

**Franklin Pierce College
Defined Contribution
Retirement Plan**

Summary Plan Description

This document provides each Participant with a description of Franklin Pierce College's
Defined Contribution Retirement Plan

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Name of Plan: Franklin Pierce College Defined Contribution Retirement Plan (the "Plan")

Institution: Franklin Pierce College

Plan Administrator: Franklin Pierce College
20 College Road
Rindge, New Hampshire 03461 Ph: 603-899-4075

The Institution has designated the Director of Human Resources to be responsible for Plan operation.

Fund Sponsors:	TIAA- CREF	AIG VALIC
	730 Third Avenue New York, NY 10017 1-888-842-7782	2929 Allen Parkway Houston, TX 77019 1-800-448-2542

Institution's Federal Tax Identification Number: 02-0263136

Plan Number: 001

Plan Year begins: January 1

Plan Year ends: December 31

Plan Effective Date: August 15, 1968

Funding Vehicles: Contributions are invested in the Funding Vehicles listed in Question 30, below, which are offered by the following Fund Sponsors, who also serve as Investment Managers under the Plan:

A. Teachers Insurance and Annuity Association (TIAA). TIAA provides a traditional annuity and a variable annuity through its real estate account. You can receive more information about TIAA by writing to: TIAA, 730 Third Avenue, New York, NY 10017. You can also receive information by calling (888) 842-7782.

B. College Retirement Equities Fund (CREF). CREF is TIAA's companion organization, providing variable annuities. You can receive more information about CREF by writing to: CREF, 730 Third Avenue, New York, NY 10017. You can also receive information by calling (888) 842-7782

C. AIG VALIC. AIG offers mutual funds from a number of different fund families. You can receive more information about any of the mutual funds offered by contacting VALIC's Regional Office:

Regional Office:

1000 Winter Street
Suite 3750 South
Waltham, MA 02451
1-800-892-5558 X88065

Home Office:

2929 Allen Parkway
Houston, TX 77019
1-800-448-2542

**Agent for Service
of Legal Process:**

Director of Human Resources
Franklin Pierce College
20 College Road
Rindge, New Hampshire 03461

INTRODUCTION

This is a general summary of the **Franklin Pierce College Defined Contribution Retirement Plan**. The Plan is a defined contribution plan that operates under Section 403(b) of the Internal Revenue Code (IRC) and is designed to provide you with retirement benefits based on the Institution's contributions to the Plan and any earnings they may experience.

This Plan is intended to constitute a plan described in section 404(c) of the Employee Retirement Income Security Act, and Title 29 of the Code of Federal Regulations Section 2550.404c-1. This means that you are given the authority and responsibility to direct the investment allocations of contributions made to the Plan on your behalf. To the extent that you exercise such authority, the fiduciaries of the plan will not be liable for any losses which are the direct and necessary result of any investment instructions you give.

This summary highlights the most important provisions of the Plan, but it is not the complete Plan. If there is any ambiguity or inconsistency between this summary and the Plan Document, the terms of the Plan Document will govern. A copy of the complete Plan Document is available for inspection at the Institution's offices. With respect to benefits provided by TIAA-CREF annuity contracts or certificates, all rights of a participant under the contracts or certificates will be determined only by the terms of such contracts or certificates.

PLAN TYPE

1. What is a 403(b) Plan?

A 403(b) Plan is a deferred compensation plan designed to provide you with retirement income. The Institution will make contributions under a formula as defined in the Plan and described in more detail in Question 11, below.

All contributions under the Plan will be held in a separate Account established to record your share of the amount held in the Plan.

PLAN PARTICIPATION

2. Are all employees eligible to participate in the Plan?

All full-time employees of the Institution are eligible to participate in the Plan. However, Faculty Members governed by the Rindge Faculty Federation American Federation of Teachers, AFL-CIO Collective Bargaining Agreement (“CBA Faculty”) may be subject to slightly different rules and benefits, as specified below and in the Plan Document. You have the right to examine or receive a copy of this Collective Bargaining Agreement in addition to the other Plan materials specified in Question 39, below.

3. What are the requirements for participation in the Plan?

You will begin to participate in the Plan after you have:

- a. reached age 21;
- b. completed one Year of Service; and
- c. completed the appropriate vendor and allocation enrollment forms.

4. When will I become a Participant in the Plan?

You will begin to participate in the Plan on the first day of the month following the date you fulfill the requirements.

5. How is Service measured?

A *Year* of Service is any 12-month period in which you earn 1,000 or more Hours of Service.

An *Hour* of Service is any hour for which you are paid or entitled to be paid by the Institution (for example, holidays and vacation days). For faculty members, Hours of Service will be determined based upon the number of credit hours you teach in a Plan Year. Each credit taught will result in 41 and 2/3 Hours of Service being attributed to you for the Plan Year. Therefore, a 3-credit course will “earn” 125 Hours of Service. CBA Faculty will have their Hours of Service determined in accordance with the Rindge Faculty Federation American Federation of Teachers, AFL-CIO Collective Bargaining Agreement.

For the purposes of determining initial eligibility, an academic year of full time service for any other institution of higher education will satisfy the one year waiting period.

6. What happens if I leave my job and then I am re-employed by the Institution?

If you were not a Participant in the Plan before you left your job, you must satisfy the eligibility requirements described in Questions 3 and 4 before you can participate in the Plan after your re-employment. If you were a Participant in the Plan before you left your job, you will become a Participant again as soon as you are re-employed by the Institution.

7. When will my participation in the Plan end?

You will continue to be eligible for the plan until one of the following conditions occur:

- a. you cease to be an eligible employee; or
- b. the plan is terminated.

In addition, if you begin benefits before termination of employment, you will cease to be eligible for the plan unless you are subject to the terms of Franklin Pierce College’s phased retirement plan.

PLAN CONTRIBUTIONS

8. Am I permitted to contribute to the Plan?

You are not permitted to contribute to the Plan.

9. What Contributions will be made to the Plan?

Plan Contributions are made by the Institution each Plan Year. The amount of Plan Contributions made by the Institution each Plan Year is determined based upon your age and your total accumulated years of service as of the first day of the Plan Year and your Compensation during the Plan Year.

10. Must I meet any special requirements in order to share in the Plan Contributions?

Each Plan Year you will be entitled to a share of the Plan Contribution only if you are a Qualified Participant for this purpose.

To be a Qualified Participant you must have earned 1,000 or more Hours of Service during the Plan Year. There are some limited circumstances in which, in order to satisfy Internal Revenue Service rules and regulations, employees who earn 500 Hours of Service during the Plan Year may be eligible to receive a Plan Contribution. If this applies to you for any Plan Year, the Plan Administrator will contact you.

11. How will the amount of my Plan Contribution be determined?

Your Plan Contribution will be a percentage of your Compensation for the Plan Year as determined in the chart, below:

ATTAINED AGE	TOTAL ACCUMULATED YEARS OF SERVICE			
	<u>Less than 5</u>	<u>5 to 9</u>	<u>10 to 14</u>	<u>15 or more</u>
Less than 35	6.0%	7.0%	8.0%	8.5%
35 to 44	7.0%	8.0%	9.0%	9.5%
45 or more	7.5%	8.5%	9.5%	10.0%

Your age and total accumulated Years of Service for this purpose are determined as of the first day of the Plan Year. You will be credited with one Year of Service if, in your first 12-months of employment you earned 1,000 or more Hours of Service. You will then also be credited with a Year of Service for each Plan Year which began *after* your date of employment in which you earned 1,000 or more Hours of Service. This calculation method *generally* results in your being credited with more full Years of Service than you have actually worked.

For example: Assume you were born March 1, 1960 and began working for the Institution on October 1, 2004. You have worked continuously, full-time, from then on. Your Plan Contribution for the July 1, 2007, to June 30, 2008, Plan Year, would be based on your age and accumulated Years of Service as of January 1, 2007. You would have one Year of Service for the 12 month period from October 1, 2004 to September 30, 2005; and one Year of Service each for the Plan Years ending on June 30, 2006 and 2007 (the Plan year ending June 30, 2005 did not begin after you began employment and is therefore not included) for a total of 3 Years of Service. This is the case even though you have not yet (as of July 1, 2007) been employed for 3 full years. Pursuant to the chart, above, you would receive a Plan Contribution of 7.5 percent of your Compensation.

Members of faculty on the Rindge Campus who accept appointments as Division Chairs will continue to receive a Plan Contribution in accordance with the Rindge Faculty Federation American Federation of Teachers, AFL-CIO Collective Bargaining Agreement.

12. How is my Compensation determined for Plan purposes?

For the purpose of determining the amount of Plan Contributions under the Plan, your Compensation is defined as follows:

- a. For Faculty: Compensation means the salary stated in your employment contract.
- b. For all other employees: Compensation means the amount reported as wages on your Federal W-2 Tax Form, excluding any bonuses, stipends and overtime.

No Compensation in excess of \$205,000 (for 2004) will be taken into account when calculating the Plan Contribution. This limit on Compensation will be adjusted by the Internal Revenue Service periodically to reflect changes in the cost of living. For any short Plan Year, the limit will be pro-rated based upon the number of months in the short Plan Year.

13. Is there a limit on contributions?

Yes. The total amount of contributions made on your behalf for any year will not exceed the limits imposed by section 415 and section 403(b) of the IRC. These limits may be adjusted from time to time. For more information on these limits, contact your Plan Administrator or fund sponsor.

14. Do contributions continue during a paid leave of absence?

During a paid leave of absence, Plan Contributions will continue to be made based on your Compensation paid during your leave of absence. No contributions will be made during an unpaid leave of absence. No Plan Contributions will be made for a participant on a leave of absence who is receiving disability insurance benefits.

15. Do contributions continue while I'm on active duty in the Armed Forces?

If you are absent from employment by reason of service in the uniformed services of the United States, once you return to actual employment, Franklin Pierce College will make those contributions to the Plan that would have been made if you had remained employed at Franklin Pierce College during your period of military service to the extent required by law.

16. Who is responsible for accounting to me for my benefits in the Plan?

The Fund Sponsors are required to account for each Participant's interest in the Plan. When you become a Participant, a separate Account will be set up for you on the records of the Plan, showing the contributions to the Plan allocated to your Account. The Fund Sponsors will provide you with a periodic statement of your Account in the Plan.

17. Will I receive all the funds in my Account when I leave employment?

Yes, because you will have a 100 percent vested interest in your Account at all times.

DISTRIBUTION OF BENEFITS

18. How do I become entitled to receive retirement benefits from the Plan?

You (or your beneficiary) are generally entitled to receive a distribution of your Account in the Plan upon termination of your employment, your retirement, death or disability, or termination of the Plan.

19. When will I begin to receive my retirement benefits?

Unless you elect otherwise, you will begin to receive your retirement benefits no later than 60 days after the end of the Plan Year in which the latest of the following events occurs:

- a. You attain age 65, the Plan's "Normal Retirement Age";
- b. You reach the 10th anniversary of your participation in the Plan; and
- c. Your employment with the Institution terminates.

20. May I elect the date my retirement benefits begin?

Yes, with certain restrictions. You may elect to postpone the commencement of your retirement benefits beyond the date indicated in Question 19, above, but not beyond your Required Beginning Date, which is defined, below.

Although income usually begins at normal retirement age, you may begin to receive annuity income at any time, which may be either earlier or later than the normal retirement age. However, if you begin receiving retirement benefits under this Plan before termination of employment, no further contributions will be made on your behalf.

21. Who is entitled to receive my retirement benefits if I die before they begin?

If you are married at the time of your death, your Account will be distributed to your surviving spouse unless your spouse has previously consented in writing, before a Plan representative or notary public, to payment of the death benefit to another beneficiary you have named. If you are unmarried at the time of your death, the death benefit will be distributed to your named beneficiary.

You may name a beneficiary only by completing a form provided to you for this purpose by the Institution, and returning the completed form to the Institution. If you wish to change the beneficiary you have named, you must complete a second form and return it to the Institution. The latest form you have completed and returned to the Institution before your death will control.

If you do not have a spouse or a named beneficiary living at the time of your death, your death benefit will be distributed to the personal representative (executor or administrator) of your estate.

22. How will my retirement benefits be distributed?

Unless you make an affirmative, written election to waive the forms of benefit described in this paragraph, the form of your retirement benefit distribution will be determined as under the "Joint & Survivor Annuity Rules" which operate as follows:

- a. **If you are not married:** You will receive your retirement benefits in the form of a single life annuity, described more fully in Question 24, below.
- b. **If you are married:** You and your spouse are subject to the Pre-retirement and Post-retirement Spousal Entitlements.
 - i. *Pre-retirement Spousal Entitlement:* If you die before you begin to receive your retirement benefits, your spouse will receive a single life annuity over his or her own life, valued based on 50 percent of your total Account. The balance will be paid to whomever you have designated as your beneficiary.
 - ii. *Post-retirement Spousal Entitlement:* You will receive your retirement benefits in the form of a Survivor Annuity which will pay you a fixed income for your life and, if your spouse survives you, will pay your spouse 50 percent of the amount you were receiving for the remainder of his or her life.

23. How do I elect to waive the Joint & Survivor Annuity Rules?

If you are married, and you wish to receive your retirement benefits in a form other than those described in Question 22, above, you will need your spouse's written authorization to do so. This written authorization must be witnessed either by a notary public or by a Plan representative. The Plan Administrator will have forms available for this purpose. Any authorization made by a spouse will be applicable only for that spouse. So if you later remarry, the Joint & Survivor Annuity Rules will once again be applicable to you unless and until your new spouse provides the written authorization.

If you wish to waive the Post-retirement Spousal Entitlement, this can only be done within the 90 days prior to the date you begin to receive your retirement benefits.

24. What optional forms of distribution are available for my retirement benefits?

To the extent available under the Funding Vehicles you have elected, and pursuant to the Joint & Survivor Rules described, above, you may choose any of the following forms of payment:

- a. **Single Life Annuity:** This option pays you an income for as long as you live, with payments stopping at your death. A single life annuity provides you with a larger monthly income than other options.
- b. **Survivor Annuity:** This option pays you an income for as long as you live, and if your annuity partner (selected at the time retirement benefits begin) lives longer than you, he or she continues to receive an income for the remainder of his or her life. Because this option is likely to result in payments

over a longer period of time than the single life annuity, the dollar amount of each monthly payment will be less than that under the single life annuity. The amount of the payments made to your surviving annuity partner, if applicable, will typically be expressed as a percentage of your life time monthly payments and will be determined as provided by the particular Funding Vehicles you have selected. Generally, the greater the percentage that your surviving annuity partner receives, the lower your initial lifetime payments will be.

- c. **Fixed Period Annuity:** This option allows you to receive benefits for a fixed-period after termination of employment. Different Funding Vehicles offer different length fixed periods. At the end of the fixed period, all benefits will end. If you die during the period, payments will continue in the same amount to your beneficiary for the duration of the fixed period.
- d. **Retirement Transition Benefit:** This option works in conjunction with the annuity options described above. Through this option you may elect to receive a one-sum payment of up to 10 percent of your TIAA and CREF accumulations at the time you start to receive your income as an annuity. The one-sum payment cannot exceed 10 percent of each account's accumulation then being converted to annuity payments.
- e. **Cash Withdrawal:** If you are age 55 and you are no longer employed by the Institution, you may elect a cash withdrawal from your Account. This option is not available under every Funding Vehicle. Be sure to review the characteristics of each Funding Vehicle carefully before allocating any portion of your Account.
- f. **Repurchase:** Subject to your spouse's rights to survivor benefits, you may “repurchase” your TIAA-CREF Retirement Annuities (“RAs”) in a single sum provided you have terminated employment. In addition, all of the following conditions must apply at the time you request a repurchase:
 - The total TIAA Traditional Annuity accumulation in all your RAs (including contributions to RAs under plans of other employers) is \$2,000 or less;
 - You have not elected a fixed period annuity as described in paragraph c, above; and
 - The total accumulation attributable to contributions under this Plan in all TIAA and CREF RAs is not more than \$4,000.

Amounts paid to you upon repurchase will be in full satisfaction of your rights and your spouse's rights to retirement or survivor benefits from TIAA-CREF on such amounts.

g. Any other option provided under a Funding Vehicle Contract.

25. May I roll over my accumulations?

If you're entitled to receive a distribution from your account which is an eligible "rollover distribution," you may roll over all or a portion of it either directly or within 60 days after receipt into another employer-sponsored retirement plan or into an IRA. An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment or a payment which is part of a fixed period payment over ten or more years. The distribution will be subject to a 20 percent federal withholding tax *unless* it's rolled over directly into another retirement plan or into an IRA; this process is called a "direct" rollover.

As described in Question 29, below, if you have the distribution paid to you, then 20 percent of the distribution must be withheld even if you intend to roll over the money into another retirement plan or into an IRA within 60 days. To avoid withholding, instruct the fund sponsor to directly roll over the money for you.

26. What is my "Required Beginning Date"?

Retirement benefits must normally begin no later than April 1 of the calendar year following the year in which you attain age 70½, or, if later, April 1 following the calendar year in which you retire. Failure to begin receiving retirement income by the required beginning date may subject you to a substantial federal tax penalty.

If you die before the distribution of benefits has begun, your entire interest must normally be distributed by December 31 of the fifth calendar year after your death. Under a special rule, death benefits may be payable over the life or life expectancy of a designated beneficiary if the distribution of benefits begins not later than December 31 of the calendar year immediately following the calendar year of your death. If the designated beneficiary is your spouse, the commencement of benefits may be deferred until December 31 of the calendar year that you would have attained age 70½ had you continued to live.

The payment of benefits according to the above rules is extremely important. Federal tax law imposes a 50 percent excise tax on the difference between the amount of benefits required by law to be distributed and the amount actually distributed if it is less than the required minimum amount.

You will be contacted several months before the date you scheduled your benefits to begin on your application. You may decide, however, to begin receiving income sooner, in which case you should notify the fund sponsor in advance of that date. Usually, the later you begin to receive payments, the larger each payment will be.

27. May I assign or pledge my interest in the Plan?

No. However, your interest in the Plan may be subject to claims under a “qualified domestic relations order” (or “QDRO”) issued by a court, granting to your spouse, former spouse, children or other dependents a right to receive all or part of your Account as support, alimony, or property settlement.

28. How can I get information about qualified domestic relations order determinations?

You may obtain a copy of the plan procedures governing qualified domestic relations order determinations, free of charge, from the Director of Human Resources at the address listed above.

29. How will my benefits be taxed?

Income tax withholding rules apply to distributions from the Plan. If your Account distributions will continue over a period of at least 10 years in substantially equal installments, or over your life expectancy, you may elect whether to have federal income tax withheld. If your Account will be distributed in any other form - such as a Repurchases or Cash Withdrawals - then the Plan must withhold federal income tax equal to 20 percent of the distribution unless you arrange for a direct transfer to an individual retirement account (IRA) or another employer's retirement plan. You will receive a special tax notice explaining the choices available to you about withholding before any payment is made to you from the Plan.

INVESTMENT OF PLAN ASSETS

30. How are contributions to the Plan invested?

Contributions may be invested in one or more of the following fund sponsors and their funding vehicles that are currently available under this Plan:

a. Teachers Insurance and Annuity Association (TIAA):

➤ *TIAA Retirement Annuity (RA):*

- Traditional Annuity
- Real Estate Account

b. College Retirement Equities Fund (CREF):

➤ *CREF Retirement Unit-Annuity (RA):*

- Stock Account
- Money Market Account
- Bond Market Account
- Social Choice Account
- Global Equities Account
- Growth Account
- Equity Index Account
- Inflation-Linked Bond Account

Any additional Accounts offered by TIAA-CREF will automatically be made available to you under this plan unless Franklin Pierce College elects otherwise.

- c. **AIG VALIC (AIG):** The following investment options are available through VALIC's Portfolio Director Fixed and Variable Annuity:

➤ *Domestic Large-Cap Equity:*

- Evergreen Value Fund
- State Street Global Advisors Large Cap Value Fund
- Putnam Value Fund
- Vanguard Windsor II Fund
- T. Rowe Price Blue Chip Growth Fund
- Wellington/WAMU Core Equity Fund
- American Century Growth & Income Fund
- Lou Holland Growth Fund
- Social Awareness Fund
- Socially Responsible Fund
- Stock Index Fund
- American Century Ultra Fund
- Credit Suisse Capital Appreciation Fund
- INVESCO Growth Fund
- Janus Fund
- AIG SunAmerica Large Cap Growth Fund
- Nasdaq-100 Index Fund
- Putnam Opportunities Fund
- Putnam New Opportunities Fund

➤ *Domestic Mid-Cap Equity:*

- Ariel Appreciation Fund
- Wellington Mid Cap Value Fund
- Evergreen Growth and Income Fund
- Mid Cap Index Fund
- INVESCO Mid Cap Growth Fund
- Morgan Stanley Institutional Fund Trust Mid Cap Growth Portfolio
- Putnam OTC & Emerging Growth Fund

- Sit Mid Cap Growth Fund
- *Domestic Small-Cap Equity:*
 - Ariel Fund
 - Evergreen Small Cap Value Fund
 - One Group Small Cap Value Fund
 - Evergreen Special Equity Fund
 - Founders/T. Rowe Price Small Cap Fund
 - Small Cap Index Fund
 - Credit Suisse Small Cap Growth Fund
 - Sit Small Cap Growth Fund
 - Franklin Small Cap Growth Fund
- *Global Equity (International & Domestic):*
 - Janus Adviser Worldwide Fund
 - Putnam Global Growth Fund
 - Templeton Global Asset Allocation Fund
 - Templeton Foreign Fund
- *International Equity:*
 - International Equities Fund
 - American Century International Growth I Fund
 - Putnam International Growth II Fund
- *Specialty:*
 - T. Rowe Price Health Sciences Fund
 - T. Rowe Price Science & Technology Fund
- *Hybrid (Equity and Fixed Income):*
 - Aggressive Growth Lifestyle Fund
 - Conservative Growth Lifestyle Fund
 - Moderate Growth Lifestyle Fund
 - Vanguard LifeStrategy Conservative Growth Fund
 - Vanguard LifeStrategy Growth Fund
 - Vanguard LifeStrategy Moderate Growth Fund
 - Asset Allocation Fund
 - Vanguard Wellington Fund
- *Fixed Income:*
 - Capital Conservation Fund
 - Core Bond Fund
 - Dreyfus BASIC US Mortgage Securities Fund
 - Government Securities Fund
 - Strategic Bond Fund
 - Vanguard Long-Term Corporate Fund
 - Vanguard Long-Term Treasury Fund

- International Government Bond Fund
- High Yield Bond Fund
- Fixed Account Plus
- Money Market I Fund
- Money Market II Fund
- Multi-Year Enhanced Fixed Option
- Short-Term Fixed Account

Franklin Pierce College's current selection of fund sponsors and funding vehicles isn't intended to limit future additions or deletions of fund sponsors and funding vehicles. You'll be notified of any additions or deletions.

31. How do the retirement contracts work?

TIAA Traditional Annuity: Contributions to the TIAA Traditional Annuity are used to purchase a contractual or guaranteed amount of future retirement benefits for you. Once purchased, the guaranteed benefit of principal plus interest cannot be decreased, but it can be increased by dividends. Once you begin receiving annuity income, your accumulation will provide an income consisting of the contractual, guaranteed amount plus dividends that are declared each year and which are not guaranteed for the future. Dividends may increase or decrease, but changes in dividends are usually gradual. For a recorded message of the current interest rate for contributions to the TIAA Traditional Annuity, call the Automated Telephone Service (ATS) at 1-800-842-2252. The ATS is available 24 hours a day, seven days a week.

CREF and the TIAA Real Estate Account: You have the flexibility to accumulate retirement benefits in any of the CREF variable annuity accounts approved for use under the Plan, as indicated above and the TIAA Real Estate Account. Each account has its own investment objective and portfolio of securities. Contributions to a CREF account and the TIAA Real Estate Account are used to buy accumulation units, or shares of participation in an underlying investment portfolio. The value of the Accumulation Units changes each business day. You may also choose to receive annuity income under any of the CREF accounts and the TIAA Real Estate Account. There is no guaranteed baseline income or declared dividends when you receive annuity income from these accounts. Instead, your income is based on the value of the annuity units you own, a value that changes yearly, up or down. For more information on the CREF accounts, you should refer to the CREF prospectus. For more information about the TIAA Real Estate Account, refer to the TIAA Real Estate Account prospectus.

For a recorded message of the latest accumulation unit values for CREF Accounts and the TIAA Real Estate Account as well as the seven-day yield for the CREF Money Market Account, call the ATS at 1-800-842-2252. The recording is updated each business day.

AIG VALIC Account: VALIC's Portfolio Director Investment Options annuity contracts offer the flexibility to accumulate retirement benefits by investing contributions in fixed accounts, variable accounts or a combination of both. For information about current interest rates, account values, fund performance, or other inquiries, call VALIC's toll-free account transaction and information line at 1-800-428-2542.

32. How do I allocate my contributions?

a. If your fund sponsors are TIAA and CREF:

You may allocate contributions among the TIAA Traditional Annuity, the TIAA Real Estate Account, and the CREF Accounts in any whole-number proportion, including full allocation to any Account. You specify the percentage of contributions to be directed to the TIAA Traditional Annuity, the TIAA Real Estate Account, and/or the CREF Accounts on the Application for TIAA-CREF Retirement Annuity Contracts when you begin participation. You may change your allocation of future contributions after participation begins by writing to TIAA-CREF's home office at 730 Third Avenue, New York, New York 10017, by phone using TIAA-CREF's Automated Telephone Service (ATS) toll free at 1 800 842 2252, or via the Internet using TIAA-CREF's Inter/ACT System at www.tiaa-cref.org. However, TIAA-CREF reserves the right to suspend or terminate participants' right to change allocations by phone or the Internet. When you receive your contracts, you'll also be sent a Personal Identification Number (PIN). The PIN enables you to change your allocation by using the ATS or the Internet. For more information on allocations, ask for the TIAA-CREF booklet *A Guide to the TIAA-CREF Accounts*.

b. If your fund sponsor is VALIC:

During the accumulation phase, you may allocate contributions as desired among the fixed and variable accounts available within the Portfolio Director Investment Options contracts at no charge. You will need to specify allocation of contributions upon enrollment into each contract. However, you may change the allocation of future contributions at any time and without any charge as your investment priorities dictate. You may participate in as many as seven subaccounts at any one time.

You may change allocation of future contributions among the Portfolio Director Investment Options investment alternatives by calling toll-free (800) 42-VALIC, or for the hearing impaired, call (800) 358-2542. You may also change the allocation of future contributions in writing by completing a Financial Change Form.

33. May I transfer my accumulations between accounts?

a. If your Fund Sponsors are TIAA and CREF:

Accumulations may be transferred among the CREF accounts and the TIAA Real Estate Account . Accumulations in the CREF Accounts and the TIAA Real Estate Account also may be transferred to the TIAA Traditional Annuity, or other approved fund sponsors. Partial transfers may be made from a CREF Account or the TIAA Real Estate Account to the TIAA Traditional Annuity, among the CREF accounts and the TIAA Real Estate Account or to another approved fund sponsor at any time as long as at least \$1,000 is transferred each time. In addition, transfers may be made from other approved funds sponsors to TIAA-CREF at any time, subject to the rules of the other fund sponsor. There's no charge for transferring accumulations in the TIAA-CREF system but TIAA-CREF reserves the right to limit transfer frequency.

TIAA Traditional Annuity accumulations may be transferred to any of the CREF accounts and the TIAA Real Estate Account or to another approved fund sponsor through the Transfer Payout Annuity (TPA). Transfers will be made in substantially equal annual amounts over a period of 10 years. Transfers made under the TPA contract are subject to the terms of that contract. The minimum transfer from the TIAA Traditional Annuity to a CREF account or the TIAA Real Estate Account is \$10,000 (or the entire accumulation if it totals less than \$10,000). However, if your total TIAA Traditional Annuity accumulation is \$2,000 or less, you can transfer your entire TIAA Traditional Annuity accumulation in a single sum to any of the CREF accounts or the TIAA Real Estate Account or to another approved fund sponsor, as long as you do not have an existing TIAA TPA contract in force but TIAA-CREF reserves the right to limit transfer frequency.

You may complete transfers within the TIAA-CREF system by phone, the internet, or in writing. CREF and the TIAA Real Estate Account transfers, as well as premium allocation changes, will be effective as of the close of the New York Stock Exchange (usually 4:00 p.m. Eastern time) on the day the instructions are received by TIAA-CREF, unless you choose the last day of the current month or any future month. Instructions received after the close of the New York Stock Exchange are effective as of the close of the Stock Exchange on the next business day. The toll-free number to reach the ATS is 1 800 842-2252. The Inter/Act System is accessible on the Internet at www.tiaa-cref.org

b. If your Fund Sponsor is VALIC:

Transfers Within VALIC's Portfolio Director Investment Options Products. During the accumulation period, you may transfer monies between each product's variable accounts and from the variable accounts to the fixed

accounts at any time. However, once a transfer is made to Short-Term Fixed Account, no further transfers from this account will be permitted for 90 days. Each contract year, you may transfer up to 20% of the accumulation value under Fixed Account Plus to any other respective Portfolio Director Investment Options investment option. Additionally, VALIC offers a Systematic Transfer of Values that will facilitate dollar cost averaging.

During the annuity period, you may transfer all of the accumulated values between the variable funds or to a fixed payout option once every 365 days. Transfers from the fixed account(s) during the annuity period are not permitted.

You may transfer values among the subaccounts of each product by completing a Financial Change Form or by calling toll-free (800) 42-VALIC, or for the hearing impaired, call (800) 358-2542. There is no charge for transferring accumulations within the Portfolio Director Investment Options products.

Transfers to Other Carriers. In-service transfers to another carrier from the variable accounts and the Short-Term Fixed Account are permitted at anytime without any charge or limitation. In-service transfers of up to 20% of the accumulated account value of Fixed Account Plus (long-term) are permitted per contract year to another carrier. Total in-service transfers to another carrier from Fixed Account Plus would be accomplished over a five year period.

ADDITIONAL INFORMATION

34. May changes be made to the Plan?

Although it intends to continue the Plan indefinitely, the Institution specifically reserves the right to amend or to terminate the Plan, but no amendment to the Plan may take away any amount already credited to your Account.

35. Who has the authority to make decisions in connection with the Plan?

The Plan Administrator has absolute discretionary authority to interpret the written terms of the Plan and to apply them to specific situations (for example, to determine whether a person has completed the requirements for Plan participation).

36. Are there limitations on my rights under the Plan?

The Plan does not give any person the right to remain as an employee of the Institution. It creates only those rights specifically provided in the Plan.

Section 415 of the Internal Revenue Code of 1986 limits the amount of benefits and contributions that may be made to qualified retirement plans for a person in a given year. If this limit ever affects your Account in the Plan, the Institution will notify you.

37. Are my benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC)?

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation, because the Plan is a “defined contribution” plan. The retirement benefit you receive will depend on the amount the Institution contributes, the amount of your earnings and the investment performance of your Account.

38. What is the Plan’s claims procedure?

The Plan Administrator determines the right of any person to participate in or receive a benefit from the plan. If you do not receive a benefit to which you believe you are entitled, you may file a written claim with the Plan Administrator. The Plan Administrator will process your claim and notify you in writing of its decision within a reasonable time, normally within 90 days after you submitted your written claim. When the Plan Administrator requires additional time (not to exceed an additional 90 days) to process your claim because of special circumstances, the Plan Administrator will notify you of such delay within the initial 90 day period and will provide you with an estimate of the date by which a decision can be expected. If your claim is denied, you will receive a written explanation of the specific findings and conclusions on which the denial is based.

If you do not agree with the Plan Administrator’s decision, you or your authorized representative may appeal in writing within 60 days after you receive the decision. The Plan Administrator will review the decision and issue a final written decision normally within 60 days after the receipt of your appeal. If special circumstances require an extension (not to exceed an additional 60 days), the Plan Administrator will notify you of such need within the initial 60 day period and will provide you with an estimate of the date by which a decision can be expected.

The claim and appeal procedures are available to any participant or beneficiary who wishes to submit a claim for benefit or request an appeal. The decision of the Plan Administrator is final, binding and conclusive as to any fact or interpretation relating to the Plan.

39. What legal rights do I have as a Participant in the Plan?

As a participant in the Franklin Pierce College Defined Contribution Retirement 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. Receive Information About Your Plan and Benefits:

Examine, without charge, at the Plan Administrator's office 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 description. The administrator may make a reasonable charge for the copies.

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 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 twelve (12) months. The plan must provide the statement free of charge.

b. Prudent Actions by Plan Fiduciaries

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, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit or exercising your rights under ERISA.

c. 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 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 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.

d. 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, which is the Boston Regional Office, J.F.K. Building, Room 575, Boston, MA 02203, (617) 565-9600, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210, (866) 444-3272. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at (866) 444-3272.

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