



MONEY PURCHASE PENSION PLAN

SUMMARY PLAN DESCRIPTION

AMENDMENT AND RESTATEMENT OF PLAN

Your employer, THE ASSOCIATION OF UNIVERSITIES FOR RESEARCH IN ASTRONOMY, INC., previously established the AURA MONEY PURCHASE PENSION PLAN effective October 1, 1985. This plan has now been amended and restated effective January 1, 1996.

This Summary Plan Description ("SPD") has been prepared to give you information about the provisions of the AURA Money Purchase Pension Plan ("the Plan") and about how it may benefit you. You should read all parts of this description carefully so that you understand the ways in which the Plan may benefit you and those certain exclusions to coverage and limitations on the receipt of benefits that may apply to you. If you wish additional information concerning the AURA Money Purchase Pension Plan, this description tells you how to obtain that information.

LIMITATIONS OF THIS DESCRIPTION

This description summarizes the main provisions of the Plan. It is not the complete Plan. A complete copy of the Plan is available in the Center Human Resources office for your inspection. In case of any conflict between the provisions of the complete Plan and this description, the provisions of the complete Plan will control.

GENERAL DESCRIPTION OF CONTRIBUTIONS

In order to understand more fully some of the matters discussed later in this Plan Description, you will benefit by having a general idea of how the Money Purchase Pension Plan works. Contributions are made to the Plan based upon a percentage of each participant's annual base compensation. Contributions will be credited to the individual accounts of the eligible employees who are participants in the Plan for the year in which the contribution is made. The way in which these amounts will be distributed to participants will be discussed later in this Summary. If you are now a participant, or later become a participant, you are or will be eligible to set up an account in your name.

The amounts credited to individual accounts are invested in various mutual fund or annuity contracts selected by the participant, and any gain or loss from plan investments is

credited to, or charged against, the individual account of each participant. After the participant terminates his/her service with the employer, the vested (or non-forfeitable) percentage of the account credited to the participant will be distributed to him/her. (The employee may elect to postpone his/her distribution. See the discussion under the heading DISTRIBUTION OF BENEFITS below.)

If you are a participant or become a participant, the benefits you will receive under the Plan will depend primarily upon three factors—

1. The amount of employer-contributions credited to your account in the Plan;
2. The return on investments under the plan; and
3. The vested (or non-forfeitable) percentage of your account when you terminate.

You may have heard or read that the Pension Benefit Guaranty Corporation guarantees certain benefits under pension plans; however, a money purchase pension plan is one of the types of plans whose benefits are not permitted to be guaranteed by the Pension Benefit Guaranty Corporation.

ELIGIBILITY FOR THE PLAN

First, you must be an employee of the Association of Universities for Research in Astronomy, Inc. (“AURA”) in order to be eligible for participation. However, employees locally hired in the Republic of Chile who receive no earned income that constitutes income from sources within the United States are not eligible to participate in this plan. If you are a member of an excluded class and later become a member of an eligible class, you may participate immediately upon qualification. Employees must complete at least one “year of service for participation.” You will be admitted to participation in the Plan on the earliest entry date after you have met this requirement. The entry dates are the first days of every month. Generally, this will mean that if you are a full-time employee, you will become a participant the first of the month following your one-year anniversary. If an employee has met this requirement, he/she may already be a participant in the Plan.

Year of Service for Participation. A year of service for participation is a 12–consecutive month period during which an employee has at least 1,000 hours of service with the employer. (The way in which hours of service will be measured is discussed in the heading that follows.) The 12–month period begins on the date that an employee starts working for AURA. For example, assume an employee began working for AURA on April 15, 1998, and had completed 1,000 hours of service by April 14, 1999. Then, that employee would be admitted to participation in the Plan on May 1, 1999, the first entry date after completion of the year of service for participation, as long as he/she were an employee on May 1, 1999.

If an employee does not meet the 1,000-hour requirement during the 12-month period which started with the employment date, the employee will be admitted to participation at a subsequent time provided he/she has rendered 1,000 hours of service during any 12-month period starting on the anniversary of the employment date and ending on the next anniversary thereof.

Hour of Service. An hour of service means any hour for which the employee is paid for working for AURA. It also may include certain hours for which you are not directly paid by AURA. An hour of service is important for measuring 1,000 hours of service for participation (as discussed above), 1,000 hours of service for accrual of benefits, 1,000 hours of service for vesting and less than 501 hours of service for a one-year break in service (all of which are discussed below).

New employees who were covered under an eligible retirement plan or §403(b) plan during the three-month period immediately prior to their employment with AURA may enter the Plan on the entry date coincident with or immediately following their date of employment.

IF YOU ARE NOT YET A PARTICIPANT IN THE PLAN, MOST OF THE INFORMATION WHICH FOLLOWS WILL APPLY TO YOU ONLY AFTER YOU BECOME A PARTICIPANT.

Suspension or Termination of Participation. If your employment terminates after you have become a participant, and you incur a one-year break in service, your participation in the Plan will be suspended or temporarily terminated until you complete one Hour of Service following your return to employment.

Breaks in Service. Five (or more) consecutive one-year breaks in service can be important in determining the number of years of service for vesting, discussed below under the heading VESTED OR NON-FORFEITABLE PORTION OF PARTICIPANT'S BENEFITS. A one-year break in service occurs when an employee has no more than 500 hours of service during a plan year. In certain cases of absence due to pregnancy, child birth, or an adoption, you may be credited with enough hours of service to avoid a one-year break in service for one plan year. You should check with the Center Human Resources Manager for additional information about breaks in service.

DEFINITION OF THE "PLAN YEAR"

The Plan year is the first day of January to the last day of December annually. The Plan year refers to the period of time records are kept for plan administration, and the period during which allocations of employer contributions are determined.

EMPLOYER CONTRIBUTIONS

For each plan year, the employer is regularly required under the Plan to make a contribution on behalf of eligible employees or participants who have completed at least 160 hours during the year.

The amount of employer contributions for a plan year made on your behalf, as an eligible participant, will be an amount equal to 10% of your base compensation for that calendar year or portion thereof during which you were a participant.

DEFINITION OF “COMPENSATION”

Generally, your annual compensation for purposes of determining the amount of employer contributions on your behalf under the Plan will be calculated as compensation paid during the plan year under consideration as regular base wages, salary or commissions by the employer to you, during the time you were a participant in the Plan. Compensation for the purposes of this plan excludes other types of pay such as overtime payments, bonuses, awards, COLA, Mobility payments, director's fees and including amounts deferred pursuant to a 401(k) plan, a salary reduction simplified employee pension, or a 403(b) annuity, or contributed to any welfare benefit plans maintained by the employer through a reduction in your compensation which, pursuant to a flexible benefit (cafeteria) plan, are not included in your gross income for the taxable year in which those amounts are contributed. It also excludes amounts paid to you while you were not a participant.

Annual compensation of each Participant taken into account for determining all benefits provided under the Plan shall not exceed the limitations under IRC sections 415(d), 401(a) (17) (B) and other applicable limitations set forth in the code.

VESTED OR NON-FORFEITABLE PORTION OF PARTICIPANT'S BENEFITS

Non-Forfeitable or Vested Percentage. Funds contributed by the employer are allocated as described above and are then invested and accumulated. The portion or percentage of the employer contributions which will eventually be distributed to you after you have terminated employment is called the non-forfeitable or vested percentage. Any participant in the Plan after January 1, 2002, is 100% vested at all times. Because you are 100% vested, all employer contributions credited to your account, adjusted for investment experience, will be distributed to you. The time and manner in which your benefits will be distributed to you is discussed below under the heading DISTRIBUTION OF BENEFITS.

DISTRIBUTION OF BENEFITS

Time of Distribution. Upon termination of your employment, you may elect at any time after the plan year in which such termination occurs or as soon thereafter as is administratively feasible to receive your vested, accrued benefits. However, if the value of your vested accrued benefits is less than \$1,000, your benefits may be distributed to you in the form of a lump sum even if you do not elect to receive it.

You may incur a 10% penalty tax if distributions are made to you before age 59–1/2. For more information about the penalties and taxes associated with a distribution, please see your Center Human Resources Manager.

Benefits may be distributed to you without your consent after you have terminated employment with AURA and have attained the earliest retirement age under the Plan. Benefits must be distributed to you (as a mandatory minimum distribution) beginning no later than April 1 of the year following the calendar year in which you attain age seventy and one half (70½) or when you retire, if later.

Manner of Distribution. At your election, benefits may be distributed in any one of the following ways:

1. A joint and survivor annuity payable during your lifetime and that of your wife or husband, if you are married; or
2. An annuity, payable not less frequently than annually during your lifetime; or
3. Approximately equal periodic installments which generally cannot extend past your life expectancy or the joint life expectancy of you and your beneficiary; or
4. A lump sum; or
5. A rollover, or a direct rollover to an IRA or another qualified retirement plan.

You may elect to have your vested benefits transferred in the form of direct rollover to another tax-qualified retirement plan (which accepts such a transfer) or to an IRA. This will avoid the requirement of automatic 20% withholding on the distribution that may otherwise apply. The employer will provide you with further information on a direct rollover prior to the time you may make such an election.

Under the Plan, there are certain situations when your spouse (or other designated beneficiary) will receive, if you are married, a survivor annuity in case of your death before

retirement, or a joint and survivor annuity on your retirement. You have the right to elect not to receive benefits in these forms, provided your spouse consents to your election. These rights of election are so important that they are discussed below under the separate heading A SURVIVOR OR JOINT AND SURVIVOR ANNUITY.

SURVIVOR OR JOINT AND SURVIVOR ANNUITY

Generally, the Plan requires that a *Joint And Survivor Annuity* be paid to you if distributions to you begin before your death and if you are married at the time distributions begin or a single life annuity if you are not married. Under a *Joint And Survivor Annuity*, if your spouse survives you, she or he will receive monthly payments equal to 50% of the monthly payments that were made to you. For example, if a participant with a *Joint And Survivor Annuity* received \$1,000 per month during his/her lifetime, his/her surviving spouse, would receive \$500 per month. (The exact amount the spouse would receive is determined by the Administrator prior to the date distributions to the participant began.)

If you wish, you may elect not to receive a single life annuity (if not married) or a *Joint And Survivor Annuity* (if married). You might wish to make such an election for various reasons: for example, so that monthly annuity payments to you during your lifetime would be greater than under a *Joint And Survivor Annuity*, or because you wished to have distributions made to you in a different form than a life annuity. The other forms of distribution that are available if you elect (with your spouse's consent, if married) not to receive a *Joint And Survivor Annuity* or a *Single Life Annuity* (if not married) are described under the heading DISTRIBUTION OF BENEFITS, above.

No less than thirty (30) days and no later than ninety (90) days before the anticipated starting date of a joint and survivor annuity (or a single life annuity if you are not married), AURA or your fund administrator will distribute to you information concerning your right to elect not to receive a joint and survivor annuity (or *Single Life Annuity* if not married). If you request it at that time, AURA or your fund administrator will also furnish you with more detailed information on the economic effects of such an election. You will then have the right, with the consent of your spouse (if married), up until the starting date of the annuity, to elect in writing not to receive a joint and survivor annuity, or single life annuity if you are not married. The consent of your spouse to the election not to receive a joint and survivor annuity must be witnessed by a plan official or notary.

If you die prior to the anticipated starting date of a joint and survivor annuity, the Plan provides that your spouse will receive a survivor annuity under certain circumstances. In the case of an unmarried employee, your accrued benefit will be distributed to your

designated beneficiary or lineal descendants, parents, or estate, in that order, if you failed to designate a beneficiary. If you die prior to normal retirement age, while married, your

spouse will be entitled to receive survivor annuity benefits equal to the benefit she or he would have been entitled to receive if the Plan had started paying a joint and survivor annuity to you and your spouse one day before your death. If you are married you may elect, with the consent of your spouse (in the manner described in the Plan), not to receive a pre-retirement survivor annuity.

DESIGNATION OF BENEFICIARY

You should designate a beneficiary to receive any benefits which would become payable upon or after your death. This designation should be made in writing on a form provided to you by the Center's designated Plan Administrator. If you do not make such a designation, your spouse, your lineal descendants, your parents, and your estate, in that order, would receive any benefits payable upon your death.

Your spouse is entitled to at least 50% of your retirement plan and is normally named as your beneficiary. The Plan does, however, provide a procedure for your consenting spouse to renounce his/her right as your sole beneficiary. Nevertheless, if the procedure in the Plan is not followed, your spouse may well be your beneficiary, even though you have named a different beneficiary.

FILING CLAIMS FOR BENEFITS

You, as a participant, or your beneficiary (in the event of your death), at the time discussed above in this plan description, may file a written election with the Plan Administrator, requesting a distribution of benefits. If your claim, or that of your beneficiary, is denied, the reasons for the denial will be given to you or your beneficiary in writing. You or your beneficiary will have sixty (60) days from the date of notice of denial of your claim to appeal the decision in writing to the administrator. You or your beneficiary will be given an opportunity for a full and fair review by the Plan Administrator.

RIGHTS OF PARTICIPANTS

Participants and beneficiaries in this Money Purchase Pension Plan are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). Title I of ERISA provides that all plan participants shall be entitled to:

- (a) Examine, without charge, at the Plan Administrator's office and at other locations such as worksites, all plan documents, including insurance contracts, and copies of all documents filed by the Plan Administrator with the U.S. Department of Labor, such as annual reports and plan descriptions.

- (b) Obtain copies of all plan documents and other plan information upon written request to the plan Administrator. The administrator may make a reasonable charge for the copies.
- (c) 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.
- (d) Obtain, once a year, a statement of the total plan benefits accrued and the non-forfeitable (vested) plan benefits, if any, or the earliest date on which benefits will become non-forfeitable (vested). The Plan may require a written request for this statement, but it must provide the statement free of charge.

In addition to creating rights for plan participants, Title I of ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a plan benefit or exercising your rights under ERISA.

If your claim for a plan benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim.

Under Title I of ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within thirty (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 \$110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits that are denied or ignored, in whole or in part, you may file suit in a state or 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.

If you have any questions about this plan, you should contact the Plan Administrator.

If you have any questions about this statement or your rights under ERISA, you should contact the Plan Administrator or the nearest Area Office of the U.S. Labor–Management Service Administration, Department of Labor.

AMENDMENT AND TERMINATION

AURA expects to continue the Plan indefinitely, but reserves the right to terminate the Plan or to amend it at any time. AURA also reserves the right to suspend contributions if it is determined that continuation of contributions is impossible or inadvisable. If the Plan is terminated, or if the employer contributions to the Plan are permanently discontinued, each participant will be entitled to receive the accrued balance of his/her account.

IDENTIFYING DATA

Under this heading the names and addresses of certain individuals who have various responsibilities with respect to this plan are shown. Also, certain identification information with respect to the Plan itself is set out in case that information would be of benefit to you.

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| Employer: | Association of Universities for Research in Astronomy, Inc. 950 North Cherry Avenue Tucson, Arizona 85719 |
| Identification Numbers. | The employer's IRS identification number is 86-0138043; and the Plan identification number is 004. |
| Type of Administration. | The Plan is administered by an administrator. |
| Plan Administrator: | Sandra L. Abbey, NOAO Human Resources Manager Association of Universities for Research in Astronomy, Inc. 950 North Cherry Avenue Tucson, Arizona 85719 (520) 318-8386 |

Agent for Service of

Process:

George Curran, VP Business Administration
Association of Universities for Research in Astronomy, Inc.
1200 New York Avenue, N.W. Suite 350
Washington, D.C. 20005

In addition, service of legal process may be made upon any plan trustee or the Plan Administrator, whose names and addresses are listed under this heading.

Trustee: The Plan does not have a trustee. Employer contributions are held in annuity contracts under §401(f) of the Internal Revenue Code.