and
- Have worked at least 1,000 hours during your first year of employment or in any future fiscal year.

For plan purposes, the fiscal year begins with the first pay date in July and ends with the last pay date in the following June.

You are not eligible to participate in the plan if you are covered by the Duke University Faculty and Staff Retirement Plan.

You are automatically enrolled upon meeting the eligibility requirements.

Who Pays the Cost

Duke completely funds the plan. You are not required or allowed to contribute to the plan.

How the Plan Works

The plan offers a variety of retirement dates to give you more flexibility in deciding when to retire.

Normal Retirement

You will be eligible for a normal retirement pension on the last day of the month of your 65th birthday.

If you retire on your normal retirement date, your benefit payments begin on the first day of the month after your retirement date.

Early Retirement

You may retire at any time after you reach age 45 and complete 15 years of **credited service**. You may begin receiving your benefit payments on the first day of any month after meeting these requirements. However, your benefits will be reduced to reflect the longer period of time that they will be paid to you.

Postponed Retirement

You may decide to continue working past your normal retirement date of age 65. During this time, you will continue to earn benefits.

What is continuous service?

Continuous service is used to determine your right to receive certain benefits under the plan, including a vested benefit if you should leave Duke before you qualify for retirement. You earn a year of continuous service for each fiscal year in which you work at least 1,000 hours. In counting your hours worked, certain paid non-work hours such as for sickness and vacation are included.

What is credited service?

Credited service is used to determine your eligibility for early retirement and the amount of any plan benefit. Credited service includes all of your continuous service after you become a plan member. If you have fewer than 1,000 hours of service from your membership date to the end of the fiscal year in which you become a member, you will receive partial credited service for that year.

What is vesting?

Being vested means you own, or have a nonforfeitable right to, the value of your retirement benefit. Participants are vested after five years of continuous service after age 18, or upon retirement at age 65 or older.

Leaving Duke Before Retirement

If you leave Duke before you are age 65 or before you meet the eligibility requirements for early retirement, you are eligible for a pension benefit if you are vested (see definition on previous page).

You may receive a pension benefit:

- The month after you reach age 65, or
- Any time after age 45 if you have 15 years of credited service when you leave Duke.

If the total lump sum value of your benefit is \$10,000 or less, you may receive a lump sum payment rather than receive your benefit as a monthly pension. However, if the lump sum value of your benefit exceeds \$10,000, the benefit will be paid as a monthly benefit either the month after you reach age 65 or any time after age 45 if you have 15 years of credited service.

Disability

If you become disabled and qualify for benefits under Duke's Disability Program or Workers' Compensation, you continue to earn benefits under this plan while disabled. You will receive credited service based on your work schedule prior to becoming disabled and credit for earnings based on your pay rate in effect before Disability Program or Workers' Compensation payments began.

You can choose to have payments begin at your normal or early retirement date (any time after age 45 with 15 years of credited service). However, this amount will be reduced if you choose to receive payments before your normal retirement date, and you will no longer receive credited service under the plan.

How Your Benefit Is Calculated

At Normal Retirement

When you retire at normal retirement age (65), your annual normal retirement benefit is equal to:

- 1.25% of your average final compensation;
times
- Your years of credited service up to 20;
plus
- 1.66% of your average final compensation;
times
- Your years of credited service over 20.

Your benefit is figured on an annual basis. You receive 1/12 of your annual benefit each month. The formula above shows how much you would receive if payments start at your normal retirement date and continue for your lifetime only. If payments start earlier or if you choose a payment option with benefits continuing to someone after your death, your benefit will be reduced.

What is average final compensation?

Average final compensation is the average of your annual earnings in your highest-paid five consecutive fiscal years during your last 10 years of credited service before retirement.

If you have fewer than five years of credited service, all your years of credited service are counted in determining your average final compensation. Also, if you do not have a full year of credited service in your first year of membership, your earnings for that fiscal year will be counted if this results in a higher average final compensation.

What are annual earnings?

Annual earnings means your regular earnings, including overtime. Any contributions you make to the Duke Savings for Retirement Plan are included.

What happens to my unused sick leave or carry-over bank hours?

If you are an active plan member when you leave Duke, your unused sick or carry-over bank hours are converted to a fraction of a year and added to your years of credited service for the purpose of calculating your benefit.

Example I: John

Age at retirement: 65

Years of credited service: 40

Average final compensation: \$32,000

Here is how John's benefit is calculated:

$$1.25\% \times \$32,000 \times 20 = \$8,000$$

plus

$$1.66\% \times \$32,000 \times 20 = \$10,624$$

Annual benefit: \$18,624

John would receive \$1,552 per month ($\$18,624 \div 12$) from the plan for the remainder of his life. If he wanted payments to continue to someone else after his death, his benefit would be reduced (see "Optional Forms of Payment" on page 209).

Example II: Sue

Age at retirement: 65

Years of credited service: 30

Average final compensation: \$36,000

Here is how Sue's benefit is calculated:

$$1.25\% \times \$36,000 \times 20 = \$9,000$$

plus

$$1.66\% \times \$36,000 \times 10 = \$5,976$$

Annual benefit: \$14,976

Sue would receive \$1,248 per month ($\$14,976 \div 12$) from the plan for the remainder of her life. If she wanted payments to continue to someone else after her death, her benefit would be reduced (see "Optional Forms of Payment" on page 227).

At Early Retirement

If you retire early (age 45 with 15 years of credited service), your benefit is calculated according to the formula for normal retirement, but is based on service and average final compensation up to your early retirement date. You elect when payments start.

- If payments start *at your normal retirement date*, you'll receive your full benefit as figured under the plan formula.
- If payments start *before your normal retirement date*, your benefit will be reduced by an early retirement reduction factor to reflect the longer period of time that it will be made to you. There are two sets of early retirement reduction factors. Your age and years of credited service at the time of separation determine which set applies to you. Refer to the table below and examples on the following page for details.

Early Retirement Factor at Age	With 20 Years of Service	With Fewer Than 20 Years of Service
45	.237	.237
46	.251	.251
47	.267	.267
48	.284	.284
49	.303	.303
50	.323	.323
51	.344	.344
52	.368	.368
53	.394	.394
54	.421	.421
55	.700	.452
56	.730	.485
57	.760	.522
58	.790	.562
59	.820	.607
60	.850	.656
61	.880	.711
62	.910	.910
63	.940	.940
64	.970	.970
65	1.000	1.000

How Your Benefit Is Calculated

Example III: Catherine

Age at termination: 55

Years of credited service: 20

Average final compensation: \$36,000

Here is how Catherine's benefit is calculated:

$$1.25\% \times \$36,000 \times 20 = \$9,000$$

This is the annual amount payable at Catherine's normal retirement date (age 65). If she wanted to begin payments immediately, her benefit would be reduced using the factor in the table: $\$9,000 \times .700 = \$6,300$.

Catherine would receive \$525 per month ($\$6,300 \div 12$) from the plan for the remainder of her life. If she wanted payments to continue to someone else after her death, her benefit would be reduced (see "Optional Forms of Payment" on page 227).

Example IV: Sam

Age at termination: 58

Years of credited service: 18

Average final compensation: \$32,000

Here is how Sam's benefit is calculated:

$$1.25\% \times \$32,000 \times 18 = \$7,200$$

This is the annual amount payable at Sam's normal retirement date (age 65). If he wanted to begin payments immediately, his benefit would be reduced using the factor in the table:

$$\$7,200 \times .562 = \$4,046.40.$$

Sam would receive \$337.20 per month ($\$4,046.40 \div 12$) from the plan for the remainder of his life. If he wanted payments to continue to someone else after his death, his benefit would be reduced (see "Optional Forms of Payment" on page 227).

At Postponed Retirement

If you remain employed by Duke beyond your normal retirement date or you return to service after your normal retirement date, your benefit will be increased by your additional credited service worked after your normal retirement date.

The benefit will be calculated in one of two ways, according to whichever method produces the larger benefit for you:

1. Your benefit is calculated according to the normal retirement formula, based on your credited service and average final compensation *up to age 65*. Your benefit is then increased (not less than 10%) each year between the age of 65 and the date payments actually begin to reflect the shorter period during which you are expected to receive payments. Finally, it is adjusted for any optional form of benefit payment you select.
2. Your benefit is calculated under the normal retirement formula, based on your credited service and average final compensation *up to your postponed retirement date* and adjusted for any optional form of benefit payment you select.

How Your Benefit Is Paid

When it is time to receive your retirement benefit, you can select one of several forms of payment. The options are all actuarially equal even though they provide payment in different amounts and over different time periods.

Automatic Forms of Payment

Single at Retirement

If you are single on the date you begin receiving payments, you will receive a Single Life Annuity. This benefit is paid in the form of a monthly annuity for the remainder of your lifetime.

Married at Retirement

If you are married when you retire, you will receive payment in the form of a 50% Joint and Survivor Annuity. You will receive a reduced monthly benefit during your lifetime. Upon your death, your spouse will receive a benefit of 50% of your reduced monthly benefit for the remainder of his or her lifetime.

In the event that your spouse dies or your marital status changes after you have selected this option but before your payments begin, you will receive the automatic form of payment for single participants unless you make another election.

If you have already started receiving payments when your spouse dies, you will continue receiving the same amount until your death. Your monthly pension will not increase even though there is no longer a beneficiary. Your pension will end at your death, even if you should later remarry.

Optional Forms of Payment

In addition to the automatic forms of payment, there are five optional forms of payment:

1. Single Life Annuity
2. 100% Joint and Survivor Annuity
3. 75% Joint and Survivor Annuity
4. 50% Joint and Survivor Annuity
5. Lump Sum Payment
6. Level Income Option

Single Life Annuity

This benefit is paid in the form of a monthly annuity for the remainder of your lifetime. No benefit is paid after your death.

If You Are Married

If you are married and wish to designate someone other than your spouse as beneficiary, or to elect a payment option other than one of the joint and survivor annuities, your election will not be valid unless you have your spouse's written, notarized consent. The consent must acknowledge that your spouse is waiving the right to receive survivor benefits from the plan, and acknowledge the form of benefit and/or alternate beneficiary designated.

100% Joint and Survivor Annuity

You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives an equal monthly benefit for the remainder of his or her lifetime.

75% Joint and Survivor Annuity

You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives a benefit of 75% of your reduced monthly benefit for the remainder of his or her lifetime.

How Your Benefit Is Paid

50% Joint and Survivor Annuity

You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives a benefit of 50% of your reduced monthly benefit for the remainder of his or her lifetime.

Lump Sum

At retirement, if the lump sum value of your benefit is not greater than \$10,000, you may request that your benefit be paid to you in a single lump sum amount. You can choose:

- A direct payment to you, in which case federal law requires that 20% of this amount be withheld for income taxes, or
- A direct rollover to another tax-qualified plan, such as an Individual Retirement Account (IRA) or
- A direct rollover to a Roth IRA.

If you receive a direct payment prior to age 59½, you may be subject to an additional tax. You may still roll over all or part of a direct payment to you if you do so within 60 days of receiving the payment. However, to avoid taxes, you will have to contribute an additional amount equal to the 20% that was withheld.

You may wish to consult a tax adviser before you make this choice.

Level Income Option

If you retire before you reach age 65, you receive larger benefit payments from the plan before Social Security benefits start, and smaller benefit payments after Social Security benefits start. Your combined income from the plan and Social Security will be as level as possible throughout your retirement. No benefit is paid after your death.

If the Value of Your Benefits Is \$5,000 or Less

If the lump sum value of your benefits is \$5,000 or less, your benefit will automatically be paid to you in a single lump sum amount instead of a monthly annuity. You can choose either:

- A direct payment to you, in which case federal law requires that 20% of this amount be withheld for income taxes, or
- A direct rollover to another tax-qualified plan, such as an IRA, or
- a direct rollover to a Roth IRA.

See "Tax Regulations" on page 234 for more information about the taxation of a lump sum benefit.

Electing a Payment Option

To receive a benefit when you retire, you must complete election forms and other necessary documents. Your application cannot be completed and signed more than 90 days before your benefit is to begin.

You can elect, change, or cancel a payment option any time before your pension payments begin. Your option election becomes effective when your pension begins. After payments start, you cannot change your beneficiary and/or your form of payment in any way, as your choices are then irrevocable. If you die before your payments begin, your election becomes void. See “If You Die Before Your Pension Begins” on the next page for more information.

Benefits must begin no later than the 60th day after the close of the plan year in which the later of the following occurs:

- Your 65th birthday, or
- The tenth anniversary of your separation from service.

If You Die Before Your Pension Begins

Protection for Your Spouse or Same-Sex Spousal Equivalent

If you die before beginning to receive your retirement benefit, and are either married throughout the one-year period ending on the date of your death, or have had a same-sex spousal equivalent relationship registered with Duke throughout the one-year period ending on the date of your death, your surviving spouse or same-sex spousal equivalent will receive a benefit from the plan. The benefit will be 50% of the reduced benefit you would have received had you retired under the 50% Joint and Survivor Annuity (see page 226).

Your spouse or same-sex spousal equivalent has this protection if you die:

- In active service after becoming vested (five years of continuous service), or
- After termination of service with a normal, early, or vested retirement benefit, but before payments begin.

If you die after becoming vested, the spouse's or same-sex spousal equivalent's benefit is payable on the first of the month following the month of your death. If he or she chooses, your spouse may elect to postpone the receipt of the benefit. Same-sex spousal equivalents do not have the option to postpone benefits.

Assignment of Benefits

Your benefits under this plan are solely for you (or your beneficiary). Generally, they cannot be assigned to anyone else. However, the plan will honor qualified domestic relations orders relating to provisions for child support, alimony payments, or marital property rights.

A qualified domestic relations order is a judgment or decree that:

- Provides for child support, alimony, or marital property rights to your spouse, former spouse, child, or other dependent;
- Is made under a state domestic relations law, including community property law;
- Creates or recognizes the right of an “alternate payee” (your spouse, former spouse, child, or other dependent) to receive all or a portion of your benefits;
- Does not change the amount or form of plan benefits; and
- Is not in excess of your vested accrued benefit, determined as of the date of the order.

The Plan Administrator will promptly notify you and your alternate payee upon receipt of a qualified domestic relations order. You will be informed of the plan’s procedures for determining its qualification. Within 18 months, the Plan Administrator must determine if the order is qualified and notify both you and your alternate payee accordingly. If an order is determined to be a qualified domestic relations order, a distribution will be made according to its terms.

How to File a Claim

You or your beneficiary may claim benefits under the plan by making a written request to the Plan Administrator. The Plan Administrator will decide whether you or your beneficiary is entitled to any benefits and, if so, the amount of the benefit. Send your claim to:

**HRIC
Duke University
705 Broad St.
Box 90502
Durham, NC 27708**

If Your Claim Is Denied

If your claim for benefits is denied in part or in full, you will be notified in writing within 90 days after receipt of the claim by the Plan Administrator. If an extension is needed, the Plan Administrator will notify you before the end of the initial 90-day period that an additional 90 days are needed to review your claim. The extension notice will state the special circumstances requiring the additional time and the date the final decision is expected.

The denial notice will:

- State the reason(s) for the denial,
- State the plan provisions on which the denial is based,
- Provide a description of any additional information or material required by the Plan Administrator to reverse the denial and explain the need for such material or information, and
- Describe the procedures you must follow to have your claim reviewed.

Within 60 days of receiving the denial notice, you or your authorized representative may make a written request for a review. The request may ask for an opportunity to review the documents related to the denial and may state issues and comments indicating the reason the denial is being challenged.

The Plan Administrator has 60 days to notify you of the review decision, unless special circumstances require an extension. The notification will cite plan provisions on which the decision is based. If an extension is needed, the Plan Administrator will notify you before the end of the initial 60-day period that an additional 60 days are needed to review your claim. If the decision on review is not furnished within such time, the claim will be deemed denied.

Your Rights Under USERRA

Under the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA), you will continue to accrue continuous and credited service credits if you leave Duke to enter the U.S. Armed Forces, and return to Duke while your re-employment rights are protected. You must give advance notice to Duke of your military leave and satisfy certain other requirements, including timely re-employment with Duke when your military leave ends.

If you die while performing USERRA-qualified military service, you will earn service credit in the plan as if you returned to work on the date preceding death and terminated employment on the actual date of death.

Return to Work After Retiring

Work Schedule of 19 Hours or Fewer Per Week

If you retire under the plan and are later re-employed at Duke, your benefit will continue and any optional benefit you elected will remain in effect as long as you are regularly scheduled to work 19 hours or fewer per week. When you retire again, your benefit will be increased by the additional benefit you earned, if any, during your re-employment.

If you were re-employed before your normal retirement date and you are married or have a registered same-sex spousal equivalent relationship, your spouse or same-sex spousal equivalent will be covered for the benefit described in the section “Protection for Your Spouse or Same-Sex Spousal Equivalent” (see page 230), but only with respect to any additional benefit earned after your re-employment.

Work Schedule of More Than 19 Hours Per Week

If you retire under the plan and are later re-employed by Duke, your payments will stop if you are regularly scheduled to work more than 19 hours per week. If you are re-employed on or after your normal retirement date, any optional form of payment you elected remains in effect unless you elect a different payment option. If you were re-employed before your normal retirement date:

- Any optional benefit you elected will be void, and
- If you are married or have a registered same-sex spousal equivalent relationship, your spouse or same-sex spousal equivalent will be covered for the benefit described in “Protection for Your Spouse or Same-Sex Spousal Equivalent.”

When you retire again, your benefit will be recalculated using the benefit formula then in effect and all of your service and earnings, with an adjustment to recognize the benefits you received before you were re-employed.

Social Security Benefits

Your retirement benefits from Social Security — for which you and Duke pay taxes — are supplemented by your pension plan income. If you were born before January 1, 1938, full Social Security benefits begin at age 65. If you were born after that date, full benefits begin between ages 65 and 67, depending on your date of birth. Reduced benefits can begin anytime after age 62.

Your spouse also will receive a Social Security benefit at the retirement age explained above or reduced benefits at or after age 62. Your spouse's benefit is based on your compensation — unless a higher benefit is earned based on his or her own compensation.

In addition to retirement benefits, Social Security provides:

- Disability benefits,
- Survivor benefits, and
- Hospital, surgical, and other medical benefits under Medicare.

You must apply for Social Security benefits — they are not paid automatically. You can contact your local Social Security office for details or visit the Social Security Administration's web site at www.ssa.gov.

Legal Limitations

Government rules limit the total benefits payable under Duke's retirement and savings plans. You will be notified in the unlikely event your benefits would be affected by these rules.

Tax Regulations

When you receive a distribution from the pension plan, it generally will be subject to federal income tax, and in some cases, state and local taxes.

The following special rules apply if you receive a lump sum payment:

- Generally, the taxable portion of any lump sum payment is subject to 20% automatic federal withholding tax. You may defer income tax and avoid the 20% withholding tax by directing the plan to roll over all or a portion of the taxable part of this payment to an IRA or another qualified plan.
- If you do not directly roll over all or part of your taxable distribution, the taxable portion which is not rolled over will be paid directly to you. That amount will be subject to 20% withholding.
- If any portion of your lump sum distribution is paid directly to you, you have the right to roll over all or any part of it to an IRA or another qualified plan within 60 days after you receive the distribution. When you file your income taxes, you might qualify for a refund up to the amount withheld if you deposit the entire distribution (including an amount equal to the 20% withheld). That means you would need to substitute money from other sources for the 20% withheld.

Future of the Plan

While Duke expects to continue the plan indefinitely, it reserves the right by written action of its Board of Trustees, or an authorized officer of Duke acting on behalf of the Board of Trustees, to amend or terminate the plan at any time. However, federal law guarantees that you will be fully vested in the benefits you earned up to the date of termination. The following additional guarantees apply:

- If there is enough money in the plan to provide retirement benefits earned to the date of the plan's termination, plan assets would be used to buy annuities, payable at retirement,

for each participant. Small benefits may be cashed out in a lump sum if annuities are not otherwise payable. Only then would any residual assets revert to Duke, and

- If the assets are not sufficient to provide these annuities and cashouts, plan assets would be used, as provided by law, first to pay expenses, then to provide for the benefits of retired participants and beneficiaries, vested active participants and terminated vested former participants, and other participants, in that order. If the assets are not sufficient to provide all these benefits, certain benefits may be paid by the Pension Benefit Guaranty Corporation (see below).

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 their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- Normal and early retirement benefits,
- Disability benefits, if you become disabled before the plan terminates, and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates,
- Some or all of the benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the time the plan terminates,

- Benefits that are not vested because you have not worked long enough for Duke,
- Benefits for which you have not met all of the requirements at the time the plan terminates,
- 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
- 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 them from the PBGC depending on how much money the plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact:

**Pension Benefit Guaranty Corporation
Technical Assistance Division
1200 K Street, N.W.
Suite 930
Washington, DC 20005-4026
(800) 400-7242 or
(202) 326-4000**

TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (800) 400-7242.

Additional information about the PBGC's pension insurance program is available through the PBGC's web site on the Internet at www.pbgc.gov.

Your Rights Under ERISA

Receive Information About Your Plan and Benefits

As a participant in the Duke ERP, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator'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 Plan Administrator, copies of 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 descriptions.
- Receive a summary of the plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- 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 benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every 12 months. The plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties on 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 participants and beneficiaries. No one, including your employer, your union, 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 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 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. 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 a 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 any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory. Or you can contact the Department of Labor’s Division of Technical Assistance and Inquiries by writing to:

**Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210**

You also may obtain live assistance by calling the toll-free contact center at (866) 487-2365..

Administrative Information

This section provides administrative information about the plan, but is subject to the terms of the legal documents, which may be modified from time to time. Where this description and the official documents vary, the official plan documents or insurance contracts are the final authority. This description of administrative information is not an employment contract or any type of employment guarantee.

The Plan Administrator will help resolve any problem you might have regarding your rights to benefits. The official plan documents, insurance contracts, and related information are available if you want to review these materials. If, for some reason, it becomes necessary to contact the U.S. Labor Management Services Administration, Department of Labor, you will need to provide the information contained in this section to properly identify the applicable plan.

Plan Name

The plan is named The Employees' Retirement Plan of Duke University.

Employer and Plan Identification Numbers

The Employer Identification Number (EIN) assigned by the IRS is 56-0532129. The plan number assigned by Duke is 002.

Plan Type

The plan is a defined benefit pension plan.

Plan Sponsor

The Plan Sponsor is Duke University. You may contact the Plan Sponsor at the following address:

**Duke Benefits
705 Broad St.
Box 90502
Durham, NC 27708**

Plan Administrator

The plan's Retirement Board has the exclusive responsibility and complete discretionary authority to control the operation and administration of this plan, with all powers necessary to enable it to carry out such responsibility properly. These powers include, but are not limited to, the power to construe the terms of this plan, to determine status and eligibility for benefits, and to resolve all interpretive, equitable, and other questions that shall arise in the operation and administration of this plan.

The Duke University Director of Benefits has been appointed by the Retirement Board to perform the plan's administrative duties. You can contact the Plan Administrator at:

**Director, Benefits
Duke University
705 Broad St.
Box 90502
Durham, NC 27708-0502
(919) 684-5600**

Plan Funding

This plan is funded by Duke's contributions, which are transferred to a trust. Any dividends or other refunds from a group insurance policy will be returned to the applicable trust. Plan contributions are transferred as follows:

Plan Trustee

The Bank of New York Mellon
One Wall Street
New York, NY 10286

Investment Responsibility

Duke Management Company
280 S. Mangum St.
Suite 210
Durham, NC 27701-3675

Agent for Service of Legal Process

Pamela Bernard
Office of Counsel
310 Blackwell St.
4th Floor
Box 104124
Durham, NC 27710

Service of legal process also may be made on the Plan Administrator or the Trustee for the plan.

Plan Year

The Plan Year is from July 1 to June 30. The year for recordkeeping purposes is essentially the same, although the actual recordkeeping year ends on the last day of the last biweekly pay period in June, and the next year starts on the following day.

Plan Costs

All costs for general plan administration and investment management are paid from the assets of the plan's trust unless otherwise paid by Duke.

Plan Sponsor's Authority

Duke will have full discretion and authority to determine questions concerning the interpretation or administration of this plan, including, without limitation, all questions relating to eligibility for plan benefits. Duke has discretionary authority to grant or deny benefits under this plan. Duke's determinations shall be conclusive and binding regarding all persons for all purposes.

This is a summary plan description of the Duke Employees' Retirement Plan. It highlights the main provisions of the plan, but is subject to the terms of the legal documents, which may be modified from time to time. Where this description and the official documents vary, the official plan documents are the final authority. Duke reserves the right to change or terminate this benefit or your eligibility for benefits under the plan. This description of the Employees' Retirement Plan is not an employment contract or any type of employment guarantee.

Duke University General Information About Your Benefits



Effective as of January 1, 2012



Duke General Information About Your Benefits **Table of Contents**

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Plan Details

Plan Sponsor

Duke University is the Plan Sponsor of Duke's benefit plans. These plans have been extended to or adopted by certain Duke affiliates. A complete list of the Duke affiliates participating in Duke's benefit plans is available upon written request to the Plan Administrator. The address and telephone number of the Plan Sponsor is:

Duke University
705 Broad St.
Box 90502
Durham, NC 27708-0502
(919) 684-5600

The Employer Identification Number (EIN) for Duke University is 56-0532129.

Benefit Plans

Duke sponsors the following benefit plans:

1. *The Duke University Welfare and Fringe Benefit Plan*, under which the following welfare and fringe benefit programs are offered:
 - Health Care Programs,
 - Dental Program,
 - Vision Program
 - Premium Conversion Program,
 - Reimbursement Account Programs,
 - Life Insurance Programs,
 - Disability Programs,
 - Long Term Care Insurance Program,
 - Severance Pay Program,
 - Employee Tuition Assistance Program, and
 - Children's Tuition Grant Program.

Please refer to the Benefit Program Descriptions included in this booklet for more details regarding Duke's welfare and fringe benefits programs.

2. *The Duke University Faculty and Staff Retirement Plan*, through which retirement benefits are funded by both Duke and monthly paid plan participants through individually owned and

vested annuity contracts or custodial accounts, as described in Section 403(b) of the Internal Revenue Code.

Please refer to the Summary Plan Description included in this booklet for more details regarding the Duke University Faculty and Staff Retirement Plan for monthly paid employees.

3. *The Employees' Retirement Plan of Duke University*, through which retirement benefits are funded by Duke, for biweekly paid employees, through a defined benefit pension plan that is intended to qualify under Section 401(a) of the Internal Revenue Code.

A Summary Plan Description is included in this booklet and will be provided to biweekly paid employees when they also become eligible for membership in the Employees' Retirement Plan of Duke University.

4. *The Duke University Savings for Retirement Plan*, through which retirement benefits are funded solely by voluntary contributions made by eligible plan participants through individually owned and vested annuity contracts or custodial accounts, as described in Section 403(b) of the Internal Revenue Code.

Please refer to the Summary Plan Description included in this booklet for more details regarding the Duke University Savings for Retirement Plan.

5. *The Duke University Commissioned Police Officer Supplemental Plan*, through which retirement benefits are funded by Duke for Duke University Commissioned Police Officers ("Police Officers") who are eligible for the special provision applicable to Police Officers under the Employees' Retirement Plan of Duke University, through individually owned and vested custodial accounts as described in Section 403(b) of the Internal Revenue Code.

Please refer to the Summary Plan Description for this plan for more details. The Summary Plan Description can be obtained by calling 919-684-5600.

Eligibility and Enrollment

The eligibility and enrollment requirements for each benefit program offered under the Duke University Welfare and Fringe Benefit Plan, the Duke University Faculty and Staff Retirement Plan, the Duke University Savings for Retirement Plan, the Duke University Commissioned Police Officers Supplemental Retirement Plan and the Employees' Retirement Plan of Duke University are set forth in the applicable Benefit Program Descriptions/ Summary Plan Descriptions. Please refer to these documents as the eligibility, enrollment, and participation requirements vary among the benefit plans and programs.

Plan Names, Numbers, Type, and Funding

The following chart shows the legal plan names (including a description of underlying benefit programs), plan numbers, type of plan, and plan funding. Benefit programs covered by the Employee Retirement Income Security Act of 1974 (ERISA) are also noted. If you wish to request additional information about Duke's ERISA benefit plans from the Department of Labor, you should refer to the Plan Name and Plan Number.

Duke University Welfare and Fringe Benefit Plan – Plan Number 524			
Name of Benefit Program	Program Type	Program Funding	ERISA Coverage
Duke Health Care Program	Welfare Benefit		YES
■ Duke Select HMO Medical Program		Unfunded/general assets; employer and employee paid	
■ Duke Basic HMO Medical Program		Unfunded/general assets; employer and employee paid	
■ Duke Options PPO Medical Program		Unfunded/general assets; employer and employee paid	
■ Blue Care HMO Medical Program		Unfunded/general assets; employer and employee paid	
■ Duke Plus PPO Medical Program		Unfunded/general assets; employer and employee paid	
Duke Dental Program	Welfare Benefit	Insured; employee paid	YES
Duke Vision Program	Welfare Benefit	Insured; employee paid	YES
Cafeteria and Premium Conversion Program	Fringe Benefit IRC §125	Unfunded/general assets; employee paid with pre-tax contributions	NO
Health Care Reimbursement Account Program	Welfare Benefit	Unfunded/general assets; employee paid with pre-tax contributions	YES

Plan Details

Duke University Welfare and Fringe Benefit Plan – Plan Number 524			
Name of Benefit Program	Program Type	Program Funding	ERISA Coverage
Dependent Care Reimbursement Account Program	Fringe Benefit IRC §129	Unfunded/general assets; employee paid with pre-tax contributions	NO
Life Insurance Program	Welfare Benefit		YES
■ Basic Life Insurance Program		Insured; employer paid	
■ Survivor Benefit Program		Unfunded/general assets; employer paid	
■ Business Travel and Accident Insurance Program		Insured; employer paid	
■ Insurance Certificate Program		Unfunded/general assets; employer paid	
■ Supplemental Life Insurance Program		Insured; employer paid	
■ Personal Accident Insurance Program		Insured; employer paid	
■ Post-Retirement Group Term Life Insurance Program		Insured; employer paid with pre-tax contributions	
Disability Program	Welfare Benefit		YES
■ Duke Disability Program		Unfunded/general assets; employer paid	
■ Long Term Disability Income Enhancer Program		Insured; employer paid	
■ Voluntary Short Term Disability Program		Insured; employer paid	
■ Voluntary Long Term Disability Program		Insured; employer paid	
Long Term Care Insurance Program	Welfare Benefit	Insured; employer paid	YES
Severance Pay Program	Welfare Benefit	Unfunded/general assets; employer paid	YES
Employee Tuition Assistance Program	Fringe Benefit IRC §§117(d) and 127		NO

Duke University Pension and Retirement Plans			
Name of Benefit Program	Program Type	Program Funding	ERISA Coverage
Children's Tuition Grant Program	Fringe Benefit IRC §117(d)		NO
Duke University Faculty and Staff Retirement Plan	403(b) defined contribution plan	Funded; employer and employee paid with pre-tax contributions	YES Plan No. 001
Employees' Retirement Plan of Duke University	401(a) defined benefit plan	Funded; employer paid	YES Plan No. 002
Duke University Savings for Retirement Plan	403(b) tax deferred annuities and/or custodial accounts	Funded; employee paid with pre-tax contributions	YES Plan No. 003
Duke University Commissioned Police Officers Supplemental Retirement Plan	403(b) defined contribution plan	Funded; employer paid	YES Plan No. 004

Plan Year

The Plan Year for the Employees' Retirement Plan of Duke University is July 1 to June 30. The plan year for all other benefit plans offered by Duke is January 1 to December 31.

Plan Funding

Benefit plans are funded by contributions from Duke and, in certain cases, by contributions from employees (as shown in the preceding chart). Employee contributions for the Welfare and Fringe Benefit Plan are unfunded and are considered part of the general assets of Duke University. Premiums are transferred to the insurance carriers and benefits may be paid from the general assets of Duke as applicable. In the case of the Employees' Retirement Plan of Duke University, Duke pays the full cost of all pension benefits by making contributions as actuarially determined to a trust. In the case of the Faculty and Staff Retirement Plan and the Savings for Retirement Plan, employee contributions are transferred to the applicable investment company.

Plan Administrator

Duke University is the Plan Administrator for the benefit plans. The Plan Administrator has the exclusive responsibility and complete discretionary authority to control the operation and administration of Duke's

benefit plans, with all powers necessary to enable it to carry out such responsibility properly. These powers include but are not limited to, the discretionary power and authority to construe the terms of Duke's benefit plans, to determine all questions relating to eligibility to participate in a benefit plan or program, to determine status and eligibility for benefits and to resolve all interpretive, equitable, and other questions that arise in the operation and administration of Duke's benefit plans. Any determinations made by the Plan Administrator, or its designee, shall be final and binding.

The Plan Administrator, acting through Benefits, is responsible for the day-to-day operations of the benefit plans. The Plan Administrator, acting through its Staff Fringe Benefit Committee, or the appeal process at Blue Cross/Blue Shield of NC has the final authority for determining claims for benefits and is responsible for reviewing appeals. The Plan Administrator, however, has the power to delegate day-to-day administration of Duke's benefit plans to Benefits Processors and may also delegate claims review as well as appeals responsibility to an insurer. The address and telephone number of the Plan Administrator is:

Duke University
705 Broad St.
Box 90502
Durham, NC 27708-0502
(919) 684-5600

Plan Details

Benefit Processing

Certain administrative services with regard to the processing of applications for benefits and the payment of benefits are provided under a contract. Please contact the appropriate Benefits Processor about benefit application issues.

Plan	Benefits Processor
Duke Select HMO Medical Program and Duke Basic HMO Medical Program	WellPath Preferred Services, LLC 6330 Quadrangle Dr. Suite 500 Chapel Hill, NC 27517-9872 (800) 385-3636 www.wellpathonline.com
Duke Options PPO Medical Program and Blue Care HMO Medical Program	Blue Cross Blue Shield of North Carolina Claims Department P.O. Box 35 Durham, NC 27702-0035 (877) 224-3305 www.bcbsnc.com/members/goduke
Duke Plus PPO Medical Program	UMR Claims Administration P.O. Box 8013 Wausau, WI 54402 (866) 318-3853
Prescription Drug Benefits	Medco Health Rx Services P.O. Box 650322 Dallas, TX 75265-9946 (800) 717-6575 www.medcohealth.com
Behavioral Health and Substance Abuse Benefits	CIGNA Behavioral Health P.O. Box 46270 Eden Prairie, MN 55344 (888) 253-8552 www.cignabehavioral.com
Dental Program	Ameritas Group Dental Claims P.O. Box 82520 Lincoln, NE 68501-2520 (800) 487-5553 www.ameritasgroup.com/duke
Vision Program	UnitedHealthcare Vision P.O. Box 30978 Salt Lake City, Utah 84130 (800) 638-3120 www.MyUHCSpecialtyBenefits.com

Plan	Benefits Processor
Cafeteria and Premium Conversion Program	Duke University 705 Broad St. Box 90502 Durham, NC 27708-0502 (919) 684-5600
Reimbursement Account Programs	WageWorks P.O. Box 991 Mequon, WI 53092-0991 (877) 924-3967
Basic Life Insurance Program	Metropolitan Life Insurance Company Group Life Claims P.O. Box 6115 Utica, NY 13504 (800) 638-6420
Survivor Benefit Program	HRIC Duke University 705 Broad St. Box 90502 Durham, NC 27708-0502 (919) 684-5600
Business Travel and Accident Insurance Program	ACE USA Accident & Health 1 Beaver Valley Road P.O. Box 15417 Wilmington, DE 19850 / International SOS (800) 336-0627
Insurance Certificate Program	HRIC Duke University 705 Broad St. Box 90502 Durham, NC 27708-0502 (919) 684-5600
Supplemental Life Insurance Program	Marsh @WorkSolutions P.O. Box 9122 Des Moines, IA 50306-9905 (800) 552-9670
Personal Accident Insurance Program	Mutual of Omaha Special Risks Claims P.O. Box 31156 Omaha, NE 68131-0156 (800) 524-2324
Post-Retirement Group Term Life Insurance Program	Holroyd Agency 1401 Granada Dr. Raleigh, NC 27612 (800) 582-1879

Plan Details

Plan	Benefits Processor
Universal Life Insurance Program	Holroyd Agency North Carolina Mutual Life Insurance Company 411 West Chapel Hill Street Durham, NC 27701 (866) 533-2357
Disability Program	Liberty Life Assurance Company of Boston P.O. Box 49470 Charlotte, NC 28277 (800) 291-0112
Voluntary Long Term Disability Program	Hartford Life and Accident Insurance Company Hartford Plaza Hartford, CT 06115 (800) 969-6447
Voluntary Short Term Disability Program	Hartford Life and Accident Insurance Company Hartford Plaza Hartford, CT 06115 (800) 969-6447
Long Term Care Program	The Prudential Insurance Company of America 751 Broad St. Newark, NJ 07102-3777 (800) 732-0416
Severance Pay Program	HRIC Duke University 705 Broad St. Box 90502 Durham, NC 27708-0502 (919) 684-5600
Employee Tuition Assistance Program	Benefits Program Coordinator Duke University 705 Broad St. Box 90502 Durham, NC 27708-0502 (919) 684-5600
Children's Tuition Grant Program	Benefits Program Coordinator Duke University 705 Broad St. Box 90502 Durham, NC 27708-0502 (919) 684-5600

Plan	Benefits Processor
<p>Employees’ Retirement Plan of Duke University</p>	<p>Director, Benefits Duke University 705 Broad St. Box 90502 Durham, NC 27708-0502 (919) 684-5600</p>
<p>Duke University Savings for Retirement Plan and Duke University Faculty and Staff Retirement Plan</p>	<p>Contact the appropriate investment carrier: VALIC (877) 375-2424 www.valic.com/duke Fidelity (800) 343-0860 www.fidelity.com/duke DWS Investments (800) 541-7705 www.dwsretire.com TIAA-CREF (800) 842-2776 www.tiaa-cref.org/duke Vanguard (800) 523-1188 http://duke.vanguard-education.com</p>
<p>The Duke University Commissioned Police Officer Supplemental Retirement Plan</p>	<p>Fidelity (800) 343-0860 www.fidelity.com/duke</p>

Claims Review and Appeals Procedures

If your application for benefits is denied by a Benefits Processor and you (or your beneficiary, if applicable) believe that you are being denied any rights or benefits under a benefit plan or benefit program, you may request a review or appeal a denial. To ensure that disputes are settled fairly, claims review and appeals procedures have been established for each benefit program offered under the Duke Welfare and Fringe Benefit Plan, the Employees’ Retirement Plan of Duke University, the Duke University Faculty and Staff Retirement Plan and the Duke University Commissioned Police Officer Supplemental Retirement Plan. Please refer to the claims review and appeals procedures set forth in the

Benefit Program Descriptions/Summary Plan Descriptions for each benefit program as the procedures vary among the benefit plans and programs.

Agent for Service of Legal Process

Please direct any legal papers and summonses regarding Duke’s benefit plans to:

**Director, Benefits
Duke University
705 Broad St.
Box 90502
Durham, NC 27708-0502
(919) 684-5600**

Assignment of Benefits

The Duke benefit plans do not give you a right to any benefit or interest in the plans or programs except as specifically provided herein. In some cases, the plans or programs permit you to have benefit payment sent directly to your provider. However, you may not assign your rights, benefits, or any other interest in the plans or programs to a provider or any other individual or entity.

No Guarantee of Tax Consequences

Neither Duke nor the Plan Administrator makes any commitment or guarantee that any amounts paid to you or for your benefit under the benefit plans shall be excludable from your gross income for federal or state tax purposes, or that any other federal or state tax treatment shall apply or be available. It shall be your obligation to determine whether each payment under a benefit plan is excludable from your gross income for federal and state income tax purposes, and to notify Duke if you have reason to believe that any of the payment is not so excludable.

Plan Amendment or Termination

Duke intends to continue these plans and programs indefinitely. However, Duke reserves the right, in its sole discretion under circumstances that it deems advisable (including, but not limited to, a need to address law changes, cost, or plan design considerations), to terminate or amend any benefit plan or underlying benefit program (including an amendment to reduce benefits or eliminate benefits or changes to the premium or contribution rates) for all participants or for a specific class of participants, including current or former employees, at any time and for any reason, without notice. Current participation in a benefit plan does not vest in any participant (including current and former employees) any rights to any particular benefit coverage in the future. In the event of termination or amendment or elimination of benefits, the rights and obligations of participants prior to the date of such event shall remain in effect, and changes shall be prospective, except to the extent that Duke or applicable law provides otherwise.

Controlling Effect of Plan Documents, Governance, and Interpretation

The plan document for the Duke Welfare and Fringe Benefit Plan consists of the Duke Welfare and Fringe Benefit Plan document, the Benefit Program Descriptions contained in this booklet, any *Member Guides* to the extent provided to employees, and any insurance contracts through which benefits are provided. To the extent there is conflict between a Benefit Program Description and an insurance contract, the insurance contract as in effect shall govern. If you would like to review the plan document, need more information, or have any questions, please contact Benefits.

The plan document for the Duke University Faculty and Staff Retirement Plan, the Employees' Retirement Plan of Duke University and the Duke University Commissioned Police Officers Supplemental Retirement Plan are separate legal documents and govern the plans' operation and administration. To the extent there is conflict between the Summary Plan Description contained in this booklet and the actual terms and conditions as described in the plan document, the plan document will govern. If you would like to review the plan document, need more information, or have any questions, please contact Benefits.

All legal questions pertaining to the plans and their benefit programs shall be determined in accordance with the provisions of the Internal Revenue Code, the laws of the State of North Carolina, and to the extent required, the provisions of ERISA.

The provisions of the plans and programs shall in all cases be interpreted in a manner that is consistent with (i) the respective plans constituting a single "employee welfare benefit plan" or a "retirement plan" within the meaning of ERISA, and (ii) the exclusion from gross income of benefits provided hereunder in accordance with Internal Revenue Code Sections 79, 105(b), 106, 117(d), 127, 125, 129, or 403(b), whichever is applicable.

Your Rights Under ERISA

Under certain benefit plans and programs, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).¹ ERISA provides that all participants of plans subject to ERISA are entitled to the following.

Receive Information About Your Plan and Benefits

- You may examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites and union halls, all documents governing the plans, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the plans with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- You may obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plans, including insurance contracts and collective bargaining agreements, and copies of the latest annual reports (Form 5500 Series) and updated summary plan descriptions. The Plan Administrator may make a reasonable charge for the copies.
- You may receive a summary of a plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report if an annual financial report is required to be filed with the U.S. Department of Labor.
- You may obtain a statement telling you whether you have a right to receive a pension 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 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 and is not required to be given more than once every 12 months. The plan must provide the statement free of charge.

Continue Group Health Plan Coverage

You may continue health care coverage for yourself, spouse, or dependents if there is a loss of coverage under the Health Care Program, Dental Program, Vision Program, and, under certain circumstances, the Health Care Reimbursement Account Program, as a result of a qualifying event. For additional information, please review the section entitled "Your Rights Under COBRA" as well as the Benefit Program Descriptions on the rules governing your COBRA continuation coverage rights.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties on the people who are responsible for the operation of the plans. 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 participants and beneficiaries. No one, including your employer, your union, 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.

¹ See section entitled "Plan Names, Numbers, Type, and Funding" on pages 261-263 for the plans and benefit programs covered by ERISA.

Your Rights Under ERISA

Enforce Your Rights

If your claim for a benefit 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 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 that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with a 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 a federal court. If it should happen that plan fiduciaries misuse a 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 any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory. Or you can contact the Department of Labor's Division of Technical Assistance and Inquiries by writing to:

**Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210**

You also may obtain certain publications about your rights under ERISA by calling the publications hotline of the Employee Benefits Security Administration at (800) 998-7542.

Your Rights Under USERRA

(Medical, Dental and Vision Coverage)

Duke's leave policies comply with the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA). USERRA is intended to allow eligible employees who are on uniformed service for more than 31 days to continue coverage for themselves and their covered dependents. You must apply for military leave of absence to be eligible to elect continued coverage under USERRA.

Uniformed service refers to the performance of duty on a voluntary or involuntary basis including:

- Active duty,
- Inactive duty for training,
- Full-time National Guard duty,
- Commissioned corps of the Public Health Service duty, and
- Any other category of person designated by the President of the United States in time of war or emergency.

You also are eligible to elect continued coverage under USERRA for a period during which you are absent from work for the purpose of an examination to determine your fitness to perform any such duty in the Armed Forces, the Army National Guard, and the Air National Guard.

Once you know that you will be in uniformed service for more than 31 days, you must apply for a military leave of absence. You will be provided with information on your right to elect continued coverage under USERRA at that time.

Continued coverage becomes effective on the date your military leave of absence begins. Under USERRA, you can be required to pay for the full cost of your coverage, plus a two percent administrative fee. However, you should contact your Benefits Office at the time of your leave to see if Duke is offering a more favorable option.

Coverage Following Re-employment

If you have continued coverage under USERRA, you and your covered dependents are eligible to receive coverage under the plan as if you were a regular employee, provided you return to work before your re-employment rights expire. Generally, upon release from active duty, you must return to work:

- At the beginning of the first full regularly scheduled work period of the first day following your release, or the beginning of the following day if time is needed for the safe return from the place of service if your period of active duty was less than 31 days,
- Within 14 days of your release, if your period of active duty was 32 days but less than 181 days, or
- Within 90 days of your release, if your period of active duty was 181 days or more.

Upon re-employment, you and your covered family members will not be required to complete any waiting period.

When USERRA Coverage Ends

Your continued coverage under USERRA ends on the earliest of the following dates:

- The last day of the 18-month period beginning on the effective date of your military leave of absence,
- The date you fail to make a required USERRA premium payment, or
- The date your re-employment rights expire.

You are then eligible for continued coverage under COBRA. For more information, refer to the section "Your Rights Under COBRA" on page 275.

Your Rights Under HIPAA

(Medical Coverage)

In 1996, Congress passed the Health Insurance Portability and Accountability Act (HIPAA). This Act is designed to make it easier for you and your family members to have continued medical coverage when changing from one employer to another.

Non-Discrimination Rules

Under HIPAA, group health plans cannot exclude you from enrolling based on health factors. This means that a health plan cannot require evidence of insurability (proof of good health) as a condition of enrollment and cannot exclude individuals who cannot pass a physical exam (including late enrollees).

Special Enrollment Opportunities

If you decline coverage for yourself or your eligible family members because of other health insurance coverage, you may be able to enroll yourself or your dependents in Duke's medical plan during Open Enrollment or if you request enrollment within 30 days of when your other coverage ends.

The special enrollment right is available if the other coverage ends:

- Due to loss of eligibility,
- Because an employer's contribution for the other coverage stops, or
- In the case of COBRA coverage, because the maximum COBRA period has expired.

In addition, if you have previously declined coverage and you have a new dependent as a result of marriage, birth, adoption, or placement for adoption (a qualified change in family status), you may be able to enroll yourself and your dependents, provided you request enrollment within 30 days of the family status change.

Certificates of Coverage

If your coverage under a Duke medical plan ends or your employment terminates and you are eligible for continued medical coverage under COBRA, Duke will provide you and your qualified dependents with a written certificate of coverage. This certificate will enable you to reduce or eliminate any pre-existing condition exclusions in your new employer's group health plan. Be sure to keep this certificate when you receive it.

Generally, the plan will automatically provide a certificate to any covered person after that individual loses coverage under a Duke medical plan. In most cases, the names of your eligible dependents will be included on the certificates sent to you. If a certificate does not include your dependents' names, your dependents may demonstrate their dependent status by signing a statement attesting to the dependency and the period of dependency status. In addition, your dependents must cooperate with the plan in verifying the dependent status.

Certificates are sent by first class mail to the last address in your file.

Requesting a Certificate

You may request a certificate of coverage from the Plan Administrator within 24 months after losing coverage under a Duke plan. The certificate will be provided at the earliest time that the plan, acting in a reasonable and prompt fashion, can furnish it.

Your Rights Under FMLA

The Family and Medical Leave Act of 1993 (FMLA) allows eligible employees to take up to 12 weeks of unpaid leave time for the following family or medical reasons:

- Care of your child after birth, or placement for adoption or foster care,
- Care of your spouse, son, daughter, or parent who has a serious health condition, or
- Your own serious health condition, which causes you to be unable to perform your job.

To be eligible for FMLA leave, you must be a part- or full-time employee who has:

- Been employed by Duke for at least one year (12 continuous months), and
- Worked at least 1,250 hours in the previous 12 months.

Continued Coverage During FMLA Leave

During your FMLA leave, you are entitled to the following benefits:

- Duke must maintain your group health, dental plan, and vision plan coverage on the same conditions as coverage would be provided if you had been continuously employed during the entire period of your leave,
- The same health, dental, and vision benefits provided to you prior to your leave must be maintained during your leave,
- You are entitled to new or changed group health, dental, and vision plan benefits on the same basis as if you were not on leave,

- You must be given notice of any opportunity to change group health, dental, and vision plan coverage, and
- If you do not retain your group health, dental, and vision plan coverage during your leave, you are entitled to be reinstated when you return from leave, without any requirements to requalify such as any waiting periods, physical examinations, or pre-existing condition exclusion.

If you have questions regarding your eligibility for coverage under other benefit plans during an FMLA leave, please contact the Benefits Office at (919) 684-5600.

Paying for Continued Coverage

During your FMLA leave, you must continue to pay any contribution toward the cost of your coverage that you were paying prior to your leave. If while on leave, premiums are raised or lowered, you will be required to pay the new premium rates.

Duke has the right to recover premiums it pays for the cost of your coverage during an unpaid FMLA leave unless you fail to return to work at the end of your FMLA leave due to:

- A serious health condition that would entitle you to leave under FMLA, or
- Other circumstances beyond your control, including:
 - Your spouse being unexpectedly transferred to a job location more than 75 miles from your work site,
 - Your needing to care for a relative or individual other than an immediate family member having a serious health condition, or
 - Your being laid off from work while on FMLA leave.

Your Rights Under FMLA

Please see the Duke Reimbursement Account Programs (section titled “Changing Your Benefit Election”) on page 65 for details on continuing participation in your reimbursement accounts during FMLA.

Duke may request medical certification to verify your own or your family member’s serious health condition. If you do not provide such certification within 30 days of the request, Duke may recover premiums it paid during any unpaid portion of your leave. The amount Duke can recover is limited to only the company’s share of allowable premiums as would be calculated under COBRA, less the two percent administrative fee. Duke can recover its share of these premiums through deductions from any sums due to you, or initiate legal action against you. Duke cannot recover premiums it pays for the cost of your group coverage during a paid FMLA leave.

When Coverage May End

Duke’s obligation to provide continued coverage ends upon the earliest of the following:

- You inform Duke of your intent not to return to work from FMLA leave,
- You fail to return from FMLA leave and terminate your employment, or
- You exhaust your FMLA leave entitlement.

If one of these events occurs, you would become eligible for continued coverage under COBRA.

Your Rights Under COBRA

Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), you have the right to continue your coverage under the Health Care Program, Dental Program, Vision Program and under certain circumstances, you may have the right to continue coverage under the Health Care Reimbursement Account Program when you and/or

your eligible dependents lose coverage for one of the reasons (known as “qualifying events”) shown in the following chart. The chart also shows when and for how long you and your dependents can continue coverage under COBRA for the various qualifying events.

If coverage is lost because of any of the following qualifying events...	You can continue coverage for yourself for up to...	Each eligible dependent can continue coverage in the health or dental programs for up to...
Your employment with Duke terminates (for reasons other than gross misconduct)	18 months* from the date of the qualifying event for the Health, Dental, and Vision Programs, and through the end of the plan year for the Health Care Reimbursement Account Program	18 months* from the date of the qualifying event
Your scheduled work hours are reduced to less than 20 hours per week	18 months* from the date of the qualifying event for the Health, Dental, and Vision Programs, and through the end of the plan year for the Health Care Reimbursement Account Program	18 months* from the date of the qualifying event
You die	Not applicable	36 months from the date of the qualifying event
Your dependent is no longer eligible for coverage (for example, your Medicare entitlement results in loss of coverage for your dependents, you and your spouse divorce, or your dependent child reaches age)	Not applicable	36 months from the date of the qualifying event

* If you or your dependents are disabled when coverage ends due to a qualifying event or at any time during the first 60 days of continuation coverage, you and your dependents may continue coverage for up to 29 months (that is, 11 months beyond the usual 18-month period). To continue coverage for 29 months, you must notify the Plan Administrator of the disability before the end of the initial 18-month continuation period and within 60 days following the date you are determined disabled under Social Security. If you or your dependents are no longer considered disabled under Social Security, you must notify the Plan Administrator within 31 days of the determination.

Applying for COBRA

You or your dependents can elect to continue coverage any time within the first 60 days of the qualifying event or the date coverage ends. Employees who reduce their work schedule to less than 20 hours/week or terminate employment will be notified by letter from CobraServ. You and your dependents will be sent information about the application process, and the cost to continue coverage. If you don't choose continuation coverage within the first 60 days after coverage ends or within 60 days from the date you are notified of your COBRA rights, your eligibility for COBRA will end.

If, as an active employee, one of your covered dependents becomes ineligible through loss of student status, age, or divorce you must notify the Human Resource Information Center (919-684-5600) within 60 days of the date of the loss of eligibility in order to be eligible for COBRA benefits. Your dependent will be sent information from CobraServ, an affirmative election must be made, and premiums paid retroactive to the termination date.

Once COBRA continuation coverage begins, you or your dependents must notify CobraServ within 60 days of any additional qualifying event such as death, divorce, legal separation, Medicare eligibility, or if a child loses dependent status under the plan. If you don't notify CobraServ within the 60-day period, your dependent will not be eligible for continued COBRA benefits. These events may allow your dependents' coverage to continue for a longer period, but in no event for longer than 36 months. You also must notify CobraServ of any change of address. In addition, if a child is born or adopted by you during a continuation period, you can obtain coverage for that child. You must notify CobraServ within 31 days of the date of birth or adoption if the new child is to be covered.

Paying for COBRA

As permitted by COBRA, you pay 100% of the applicable premium, plus an additional 2% to cover administrative fees. If you are eligible to extend coverage for the additional 11 months granted to disabled qualified beneficiaries, you pay 150% of the applicable premium for this period.

If you or your dependents wish to continue coverage under COBRA, you must make the initial premium payment within 45 days of the date you elect to continue coverage. Coverage will not be reinstated until all retroactive payment is made. You must continue to pay the cost of coverage on time or your coverage will automatically end.

The premium for continuation coverage may be changed from time to time, as permitted by COBRA.

When COBRA Ends

COBRA continuation coverage generally ends when the maximum benefit period expires; however, it also ends on the earlier of the following dates:

- The date you (or your dependents) fail to pay the required premium within 31 days of the due date,
- The date you (or your dependents) become covered under another health care plan that does not include a pre-existing condition limitation that applies to you or a covered dependent,
- The date you (or your dependents) become entitled to Medicare benefits, or
- The date Duke terminates the plan for all participants.

Notice of Privacy Practices

Duke University Health Plan

Effective Date: April 14, 2003

Revised: May 14, 2009

Assistance with this information is available upon request. Please contact the Human Resources Information Center at (919) 684-5600 for additional details.

Asistencia con esta información está disponible por petición. Por favor póngase en contacto con el Servicio de Recursos Humano al (919) 684-5600 para detalles adicionales.

This Notice describes how medical information about you may be used and disclosed and how you may obtain access to this information. Please review it carefully.

Use and Disclosure of Health Information

The provisions of the Duke University Health Plan ("the Health Plan") are designed to protect the privacy of health information that it creates or receives about you that can identify you, called "protected health information." Protected health information includes information about your past, present or future health, the provision of health care to you, or your past, present, or future payment for the provision of health care. The Health Plan has established policies to protect the privacy of your protected health information. The Health Plan consists of Duke Select, Duke Options, Blue Care and Duke Plus medical benefits programs and the Health Care Reimbursement Account program, the Personal Assistance Service (PAS) program and the Employee Assistance Plans.

The Health Plan's privacy practices concerning your protected health information are as follows:

- The Health Plan will safeguard the privacy of protected health information that it has created or received.
- The Health Plan will explain how, when and why it may use and/or disclose your protected health information.
- The Health Plan will only use and/or disclose your protected health information as described in this notice.

The following categories describe different ways that the Health Plan may use and disclose health information. For each category of uses or disclosure we will explain what we mean and try to give some examples. Not every use or disclosure in a category will be listed. However, all of the ways the Health Plan is permitted to use and disclose information will fall within at least one of the categories.

To make or obtain payment. The Health Plan may use or disclose your health information to make payment to or collect payment from third parties, such as other health plans or providers, for the care you receive. For example, the Health Plan may provide information regarding your coverage or health care treatment to other health plans to coordinate payment of benefits.

To conduct health care operations. The Health Plan may use or disclose health information for its own operations to facilitate the administration of the Health Plan and to provide coverage and services to all of the Health Plan's participants. Health Care Operations includes such activities as:

- Quality assessment and improvement activities.
- Activities designed to improve health or reduce health care costs.
- Clinical guideline and protocol development, case management and care coordination and utilization review.

Notice of Privacy Practices

- Contacting health care providers and participants with information about treatment alternatives and other related functions.
- Health care professional competence or qualifications review and performance evaluation.
- Accreditation, certification, licensing or credentialing activities.
- Underwriting, premium rating or related functions to create, renew or replace health insurance or health benefits.
- Review and auditing, including compliance reviews, medical reviews, legal services and compliance programs.
- Business planning and development, including cost management and planning related analyses and formulary development.
- Business management and general administrative activities of the Health Plan, including customer service and resolution of internal grievances.

For treatment alternatives. The Health Plan may use or disclose your health information to tell you about or recommend possible treatment options or alternatives that may be of interest to you.

For distribution of health-related benefits and services. The Health Plan may use or disclose your health information to provide information on health-related benefits and services that may be of interest to you.

For disclosure to the Plan Sponsor. The Health Plan may disclose your health information to the Plan Sponsor for Plan administration functions performed by the Plan Sponsor on behalf of the Health Plan. In addition, the Health Plan may provide health information to the Plan Sponsor so that the Plan Sponsor may solicit premium bids from health insurers or modify, amend or terminate the plan. The Health Plan also may disclose to the Plan Sponsor information on whether you are participating in the Health Plan.

Special Situations

The Health Plan may use and/or disclose protected health information about you for a number of circumstances in which you do not have to consent, give authorization or otherwise have an opportunity to agree or object. Those circumstances include:

When legally required. The Health Plan will disclose your health information when it is required to do so by any federal, state or local law.

To conduct health oversight activities. The Health Plan may disclose your health information to a health oversight agency for authorized activities including audits, civil administrative or criminal investigations, inspections, licensure or disciplinary action. The Health Plan, however, may not disclose your health information if you are the subject of an investigation and the investigation does not arise out of or is not directly related to your receipt of health care or public benefits.

Research. Under certain circumstances, the Health Plan may use and disclose your health information for research purposes. All research projects are subject to a special approval process. Before the Health Plan uses or discloses medical information for research, the project will have been approved through this research approval process. The Health Plan may use your health information in preparing to conduct a research project, for example, to look for Health Plan participants with specific needs, so long as the health information reviewed is not removed from the Health Plan

In connection with judicial and administrative proceedings. As permitted or required by law, the Health Plan may disclose your health information in the course of any judicial or administrative proceeding in response to an order of a court or administrative tribunal. It must be expressly authorized by such order or in response to a subpoena, discovery request or other lawful process, but only when the Health Plan makes reasonable efforts to either notify you about the request or to obtain an order protecting your health information.

For law enforcement purposes. As permitted or required by state law, the Health Plan may disclose your health information to a law enforcement official for certain law enforcement purposes, including, but not limited to, if the Health Plan has a suspicion that your death was the result of criminal conduct or in an emergency to report a crime.

Lawsuits and disputes. If you are involved in a lawsuit or a dispute, we may disclose your health information in response to a court or administrative order. We may also disclose your health information in response to a subpoena, discovery request or other lawful process by someone else involved in the dispute.

In the event of a serious threat to health or safety. The Health Plan may, consistent with applicable law, disclose your health information if the Health Plan, in good faith, believes that such disclosure is necessary to prevent or lessen a serious and imminent threat to your health or safety or to the health and safety of the public.

For specified government functions. In certain circumstances, federal regulations require the Health Plan to use or disclose your health information to facilitate specified government functions related to the military and veterans, national security and intelligence activities, protective services for the president and others and correctional institutions and inmates.

For workers' compensation. The Health Plan may release your health information to the extent necessary to comply with laws related to workers' compensation or similar programs.

Authorization to Use or Disclose Health Information

Other than as stated above, the Health Plan will not disclose your health information other than with your written permission. If you authorize the Health Plan to use or disclose your health information, you may revoke that permission in writing at any time. If you revoke your permission, the Health Plan will no longer use or disclose your

health information for the reasons covered by your written authorization. The Health Plan is unable to take back any disclosures it has already made with your permission.

North Carolina law. In the event that North Carolina law requires the Health Plan to give more protection to your health information than stated in this notice or as required by federal law, the Health Plan will give that additional protection to your health information.

Your Rights with Respect to Your Health Information

You have the following rights regarding your health information that the Health Plan maintains:

Right to request restrictions. You may request restrictions on certain uses and disclosures of your health information. For example, you have the right to request a limit on the Health Plan's disclosure of your health information to someone involved in the payment of your care. However, the Health Plan is not required to agree to your request. If you wish to make a request for restrictions, call (919) 684-5600 for the appropriate request form.

Right to request alternative ways of communications. You have the right to request that the Health Plan communicate with you in a certain way if you feel the disclosure of your health information could endanger you. For example, you may ask that the Health Plan only communicate with you at a certain telephone number or by e-mail. If you wish to receive confidential communications, call (919) 684-5600 for the appropriate request form. The Health Plan will attempt to honor your reasonable requests for confidential communications. When appropriate, the Health Plan may condition the accommodation on providing the Health Plan with information regarding your alternative address or other method of contact.

Right to inspect and copy your health information. You have the right to inspect and copy your health information. To do so, call (919) 684-5600

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for the appropriate request form. If you request a copy of your health information, the Health Plan may charge a fee for copying, assembling costs and postage, if applicable, associated with your request.

Right to amend your health information. If you believe that your health information records are inaccurate or incomplete, you may request that the Health Plan amend the records. That request may be made as long as the information is maintained by the Health Plan. To request an amendment to your health information, call (919) 684-5600 for the appropriate form. The Health Plan may deny the request if it does not include a reason to support the amendment. The request also may be denied if your health information records were not created by the Health Plan, if the health information you are requesting to amend is not part of the Health Plan's records, if the health information you wish to amend falls within an exception to the health information you are permitted to inspect and copy, or if the Health Plan determines the records containing your health information are accurate and complete.

Right to an accounting. You have the right to request a list of certain disclosures of your health information that the Health Plan is required to keep a record of under the Privacy Rule, such as disclosures for public purposes authorized by law or disclosures that are not in accordance with the Plan's privacy policies and applicable law. To request an accounting of disclosure, call (919) 684-5600 for the appropriate form. The request should specify the time period for which you are requesting the information, but may not start earlier than April 14, 2003. Accounting requests may not be made for periods of time going back more than six (6) years. The Health Plan will provide the first accounting you request during any 12-month period without charge. Subsequent accounting requests may be subject to a reasonable cost-based fee. The Health Plan will inform you in advance of the fee, if applicable.

Right to a paper copy of this notice. You have a right to request and receive a paper copy of this notice at any time, even if you have received this notice previously or agreed to receive the notice electronically. You may also obtain a copy of this notice at any time from our website at www.hr.duke.edu or by calling (919) 684-5600 and requesting a paper copy.

Duties of the Health Plan

The Health Plan is required by law to maintain the privacy of your health information as set forth in this notice and to provide to you this notice of its duties and privacy practices. The Health Plan is required to abide by the terms of this notice, which may be amended from time to time. The Health Plan reserves the right to change the terms of this notice and to make the new notice provisions effective for all health information that it maintains. If the Health Plan changes its policies and procedures, the Health Plan will revise the notice and will provide a copy of the revised notice to you within 60 days of the change. You have the right to express complaints to the Health Plan and to the Secretary of the Department of Health and Human Services if you believe that your privacy rights have been violated. Any complaints to the Health Plan should be made in writing to the Health Plan's privacy official. The Health Plan encourages you to express any concerns you may have regarding the privacy of your information. You will not be retaliated against in any way for filing a complaint.

Contact Person

If you have any questions regarding this notice or if you believe your privacy rights have been violated or you wish to file a complaint about the Health Plan's privacy practices, you may contact:

**Privacy Official
Duke University
Benefits Administration
705 Broad St.
Durham, NC 27705**

**Duke Cafeteria and
Premium Conversion Program**



Duke Cafeteria and Premium Conversion Program

Eligible employees enrolling in Duke's Health, Dental, and Vision Programs, the Post-Retirement Group Term Life Insurance Program, and the Reimbursement Account Programs also become participants in the Cafeteria and Premium Conversion Program (the program).

The program permits you to pay the eligible portion of your premium cost for Health, Dental, Vision, and Post-Retirement Group Term Life on a pre-tax basis, and also allows you to contribute some of your pay on a pre-tax basis to pay for many of your medical, dental, vision, and dependent care bills under the Reimbursement Account Programs. Your premiums and contributions are taken out of your paycheck automatically each pay period. Because you don't pay taxes on these amounts, your federal and state income taxes may be reduced.

Some of your other Duke benefits, such as life insurance, are determined based on your base pay. These benefits will not be affected by your participation in the program. They will continue to be determined based on your base pay. However, other benefits, such as your Social Security and Medicare wage base, may be affected if you decide to enroll.

Your Social Security benefits may be slightly reduced if you enroll in the program. That's because account deposits lower the amount of your income from which Social Security taxes are withheld. The amount of the reduction will depend on the amount of your deposits and the length of time you participate between now and when you retire.

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

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Eligibility and Enrollment

Eligibility

If you are eligible to enroll in Duke's Health Program, Dental Program, Vision Program, Post-Retirement Group Term Life Insurance Program, or Reimbursement Account Programs, you also are eligible to participate in the Cafeteria and Premium Conversion Program (the program).

Enrollment

Your enrollment in this program is conditioned on your enrollment in Duke's Health Program, Dental Program, Vision Program, Post-Retirement Group Term Life Insurance Program, or Reimbursement Account Programs. To enroll in the program, you must complete the enrollment forms for any of the programs listed above within 60 days of your employment or eligibility (these enrollment forms include salary-reduction agreements). If you do not enroll in these programs when you are first eligible, you must wait until the next annual Open Enrollment unless you are eligible for special enrollment or have a qualifying event (see pages 285–286). You have 30 days from a qualifying event to enroll.

Effective Date of Enrollment

New Participants

Your enrollment in the program is effective as of the effective date of your enrollment in Duke's Health Program, Dental Program, Vision Program, Post-Retirement Group Term Life Insurance Program, or Reimbursement Account Programs, whichever is earliest. The corresponding portion of your salary-reduction agreement also is effective as of the effective date of your enrollment in such benefit programs. In most cases, this is the first day of the month following Duke's receipt of your enrollment forms. If you are a new employee, your enrollment and salary-reduction agreement may be effective as early as your first day of employment with Duke.

Open Enrollment

For subsequent plan years, your enrollment elections for the Health Program, Dental Program, Vision Program, and Post-Retirement Group Term Life Insurance Program, and corresponding portion of your salary-reduction agreement will remain in effect from plan year to plan year unless you change (or waive) your elections during the applicable Open Enrollment period. **To continue your participation in the Reimbursement Account Programs, you must re-enroll every year.**

Salary-Reduction Agreements

The amounts withheld under your salary-reduction agreement are applied towards your premium or enrollment costs for the benefit programs elected in your enrollment election. Premiums may be transferred to the insurance carriers or benefits may be paid from the general assets of Duke as applicable. Salary-reduction contributions toward a Health Care or Dependent Care Reimbursement Account are credited, as soon as reasonably practical after each payroll period, to a bookkeeping account maintained on your behalf. They are not placed in trust and are considered part of the general assets of Duke.

Irrevocability of Salary-Reduction Agreements

Your Health, Dental, Vision, Post-Retirement Group Term Life Insurance, and Reimbursement Account Program enrollment elections and corresponding portions of your salary-reduction agreement are irrevocable until the end of the plan year unless:

- You are entitled to special enrollment, or
- You have a qualifying event.

You may, however, change your enrollment election and corresponding portion of your salary-reduction agreement:

- Due to significant cost or coverage change to your health, dental, vision, post-retirement group term life insurance coverage, or Dependent Care Reimbursement Account (a change to a Health Care Reimbursement Account for this reason is not permitted under the Internal Revenue Code (IRC)), or
- Due to a leave of absence that qualifies for an enrollment change and corresponding salary-reduction agreement change.

If your enrollment election is changed, terminated, or suspended, the corresponding portion of your salary-reduction agreement is automatically changed, terminated, or suspended.

Special Enrollment

If you are entitled to special enrollment under the Health Insurance Portability and Accountability Act (HIPAA) due to a loss of health coverage or due to birth, adoption (or placement for adoption), or marriage, you may change your enrollment elections in the Health Program and you may increase your contributions to your Health Care Reimbursement Account; provided that you submit a special enrollment election within 30 days of the event. A special enrollment election will be effective on the first day of the month following Duke's receipt of a completed special enrollment election or such other date as permitted under the applicable benefit program or member documents. For example, in the case of birth or adoption, a special enrollment election may be effective as of the date of such birth or adoption. In all cases, the portion of your salary-reduction agreement covering your special enrollment election(s) will be adjusted accordingly with a pre-tax deduction in the next appropriate deduction period following Duke's receipt of your special enrollment election. Further information regarding special enrollment under HIPAA may be found in your member documents.

Qualifying Events

You may change your enrollment elections and make corresponding changes to your salary-reduction agreement if you have a qualifying event, but only if the change is permitted by the terms and conditions of the applicable benefit program and your election change is on account of, and is consistent with, the qualifying event. In the case of each benefit program, an election change is "on account" of a qualifying event only if submitted to Duke within 30 days of the event and shall be permitted only if Duke determines, in its discretion, that the change in election and salary-reduction agreement is permitted under Section 125 of the IRC and applicable regulations. Any such determination shall be final and conclusive.

Eligibility and Enrollment

Qualifying events include the following:

- A change in your marital status, including marriage, death of spouse, divorce, or legal separation. However, there is no initial enrollment in the Dental Program as a result of change in marital status;
- A change in the number of your dependents, including birth, adoption, placement for adoption, or death of an eligible dependent;
- A change in the employment status including termination or commencement of employment for a covered dependent, or a reduction or increase in hours of employment resulting in a loss or gain of eligibility for coverage (coverage must not be a student or individual policy);
- A change in coverage under another employer's plan, including a change made during the other employer's Open Enrollment period;
- A covered dependent satisfying or ceasing to satisfy the eligibility requirements of a benefit program due to age limits, or similar circumstances, including in the case of the Dependent Care Reimbursement Account Program, loss of "eligible dependent" status upon a dependent attaining age 13;
- A change in the cost of enrollment due to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) coverage for you, your spouse, or dependent;
- The entitlement or loss of eligibility for coverage under Medicare or Medicaid;
- A qualified medical child support order that orders health coverage; and
- Change in residence of you, your spouse, or a dependent if enrolled in a health plan with geographic restrictions.

Several additional qualifying events are described more fully in the following pages. Additional information is also available in the Benefit Program Descriptions.

Significant Cost or Coverage Change

You may change your enrollment elections and corresponding adjustments will be made to your salary-reduction agreement upon a “significant cost or coverage change” event but only if the change is permitted by the terms and conditions of the applicable benefit program, and your election change is on account of, and is consistent with, the event. An election change is “on account” of an event described in this section only if submitted to Duke within 30 days of the event and shall be permitted only if Duke determines, in its discretion, that the change in election and salary-reduction agreement is permitted under Section 125 of the IRC and applicable regulations. Any such determination shall be final and conclusive.

Significant Change in Cost

If your share of the premium cost significantly increases or decreases during the plan year (including a cost increase resulting from a change in your job classification), you may enroll in similar health, dental, or vision coverage to the extent available under the Health, Dental, or Vision Program and the corresponding portion of your salary-reduction agreement will be adjusted to reflect your share of the premium cost for the new coverage for the remainder of the plan year. If your share of the premium cost significantly increases and no similar coverage is available, you may terminate your health, dental, or vision coverage for the remainder of the plan year.

Significant Change in Coverage

If coverage is significantly curtailed during a plan year, you may enroll in similar health, dental, or vision coverage to the extent available under the Health, Dental, or Vision Program and the corresponding portion of your salary-reduction agreement will be adjusted to reflect your share of the premium cost for the new coverage for the remainder of the plan year. You may not waive medical, dental, or vision coverage unless the curtailment constitutes a “loss of coverage” as defined under Section 125 of the IRC and applicable regulations, and no similar coverage is available.

Addition or Improvement of Coverage

If a coverage is added or significantly improved during a plan year, you may enroll in such coverage (and terminate other coverage) to the extent permitted under the Health, Dental, or Vision Program and the corresponding portion of your salary-reduction agreement will be adjusted to reflect your share of the premium cost for the new coverage for the remainder of the plan year.

Impact on Reimbursement Accounts

The significant change in cost or coverage events permit you to change the level of your contributions to the Dependent Care Reimbursement Account but do not permit you to change the level of your contributions to the Health Care Reimbursement Account.

Change in Coverage Under Another Employer Plan

If a change is made to the cafeteria plan of your spouse's or former spouse's employer, your dependent's employer, or your employer (other than Duke), you may change your enrollment election for Duke Health, Dental and/or Vision Program coverage to the extent permitted under the Duke Health, Dental, and/or Vision Program. You also may change your enrollment election for Duke Health, Dental, and/or Vision Program coverage if the coverage period under another employer's plan is different from the coverage period under the Duke Health, Dental, and/or Vision Program. The corresponding portion of your salary-reduction agreement will be adjusted to reflect your share of the premium cost for the new coverage for the remainder of the plan year.

Paid Leave of Absence

If you take a paid leave of absence, including paid leave under the Family and Medical Leave Act of 1993 (FMLA) or paid military leave, your enrollment elections and salary-reduction agreement shall continue during such leave of absence.

Unpaid Leave of Absence

If you take an unpaid FMLA or military leave, you may continue your enrollment elections during the unpaid leave (but not longer than 12 weeks in the case of FMLA leave or 24 months in the case of military leave); provided that you pay, on an after-tax basis, your premium or enrollment costs on the same schedule that your premium or enrollment costs would have been made if you were not on leave.

You will be informed of your share of the premium or enrollment costs for continued enrollment during a leave. A letter will be sent to your home address within 15 working days of the date your leave begins.

If you did not maintain your coverage during an unpaid leave of absence, you may re-enroll in your Health, Dental, Vision, Post-Retirement Group Term Life Insurance, or Reimbursement Account Programs upon return from the leave, provided that you sign another salary-reduction agreement within 30 days of the date you return to work, unless you are otherwise permitted to change your enrollment elections and salary-reduction agreement due to special enrollment or a qualifying event.

Authorized Leaves of Absence

An authorized leave of absence means any paid or unpaid personal leave from active employment duly authorized by Duke under Duke's standard personnel practices. An FMLA leave is any paid or unpaid personal leave from active employment duly authorized by Duke under the Family and Medical Leave Act of 1993. A military leave is any paid or unpaid personal leave from active employment duly authorized by Duke under the Uniformed Services Employment and Re-employment Rights Act of 1994.

Automatic Changes, Suspensions, or Terminations

Automatic Cost Increase or Decrease

If your share of the premium cost for your enrollment in the Health, Dental or Vision Program changes during the plan year and such change is not a “significant cost” change as described in the preceding pages, your salary-reduction agreement will automatically change accordingly.

Change to Ineligible Status

If you cease to be eligible to participate in a benefit program but do not terminate employment or take a leave of absence, the corresponding portion(s) of your salary-reduction agreement will be suspended and will be terminated at the end of the plan year if active participation is not reinstated earlier. Your enrollment or coverage under a benefit program, however, may continue to the extent permitted under the applicable benefit program. In such case, the cost of your continued enrollment (as determined under the applicable benefit program) must be paid by you on an after-tax basis. If you again become eligible to participate in a benefit program, you have 60 days from the date of your eligibility to enroll and sign the corresponding salary-reduction agreement.

Termination of Employment

Your salary-reduction agreement will automatically terminate when you terminate employment with Duke. Your enrollment or coverage under a benefit program, however, may continue to the extent permitted under the applicable benefit program. In such case, the cost of your continued enrollment (as determined under the applicable benefit program) must be paid by you on an after-tax basis. If you are rehired by Duke as an eligible employee,

you will need to re-enroll in the various benefit programs and sign the corresponding salary-reduction agreements.

Nondiscrimination

If you are a highly compensated employee (as defined in Section 414(q) of the IRC), Duke may suspend your enrollment election and the corresponding portion of your salary-reduction agreement during a plan year, prospectively reduce amounts paid under a salary-reduction agreement during a plan year, or otherwise limit your enrollment in a benefit program for a plan year to the extent and in such manner as Duke determines is necessary to satisfy the nondiscrimination requirements imposed by the IRC. Duke may also treat and report an otherwise nontaxable benefit as a taxable benefit to satisfy any nondiscrimination requirement or limitation on contributions or benefits imposed by the IRC to the extent it deems necessary under the circumstances.

Termination of Program

Your salary-reduction agreement will automatically terminate if Duke terminates the program. Your enrollment or coverage under a benefit program, however, may continue to the extent permitted under the applicable benefit program.

Reinstatement of Salary-Reduction Agreements

If your enrollment elections and salary-reduction agreement is reinstated during a plan year (e.g., upon return from a leave of absence or upon rehire within 31 days), you may elect to either reduce your annual election amount or elect to reinstate your original annual reimbursement amount by making up any missing contributions.

If you reduce your annual election amount, you will not be eligible to seek reimbursement for expenses incurred while out on a leave of absence.

Requests for Information and Claims Procedures

The Cafeteria and Premium Conversion Program only concerns the payment of premium and enrollment costs for the benefit programs described in this document and has no effect on the benefits or claim payments made under each benefit program. Because your eligibility to participate in the program is based on your eligibility to participate in the benefit programs offered hereunder, any questions regarding eligibility to participate in the program are handled under the procedures established for the applicable benefit program. Refer to the applicable Benefit Program Descriptions for information regarding benefit processing and claims and appeals procedures. With respect to any other questions, contact:

**HRIC
Duke University
705 Broad St.
Box 90502
Durham, NC 27708-0502**

It is intended that the Cafeteria and Premium Conversion Program qualify as a “cafeteria plan” under federal tax laws. The provisions contained in this Benefit Program Description, which is a part of the Duke University Welfare and Fringe Benefit Plan, shall constitute the separate written plan for such program to the extent required under federal tax laws or other applicable laws. It is further intended that the benefits provided hereunder be eligible for exclusion from gross income under federal tax laws. Duke reserves the right to change or terminate these benefits or your eligibility for benefits under the program. The written plan document for the Cafeteria and Premium Conversion Program is not an employment contract or any type of employment guarantee.