

UNIVERSITY OF PUGET SOUND
POST RETIREMENT MEDICAL BENEFITS PLAN

1. Preamble.

The University of Puget Sound Post Retirement Medical Benefits Plan (the "Plan") is intended to provide medical benefits to certain eligible retired employees.

2. Effective Date.

The Plan was initially adopted by the University Board of Trustees on May 9, 1957. The Plan has been amended from time to time since its initial adoption. The Plan was restated effective January 1, 1996, to incorporate all prior amendments and to comply with applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). This Plan is hereby amended and restated effective January 1, 2006, to coordinate with changes made to the University of Puget Sound's Early Retirement and Career Change Policy.

3. Eligibility.

Except as provided in Paragraph 3.B.(iii), below, to be eligible for Post Retirement Medical Benefits, the employee must be an active participant in the University's Medical Plan at the time of retirement or early retirement and must thereafter continuously remain a participant in the University's Post Retirement Medical Benefits Plan. If an employee fails to either timely elect coverage or drops Post Retirement Medical Benefits coverage, such employee shall not be permitted to enroll or re-enroll in such Plan at a later date. Participants in the Post Retirement Medical Benefits Plan shall be given the opportunity to change coverage options, if other options are available, during the Plan's open enrollment period. Subject to these general rules relating to all Participants, additional eligibility requirements governing Post Retirement Medical Benefits are set forth in the following paragraphs:

- A. Pre-Medicare Eligible.** Subject to meeting the general eligibility rules set forth above, faculty who retire from employment with the University under the early retirement provision of the University of Puget Sound Early Retirement and Career Change Policy will be eligible for retiree medical benefits under the Plan prior to their eligibility for benefits under Medicare.
- B. Medicare Eligible.** Subject to meeting the general eligibility rules set forth above, the following employees and former employees will be eligible for benefits under the Plan when they are eligible for Medicare:

 - (i) Faculty and staff who served in positions exempt from coverage under the Fair Labor Standards Act (Exempt staff) who retired from employment with the University on or before August 31, 1992.
 - (ii) Faculty and Exempt staff who attained age 55 on or before May 31, 1992, while employed by the University in a benefits eligible position who retired from the University with a minimum of 20 years of service.

- (iii) Employees of the Seattle University School of Law who were employed by the University on May 31, 1992 as faculty or Exempt staff, who had attained at least age 55 on such date and who were actively employed in a benefits eligible position when the School of Law was transferred to Seattle University; provided, at retirement such former employee has at least 20 years of service with credit being given for service with both the University and Seattle University in an eligible position.

C. Spouse and Dependents.

- (i) The spouse and/or dependents of participants described in 3.A. are eligible to participate in the University's Medical Plan in accordance with the Medical Plan's eligibility and enrollment provisions.
- (ii) The spouse and/or dependents of those described in 3.B. are not eligible to participate.

D. Years of Service. A year of service will be credited hereunder for each completed year of full time employment. A year during which a faculty member is on sabbatical shall be counted. An unpaid leave of absence shall not constitute a break in service but the period of leave will not be counted. Termination of employment and rehire results in a break in service and prior service is disregarded unless reemployment occurs within one year.

4. University Contributions.

A. The University will contribute to the cost of retiree medical benefits the following amounts:

- (i) For those described in Paragraphs 3.A., an amount equal to the cost but in no event in excess of the amount provided an active employee as the base flexible benefits allowance under the University of Puget Sound Flexible Benefits Plan.
- (ii) For those described in Paragraph 3.B.(i), the University will contribute the entire cost of coverage at the rate of Regence Blue Shield Supplement to Medicare plans in force at the time of Medicare eligibility or the University-determined close equivalent of Regence Blue Shield Supplement to Medicare Plan C, or Group Health Cooperative HMO High Option, whichever is currently in effect for the Medicare-eligible retiree.
- (iii) For those described in Paragraph 3.B.(ii) and 3.B.(iii), the University will contribute an amount equal to one-third of the amount provided an active Employee as the base flexible benefits allowance under the University of Puget Sound Flexible Benefits Plan.
- (iv) For those described in Paragraph 3.C.(i), the University will make no contribution.

B. Notwithstanding the foregoing, except with respect to those persons described in Paragraphs 3.B.(i), the University specifically reserves the right to change the amount of its contribution toward the cost of retiree medical benefits hereunder.

5. Plan Administrator.

The Plan is administered by the University of Puget Sound (the Plan Administrator). The Plan Administrator will have discretionary authority (a) to determine whether and to what extent Participants are entitled to Plan benefits, and (b) to construe the Plan terms. The Plan Administrator will be deemed to have properly exercised such discretionary authority unless the Plan Administrator has abused its discretion hereunder by acting arbitrarily and capriciously.

Inquires to the Plan Administrator should be addressed to the Human Resources Department, University of Puget Sound, 1500 North Warner Street #1064, Tacoma, Washington 98416-1064, telephone 253.879.3369.

6. Plan Sponsor.

The sponsor of this Plan is the University of Puget Sound, 1500 North Warner Street, Tacoma, Washington 98416, EIN: 91-0564961.

7. Plan Year.

The Plan Year is the calendar year, January 1 through December 31. All records of the Plan are maintained on the Plan Year.

8. Claims Procedure.

This claims procedure governs only claims with respect to the eligibility, contributions and rights, if any, to receive post retirement medical benefits. If a Participant under the Plan has a medical claim, such Participant should consult and comply with the claims procedure set forth in the Summary Plan Description for the applicable medical plan, which is hereby incorporated by reference. If a Participant disagrees with a response to a claim for benefits under this Plan, the Participant may make a claim to the Plan Administrator. This claim should be in the form of a letter stating why the Participant disagrees and should include all facts and information the Participant wants the Plan Administrator to consider. The Participant will be advised of the acceptance or rejection of his or her claim within 90 days after the claim is received, unless special circumstances require an extension of time for processing the claim. If the Plan Administrator requires an extension, written notice of the extension will be furnished to the Participant prior to the end of the initial 90-day period. The extension will not exceed an additional period of 90 days. The extension notice from the Plan Administrator will state the special circumstances requiring the extension of time and the date by which the Plan Administrator expects to make a final decision.

In the event the Participant's claim is denied, it must be denied in writing and the denial must state in detail the specific reasons for the denial, the specific Plan provisions upon which the denial is based, any additional material or information which the Participant may provide which would entitle him or her to the benefits claimed, and an explanation of why such

material or information is necessary. The notice of denial must also explain the steps to be taken if the Participant wishes to submit a claim for review. If notice of denial of the initial claim is not furnished within the time period allowed above, the Participant's claim will be deemed denied and the Participant may proceed to request a review of the denied claim.

If the Participant chooses to submit a claim for review by the Plan Administrator, then within 60 days after the date the claim is denied, the Participant or his or her authorized representative must make a written request to the Plan Administrator for review. The Participant's request for review of a denied claim should include a statement of the reasons the claim should be allowed. The Participant or his or her representative may examine any documents the Plan Administrator has in its files. The Participant may also submit additional written comments to the Plan Administrator which support the Participant's claim.

The Plan Administrator will advise the Participant of the decision in writing within 60 days following receipt of the Participant's request for review, unless special circumstances require an extension of time for processing. If an extension is necessary, a decision will be made as soon as possible, but not later than 120 days after the Plan Administrator receives the Participant's request for review. If an extension of time for review is required because of special circumstances, written notice of the extension of the Plan Administrator's reasons for needing more time will be furnished to the Participant prior to the commencement of the extension. The decision on review will be in writing and will include specific reasons for the decision, as well as specific references to the Plan provisions upon which the decision is based. The decision of the Plan Administrator will be final and will be subject to no further appeal or review.

9. Right to Amend or Terminate Plan.

While it is expected that this Plan will continue indefinitely, the University reserves the right at any time and for any reason to amend the Plan to modify the benefits provided hereunder or, subject to Paragraph 4.B, hereof, to change required retiree contributions with respect to all or any class of retirees. The University further reserves the right at any time and for any reason to terminate the Plan and to discontinue benefits hereunder with respect to all employees and retirees or any class of employees or retirees.

10. Circumstances Under Which Benefits Will Not Be Available.

- a. Termination of the Plan with no provision for continued benefits.
- b. Amendment of the Plan to exclude from eligibility a class of employees or retirees currently eligible.
- c. Failure of a Participant to enroll when initially eligible.
- d. Failure of a Participant to make required contributions.

11. Type of Plan.

This Plan is an employee welfare plan. The benefits provided under the Plan are retiree health care benefits. The Plan is administered by the University. The Plan number is 501/506.

12. Agent for Service of Process.

The name of the person designated as agent for service of legal process is:

Secretary of the Board of Trustees
University of Puget Sound
1500 North Warner Street #1094
Tacoma, Washington 98416-1094

In addition, service of legal process may be made upon the Plan Administrator.

13. Sources of Contribution and Funding of the Plan.

The Plan is funded by retiree and University contributions. The University sets the contribution required of retirees from time to time. The benefits under the Plan are provided through insurance or health care contracts issued by insurance companies or other organizations selected by the University.

14. Statement of ERISA Rights.

As a Participant in the University's Post Retirement Medical Benefits Plan, 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:


- a. Examine, without charge, at the Plan Administrator's office and at other specified locations such as work sites all Plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.
- b. Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan 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 annual summary report.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit 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 welfare benefit or exercising your rights under ERISA. If your claim for a welfare 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 review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance,

if you request materials 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 per 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 which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fee, for example, if it finds your claim is frivolous. 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, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor.

IN WITNESS WHEREOF, the University of Puget Sound has caused this Post Retirement Medical Benefits Plan to be executed this 23rd day of February, 2007, to be effective as of January 1, 2006.

UNIVERSITY OF PUGET SOUND

By: 
Sherry Mondou

Its : Vice President For Finance and Administration