

THE JEFFERSON UNIVERSITY PHYSICIANS
RETIREMENT PLAN
SUMMARY PLAN DESCRIPTION

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THE JEFFERSON UNIVERSITY PHYSICIANS
RETIREMENT PLAN
SUMMARY PLAN DESCRIPTION

Introduction

The Jefferson University Physicians Retirement Plan (the “Plan”) was originally established as the Jefferson Faculty Foundation Retirement Plan, effective July 1, 1995, to help provide for employee security upon retirement and to satisfy immediate cash needs through the availability of withdrawals and loans. The name of the Plan was changed on December 15, 1998 when The Jefferson Faculty Foundation was renamed Jefferson University Physicians.

This booklet is not the Plan itself but is designed to give you a brief description of the benefits under the Plan that may be available to individuals who are employees on or after July 1, 2006, without going into all of the refinements and details set forth in the Plan document. The legal rights and obligations of any person having an interest in the Plan are determined solely by the provisions of the Plan. IN THE EVENT OF ANY DISCREPANCY BETWEEN THIS SUMMARY AND THE OFFICIAL PLAN DOCUMENTS OR WITH RESPECT TO ANY PROVISION NOT DISCUSSED IN THIS SUMMARY PLAN DESCRIPTION, THE PLAN DOCUMENTS ALWAYS GOVERN. If you wish to see a copy of the official Plan documents, you may do so by contacting the Plan Administrator.

General Information

- ◆ Name of Plan: The Jefferson University Physicians Retirement Plan. This summary is an explanation of the Plan.
- ◆ Participating Employers: The Plan covers employees of the Jefferson University Physicians, and any affiliate which adopts the Plan. These entities are referred to as the “JUP” in this Summary Plan Description.
- ◆ Plan Sponsor: Jefferson University Physicians
(f/k/a Jefferson Faculty Foundation)
Thomas Jefferson University
104 College Building
1025 Walnut Street
Philadelphia, PA 19107-2001
- ◆ IRS Identification Number of Plan Sponsor: 23-2809585
- ◆ Plan Number: 001.
- ◆ Type of Plan: Defined Contribution -- Profit Sharing Plan.

- ◆ Type of Administration: The Plan is administered by an individual or committee appointed by the Board of Trustees of JUP.
- ◆ Plan Administrator: Executive Director of Jefferson University Physicians.
- ◆ Agent for the Service of Legal Process: The Plan Administrator. Service may also be made on the Trustee.
- ◆ Plan Trustee: Executive Director of Jefferson University Physicians
c/o Thomas Jefferson University
104 College Building
1025 Walnut Street
Philadelphia, PA 19107-2001
- ◆ Plan Year: The Plan Year begins each July 1 and ends each June 30.

How the Plan Works

When you become a Plan participant, an individual account is established in your name. Each Plan Year, JUP may make a contribution to the Plan which is allocated to the accounts of all eligible participants on the basis of their compensation and, in some cases, years of service.

Except in certain circumstances, the Plan is designed to provide for the payment of benefits at the time you retire, terminate employment, or die. You may be entitled to withdraw or take a loan of a portion of your benefit in certain circumstances. Your ultimate benefit under the Plan is generally based on all amounts contributed on your behalf, increased by investment income and gains allocated to your account and decreased by losses and expenses, except as may be otherwise provided herein.

Who Participates in the Plan

You will be eligible to participate in the Plan if you have attained age 21, are paid on JUP's biweekly payroll and you either:

- (1) work at least 40 hours or more biweekly; or
- (2) complete 1,000 Hours of Service (see discussion below for what constitutes Hours of Service) in either your first 12 months of employment with JUP or in any Plan Year after you begin employment.

You will not, however, become a Plan participant if the Board otherwise excludes you from eligibility, you are a leased employee, an independent contractor, JUP determines that you are not a common law employee, or if you are covered by a collective bargaining agreement, unless the collective bargaining agreement specifically provides for participation in the Plan.

Participants who are eligible after completing 1,000 Hours of Service. If you become eligible to participate because you completed 1,000 Hours of Service in your first 12 months of employment, you become eligible to participate retroactive to the first day of the month coincident with or immediately following your first day of employment with JUP. If you become eligible to participate because you complete 1,000 Hours of Service during any Plan Year after your first day of employment, you become eligible to participate retroactive to the first day of that Plan Year.

EXAMPLE 1

Joe begins employment with JUP on May 11, 2003. During Joe's first twelve months of employment, he completes over 1,000 Hours of Service. Joe begins participating in the Plan on June 1, 2003, his employment commencement date.

EXAMPLE 2

Sally begins employment with JUP on May 1, 2003. During Sally's first twelve months of employment with JUP, she completes only 800 Hours of Service. Sally is not eligible to participate in the Plan retroactive to her first day of employment with JUP since she did not complete 1,000 Hours of Service in her first twelve months of employment. However, during the first Plan Year (July 1, 2003 to June 31, 2004) after she begins employment with JUP, Sally completes more than 1,000 Hours of Service. Thus, Sally begins participation in the Plan retroactive to the first day of the Plan Year in which she completes 1,000 Hours of Service, or July 1, 2003.

If you terminate employment before meeting your eligibility requirements, you may lose the Hours of Service credited to you for participation purposes, depending on whether you incur a break-in service after you terminated employment. If you terminate employment before becoming eligible to participate in the Plan and incur a break-in-service (generally, a Plan Year in which you do not complete 501 Hours of Service), any Hours of Service you completed prior to the break-in-service will be disregarded. Upon returning to employment, you will be treated as a new employee and must complete 1,000 Hours of Service in your first 12 months of employment or during any Plan Year thereafter before being eligible to participate in the Plan.

However, if you terminate employment before meeting your eligibility requirements, and return to employment before incurring a Break-in-Service (as defined below), the Hours of Service you completed prior to your termination will be aggregated with any Hours of Service you complete after your reemployment date for purposes of determining whether you completed 1,000 Hours of Service for eligibility purposes.

EXAMPLE 3

Jim begins employment with JUP on May 1, 2003, works for four months and terminates employment on September 1, 2003. Jim has completed 300 Hours of Service by his severance date. Jim returns to employment on December 1, 2003, and completes an additional 800 Hours of Service by May 1, 2004. Since Jim did not incur a break-in-service while he was absent from employment, his Hours of Service prior to his severance date are aggregated with his Hours of Service after the date he returns to work, for a total of 1,100 Hours of Service. Since Jim has completed more than 1,000 Hours of Service in his first twelve months of employment, Jim retroactively participates in the Plan to May 1, 2003.

Hours of Service. As noted above, you must generally be credited with at least 1,000 Hours of Service in your first 12 months of employment or a Plan Year to be eligible to participate in the Plan. You will be credited with an Hour of Service for each hour for which you are paid or entitled to be paid for the performance of duties. If you are not paid on an hourly basis, the Plan may utilize the following numbers to determine your Hours of Service:

Basis Upon Which Your Payroll Records Are Maintained	Credit Granted If You Earn At Least One (1) Hour Of Service During Period
Shift	Actual Hours of full shift
Day	10 Hours of Service
Week	45 Hours of Service
Month	190 Hours of Service

If you transfer employment to JUP directly from any of the Managed Affiliates listed in Appendix A, you will receive credit for Hours of Service for your employment with the Managed Affiliate. If you are paid for certain continuous non-working periods such as holidays, vacations, and sick time, you will receive credit for up to 501 Hours of Service for such periods. You will not receive credit for Hours of Service for periods during which you are entitled to worker's compensation or disability payments. You will be credited with Hours of Service equal to the Hours of Service you would have completed for certain absences for military duty, provided that you return to employment with JUP within the required time period following your leave.

Break-in-Service. You will have a break-in-service if you fail to complete at least 501 Hours of Service during a Plan Year. If you leave employment for maternity or paternity reasons, for the adoption of a child, or to care for a family member in certain circumstances, you

will be credited with the number of hours with which you would have been credited but for your absence, but in no case will you be credited with more than 501 Hours of Service for the year in which you leave employment (or the following year if you were already credited with 501 Hours of Service in the year in which you left employment).

When Does Participation Begin

If you were eligible to participate in the Plan as of the Effective Date of the Plan (July 1, 1995), you immediately began participation on the Effective Date.

All other eligible employees begin participation on the first day of the month after they become an eligible employee (see the section entitled “Participants who are eligible after completing 1,000 Hours of Service), or, if later, the first day of the month after they attain age 21.

If you terminate employment and later return to work for JUP, you will begin participation on the first day of the month after you become an eligible employee or, if you return to work before your Years of Service are cancelled, you will begin participation on the first day that you are an eligible employee.

JUP Contributions

Each Plan Year, JUP will determine the amount, if any, that it will contribute to the Plan on your behalf. These JUP contributions are credited to the Plan and allocated to the accounts of all eligible participants.

Clinicians and Executive Management. If you are employed by JUP as a clinician or in an executive management position, the JUP contribution made on your behalf for each Plan Year will equal 10% of your compensation. The Board of Trustees will occasionally reevaluate the level of contribution, and may increase or decrease the contribution in the future.

Other JUP Employees. If you are any other employee of JUP, the amount of your JUP contribution depends on the number of your Years of Service, as follows:

Years of Service	JUP Contribution
Less than 5	3.5% of your compensation
More than 5, but less than 10	4.5% of your compensation
10 or more	5.5% of your compensation

The Board of Trustees will occasionally reevaluate the level of contributions, and may increase or decrease these contributions in the future.

The Board of Trustees also reserves the right to authorize additional JUP contributions for certain employees of JUP. The Plan Administrator will contact you if an additional JUP contribution is made on your behalf.

Qualified Military Contributions. If you return to employment following a period of Qualified Military Service, you will be eligible to receive JUP contributions on the same basis as if you had continued to be employed and received pay during the period of Qualified Military Service.

Qualified Military Service is any period of time for which you are absent for military service under leave granted by JUP or required by law, provided you return to employment while your right to reemployment is protected by law.

Rollover Contributions

If you receive a distribution from an Eligible Rollover Plan, you may, with approval from the Plan Administrator, contribute all or a portion of the distribution to the Plan as a Rollover Contribution. However, you may not contribute after-tax contributions as part of any Rollover Contribution.

An “Eligible Rollover Plan” includes an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), an annuity plan described in Section 403(a) of the Code, a qualified retirement plan, an eligible deferred compensation plan described in Section 457 of the Code that separately accounts for the distribution, or an annuity contract described in Section 403(b) of the Code. You may wish to contact your personal tax advisor before making a Rollover Contribution to the Plan.

JUP Compensation. Your compensation for purposes of determining your share of any JUP contribution is your total wages or salary, overtime, commissions, overage payments, shift differential payments, bonuses and any other taxable remuneration paid during the Plan Year. The maximum amount of compensation which may be considered in determining the amount of your JUP contribution, however, is limited under federal law. This limit is periodically adjusted for cost-of-living increases and is \$200,000 in 2003.

Years of Service. You will be credited with 1/12th a Year of Service for each month that you work for JUP. Once you are credited with 12 such months, you will have completed a “Year of Service.” If you transfer to JUP directly from a Managed Affiliate, you also receive credit for any Years of Service you completed while employed by a Managed Affiliate. You also receive credit for any Years of Service you completed while employed by the University.

When you terminate employment, you will generally cease to be credited with Years of Service. However, if you retire, quit or are discharged and later return to employment with JUP within 12 months from the date you left, you will receive credit for those months that you were absent. If you were absent from work due to disability you will not be deemed to have terminated until you stop receiving benefits under JUP’s long-term disability plan. If you are on Qualified Military Service you will be credited with Years of Service during such leave provided

you return to work within the legally required time frame. If you are absent from work for any other reason than retirement, quit or discharge, and during your absence you decide to retire or quit or are otherwise discharged, you will be credited for those months you were absent from work, as long as you return to work within twelve months from the initial date of your absence.

Limits on Contributions

Federal law limits the total amount of JUP contributions that can be made on your behalf in any Plan Year. Annual contributions made by JUP on your behalf may not exceed the lesser of \$40,000 or 100% of your compensation for the Plan Year. The \$40,000 limit will be adjusted periodically for cost of living changes as required by United State Treasury Department regulations. Your compensation for the purposes of determining this limit includes all of your salary and wages reportable on your W-2 Wage Statement. In addition, if you are a participant in more than one qualified retirement plan sponsored by JUP or an affiliate, federal law limits the total amount of contributions and benefits you may receive under all such plans. The Plan Administrator will notify you in the event that any of these limits apply to you for a given Plan Year.

Vesting

Vesting refers to your right to receive payment of your account, even if you terminate employment. You will be fully vested (*i.e.*, have a 100% non-forfeitable right) to your account after you complete one Year of Service.

Effect of Termination of Employment

When you terminate employment, you may lose the Years of Service that you earned prior to your termination of employment. Whether you lose your Years of Service depends on whether you are fully vested in your account when you terminate employment.

If you are fully vested in your account when you terminate employment, and are later reemployed as an eligible employee, you retain a fully vested interest in both the amounts contributed to your account before you left employment and after you return to work. In addition, any Years of Service that you earned prior to your termination of employment will be reinstated for purposes of determining the amount of your JUP contribution.

If you are not fully vested in your account when you terminate employment (*i.e.*, you have not completed one Year of Service), you may lose any months of service which have been credited to you. If you do not work at least one Hour of Service for JUP for 5 consecutive years after your termination date, you will lose any months of service credited to you before you terminated employment. This rule applies both to months of service for determining whether you are vested in your account and the amount of your JUP contribution (if your contribution is based, in part, on the number of your Years of Service). However, if you return to work, or otherwise work at least one Hour of Service, before the end of 5 consecutive years from the date

you terminated employment, any months of service to your credit will be reinstated upon your return to employment.

EXAMPLE 4

Jane begins employment with JUP on September 1, 2003, and works six months until she terminates employment on March 1, 2004. Jane returns to employment with JUP in the year 2010. Since Jane has not worked for 5 consecutive years after her termination of employment date, Jane forfeits the six months of service to her credit and is treated as a new employee on her reemployment date.

EXAMPLE 5

Jane begins employment with JUP on September 1, 2003, and works six months until she terminates employment on March 1, 2004. Jane returns to employment with JUP on January 1, 2005. Since Jane has returned to work before the end of 5 consecutive years after her termination of employment date, Jane will not forfeit the six months of service she completed prior to leaving employment. Thus, the six months Jane completed before she terminated employment is aggregated with any months of service she earns after her reemployment date for vesting and JUP contribution purposes. Consequently, on June 1, 2005, Jane has completed an additional 6 months of service and is credited with a total of one Year of Service.

If you are absent for certain maternity or paternity reasons, the first year of your absence from employment for such reasons will be disregarded in determining whether you are absent from employment for 5 consecutive years.

Your Account

Contributions to the Plan are held in an individual account maintained on your behalf by the Plan Trustee.

Valuation of Your Account

You will receive personal statements of the value of your account. Generally, the value of your account will be adjusted by:

- ◆ Adding your JUP contributions;

- ◆ Adding or subtracting the proportionate share of the investment earnings or losses of each investment fund in which your account is invested; and
- ◆ Subtracting any withdrawals or distributions made to you from your accounts.

Investment of Your Account

At the time you become a Plan participant, you elect how your account is to be invested. You may invest your account in the Teachers Insurance and Annuities Association (TIAA) and one or more accounts sponsored by the College Retirement Equities Fund (CREF), Fidelity Investments, or the Vanguard Group. You may also invest your account with any other funding agency selected by the Plan Administrator. Complete details on the specific investment funds that are available will be provided to you at the time you become a Plan participant and may be obtained at any other time by contacting the Plan Administrator. Your election on how contributions are to be invested will remain in effect until you change it. If you fail to make an election, your account will be invested in a fund designated by the applicable funding agency. Contact your Plan Administrator for more information regarding how to change your election. Please refer to Appendix B for a list of funding agencies and applicable contact information.

The Plan is intended to be a plan described in section 404(c) of ERISA and Title 29 of the Code of Federal Regulations section 2550.404c-1. Section 404(c) of ERISA provides that if a plan, such as the Plan, permits a participant to exercise control over the investment of the assets held in his or her account, persons who are otherwise fiduciaries of the Plan will not be liable for any loss which is the direct and necessary result of the participant's exercise of such control. Thus, Jefferson University Physicians, the JUP Administrator and other fiduciaries of the Plan may be relieved of liability for any losses that are the direct result of any investment directions you may make.

The available funds are subject to change at any time. Please keep in mind that each investment fund has its own set of investment strategies and objectives, and there are varying degrees of investment risk associated with each fund. A detailed description of each fund and its investment strategies and objectives is contained in the fund's prospectus, a copy of which can be obtained from the investment company. Before directing the investment of any portion of your account under the Plan to any fund, you should carefully read the prospectus for that particular fund, and you might consider consulting an investment adviser.

Payment of Your Account

Termination of Employment. If your account balance exceeds \$5,000, you can generally elect to receive a distribution of your account any time after you terminate employment, whether by retirement, discharge, or resignation. If you elect to receive a distribution but do not elect the date you would like to receive your retirement benefits, your benefits will be paid to you within 60 days following the end of the Plan Year in which you terminate employment, have the 10th anniversary of your Plan participation, or reach Normal Retirement Age (age 65), whichever occurs last. If you neither affirmatively elect to receive a distribution nor elect the date you would like to begin receiving your distribution, you will be deemed to have elected to defer your

distribution to a later date. In any event, to comply with federal law, the Plan must begin to pay the “required minimum distribution” from your account to you no later than April 1 following the later of (i) the calendar year in which you reach age 70½ (your “required beginning date”); or (ii) the calendar year in which you terminate employment.

Form of Benefit. You may elect any form of benefit that is offered by the funding agency with which your account is invested. If you defer the receipt of your distribution to your required beginning date and do not elect a form of payment, your benefit will be paid in the form required by the Internal Revenue Code.

If you elect an annuity form of payment (payments made every month for your life), special rules apply to you if you are married. If you are single, your annuity will be paid every month for your lifetime, and will cease at your death. However, if you are married and elect an annuity form of payment, your annuity will be paid in the form of a Qualified Joint and Survivor Annuity. This means that you will receive a reduced monthly payment for your life, and after your death, your spouse will receive a monthly payment for his or her life equal to 50% (or another percentage greater than 50% if offered by your funding agency) of the benefit you were receiving. The actuarial value of a Qualified Joint and Survivor Annuity is equal to the actuarial value of a single life annuity, so your total benefits (actuarially determined) are the same whether you are married or are single. If you want to receive your annuity in a form other than a Qualified Joint and Survivor Annuity, you need to receive your spouse’s consent as provided in the section entitled “Beneficiary Designations and Spousal Consent”.

Death Before Benefit Payment Date. If you die before your benefits commence, your beneficiary can generally choose the form of payment provided under the applicable contract with which your account is invested. However, special rules apply if you have already elected a life annuity form of payment before your death. If you have already elected an annuity form of payment and you are married, your benefit will be used to purchase a single life annuity for your spouse, unless the contract with which your account is invested allows either you or your spouse to elect another form of payment. If you elect a form of payment for your spouse other than a single life annuity, you need to receive your spouse’s consent as provided in the section entitled “Beneficiary Designations and Spousal Consent”. If you have already elected an annuity form of payment and you are single, your beneficiary will receive your account in the form of a lump sum payment, unless the contract with which your account is invested allows either you or your beneficiary to elect an alternate form of payment.

Death After Benefit Payment Date. If you die after your benefits commence, your beneficiary will receive benefits in the form of payment then in effect (unless you were previously receiving a required minimum distribution, you elected to stop those distributions and you have not yet begun to receive your benefit). If you are receiving a single life annuity, your payments will cease at your death. If you are receiving a joint and survivor annuity, your beneficiary will be the person you designated on your beneficiary form when you elected a joint and survivor annuity. For all other forms of payment, if you are married at the time of your death, your beneficiary will be your spouse, unless your spouse has previously consented, as provided in the section entitled “Beneficiary Designations and Spousal Consent”, to your choice of an alternate beneficiary.

Beneficiary Designations and Spousal Consent. If you are married before your benefits begin, your beneficiary will be your spouse at the time of your death, unless your spouse consents to another beneficiary as described below.

If your benefits begin before your death, your beneficiary will be your spouse at the time that benefits began to be paid (unless your spouse consented to another beneficiary as described below and, if applicable, properly waived his or her rights to a qualified joint and survivor annuity).

If you are married and want to designate a beneficiary other than your spouse, your spouse must consent to the designation. If your spouse cannot be located or you have a court order establishing that you are legally separated and have been abandoned, you do not need to receive your spouse's consent. Otherwise, your spouse's consent must meet the following requirements:

- ◆ The consent must be in writing;
- ◆ Your spouse must consent to the specific beneficiary or beneficiaries and acknowledge your right to designate future beneficiaries without your spouse's consent;
- ◆ Your spouse must acknowledge the effect of the designation (*i.e.*, that your spouse is no longer entitled to the remainder of your account upon your death); and
- ◆ The consents must be witnessed by a notary public.

If you have elected a qualified joint and survivor annuity certain other requirements regarding the timing of your spouse's consent may apply. You will be notified of these requirements in the event they apply to you and your spouse.

If your spouse is legally incompetent, his or her legal guardian may execute the spousal consent.

If you are not married, you may name anyone as your beneficiary. The Plan Administrator will provide forms on which to designate your beneficiary.

If no beneficiary is named or living at the time of your death, your account will be paid to your estate.

Timing of Death Benefits. Your beneficiary can generally elect when he or she would like to receive the benefit payment, subject to the following requirements: (a) a single sum payment must be made prior to December 31 of the year that falls five years after your death, and (b) a life annuity or installment form of payment must begin by the December 31 of the year following the year of your death, or, if your beneficiary is your spouse, the calendar year in which you would have attained age 70 1/2, if later.

Small Benefit Payment. If your account balance is less than \$5,000, your benefit will be paid to you or your beneficiary in a single sum payment as soon as administratively practicable after your separation from service or death.

Withdrawals

While you are working, you are permitted to withdraw vested amounts credited to your account (other than amounts pledged as security for a loan). Depending upon the funding agency and subaccount from which you wish to make the withdrawal, certain restrictions may apply.

Withdrawal of Amounts in Account After 2 Years. You may withdraw any or all of the vested interest in your account, provided that the amounts that you wish to withdraw have been in your account for at least two years prior to the date of the withdrawal.

Withdrawal After Participating for 5 Years. If you have been a Plan participant for more than five years, you may withdraw any or all of the vested interest in your accounts.

Withdrawal After Age 59½. You may withdraw any or all of your vested interest in your account after you reach age 59½.

Withdrawal of Rollover Contributions. You may withdraw any or all of your Rollover Contributions at any time.

Hardship Withdrawal. In the case of an immediate and heavy financial need, you may withdraw up to the full amount of your vested account. The circumstances that can give rise to an immediate and heavy financial need are limited, under federal law, to:

- ◆ the purchase of your primary residence (excluding mortgage payments);
- ◆ the need to make payments to prevent the foreclosure of a mortgage on, or your eviction from, your primary residence;
- ◆ your incurring medical expenses for yourself, your spouse or one of your dependents;
- ◆ the payment of tuition and related educational fees for the next 12 months of post-secondary education for yourself, your spouse or one of your dependents;
- ◆ any immediate and heavy financial need which would otherwise prevent you from feeding or sheltering your family; or
- ◆ any other immediate and heavy financial need as determined by the Plan Administrator.

The amount you withdraw may not exceed the amount necessary to satisfy your need after you have liquidated other available assets, borrowed from commercial sources and obtained all available loans and other withdrawals from the Plan and any other plan of an affiliate. The amount of your withdrawal is considered ordinary income and is, therefore, subject to automatic 20% federal income tax withholding when withdrawn. Generally, a 10% federal tax penalty also applies to withdrawals, unless the withdrawal is used to pay medical expenses which are deductible on a participant's federal income tax return, the participant is disabled, or the participant is 59½ or older at the time the withdrawal is distributed.

Loans

Application. The Plan permits you to borrow money from your account by completing and submitting the proper forms to the Plan Administrator and funding agency, if such loans are allowed by the funding agency with which your account is invested.

Approval. You are not permitted to have more than one loan outstanding at any time under the Plan.

Amount of Loan. You may borrow a minimum of \$1,000 and a maximum of the lesser of (a) \$50,000 or (b) 50% of your account. However, the \$50,000 limit is reduced by your highest loan balance outstanding during the one-year period preceding the date the loan is made.

Security. You must pledge 50% of the vested interest in your account to secure any loan.

Loan Term. A loan from the Plan shall be for at least one year, but no more than five years plus any period of Qualified Military Service.

Repayment. All loans must be repaid within 60 months plus any period of Qualified Military Service. The rate of interest you pay on the amount you borrow will be a competitive commercial rate established by the Plan Administrator or the funding agency with which your account is invested. The interest rate will remain fixed for the term of the loan. You may prepay the entire balance of the loan without penalty after one year.

Spousal Consent. If you have already elected an annuity form of benefit, you need to receive your spouse's consent before obtaining a loan.

Qualified Military Service. Your loan repayments will be suspended during any period of Qualified Military Service and the repayment term will be extended, beyond five years if necessary, for such period.

Default. If you do not repay the loan when it becomes due and payable, the balance of the loan will be deducted from your account as of the earliest date your account can be distributed to you. The Plan Administrator or the Trustee may also pursue other legal remedies that they deem necessary or appropriate.

Direct Rollovers

By written notice to the Plan Administrator, at such time in advance as the Plan Administrator may prescribe, you may request that all or part of any eligible rollover distribution you receive from the Plan, other than a required minimum distribution after age 70½, an annuity payment or one of a series of installment payments being made over an individual's life expectancy or 10 or more years, or a hardship withdrawal, be rolled over directly from the Trustee to the trustee or custodian of an eligible retirement plan. An eligible retirement plan can be an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), an annuity plan described in Section 403(a) of the Code, a qualified retirement plan that accepts

rollover distributions, an eligible deferred compensation plan described in Section 457 of the Code, or an annuity contract described in Section 403(b) of the Code. The Plan Administrator will notify you if any amount to be distributed to you is an eligible rollover distribution for which this transfer election is available. Special tax withholding rules apply to any portion of an eligible rollover distribution which is not rolled over directly to an eligible retirement plan. See the section entitled “Tax Withholding,” below.

Top-Heavy Provisions

Under current federal tax laws, the Plan is required to contain provisions which will take effect if the Plan becomes “top-heavy.” The Plan will be considered top-heavy if the value of the accounts for certain “key” employees exceeds 60% of the value of the accounts for all participants. If the Plan becomes top-heavy, a minimum contribution will be made for the benefit of each “non-key” employee who is eligible to participate in the Plan.

Taxation

JUP contributions made on your behalf are not taxed as income for federal income tax purposes in the year contributed. Likewise, the earnings on your account are not taxed in the year earned. Federal income taxes will be due on all such untaxed money in your account when you take payment or you are deemed to take payment of such untaxed money. This includes JUP contributions and all earnings in your account.

Early Distribution Penalty. Distributions from the Plan are subject to federal income tax in the year you receive the money. The 10% federal tax penalty described under the “Withdrawals” section does not apply to payments from your account made after you terminate employment at or after age 55, attain age 59½, become disabled or die. However, if you leave employment before one of the above-mentioned events occurs and take a payment of your account, the 10% federal tax penalty will apply unless you roll over the proceeds as described below. State and local taxes may also apply.

Rollover to an IRA or Other Qualified Plan. If you terminate employment (or make a withdrawal at 59½ or older), you can postpone federal income taxes even longer and avoid the 10% federal tax penalty, by rolling over a distribution of your account balance (other than the minimum required distribution) into an eligible retirement plan. An eligible retirement plan can be an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), an annuity plan described in Section 403(a) of the Code, a qualified retirement plan that accepts rollover distributions, an eligible deferred compensation plan described in Section 457 of the Code, or an annuity contract described in Section 403(b) of the Code. Rollovers must be completed within 60 days from the date you receive the check representing your Plan distribution. However, special federal tax withholding rules may apply to distributions that are not directly rolled over. (See “Tax Withholding” below.)

Because tax consequences of distributions vary depending on factors such as age, marital status, and other income, you are urged to consult your personal tax advisor to determine how to treat any distribution for tax purposes.

Tax Withholding

Under federal law, it is mandatory for 20% to be automatically withheld from any eligible rollover distribution, unless you elect, on forms provided by the Plan Administrator, to have the distribution transferred directly to an eligible retirement plan. (See “Direct Rollovers” for a definition of an eligible retirement plan.)

Distributions from the Plan which are not eligible rollover distributions are subject to federal income tax withholding, unless you elect not to have tax withheld. You will receive a tax withholding election form before you receive such a distribution. If you elect to have tax withheld from the distribution, by law the withheld amount will be calculated according to schedules published by the Internal Revenue Service. In certain cases, the amount withheld may not cover the actual tax due.

Tax Information on Distributions and Withdrawals

You will receive IRS Form 1099R providing you with tax filing information for all distributions paid to you from the Plan. The form will be sent to you by the January 31 following the year in which a payment was made. As required by law, a copy of these forms will be forwarded to the Internal Revenue Service.

Non-Assignment of Benefits

Federal law provides that you may borrow against the value of your account or assign your rights under the Plan as collateral for a loan or for any other purpose. Your interest in the Plan is also not subject to any lien, execution, garnishment, attachment, or pledge, except to satisfy a Qualified Domestic Relations Order (“QDRO”). While the Employee Retirement Income Security Act of 1974 (“ERISA”) generally protects plan benefits against creditors, a QDRO is an exception. A QDRO is a court order that creates or recognizes an alternate payee’s (for example, your spouse, former spouse, or child) right to part or all of your plan benefits. The Administrator will notify you if the Plan receives a domestic relations order and will also determine, within a reasonable period of time, if the order is qualified. You and each alternate payee will be notified of the decision. To obtain a copy of the Plan’s procedures free of charge, contact the Administrator.

Loss, Reduction, or Suspension of Benefits

Under certain circumstances, your benefits may be lost, reduced, or suspended. These circumstances include the following:

- ◆ all or a portion of your benefits are directed to be paid to your spouse, former spouse, or child pursuant to a qualified domestic relations order;
- ◆ your benefits are subject to a federal tax levy, or used to offset amounts that certain judgements or settlement agreements require you to pay to the Plan;
- ◆ you do not provide the Plan Administrator with your most recent address and you cannot be located;
- ◆ you fail to make proper application for benefits or fail to provide necessary information;
- ◆ the value of your account decreases due to investment losses;
- ◆ you default on a loan from the Plan; and
- ◆ you terminate employment and forfeit the non-vested portion of your account.

Claims Procedure

The Plan Administrator will advise you of any benefits to which you are entitled under the Plan. If you believe that the Plan Administrator has failed to provide you with any benefit to which you are entitled under the Plan, you may file a written claim with the Plan Administrator. The Plan Administrator will respond to your claim within 90 days (or in special cases, and upon prior written notice to you, 180 days). If you are denied a claim for benefits, the Plan Administrator will provide you with a notice setting forth in simple terms:

- ◆ the specific reason or reasons for the denial;
- ◆ specific reference to the Plan provisions upon which the denial is based;
- ◆ a description of any additional material needed so that a benefit may be paid and an explanation of why such material or information is necessary; and
- ◆ an explanation of the claims review procedure under the Plan and the time limits applicable to the claims review procedure, including a statement of your right to bring a civil action under section 502(a) of ERISA following denial of your claim under the claims review procedure.

You will also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim. Within sixty days of the date that you receive a notice denying a claim, you or your duly authorized representative may request (in writing) a full review of the claim by the Plan Administrator. In connection with such review, you or your duly authorized representative may review relevant documents and may submit issues and comments in writing. The Plan Administrator will make a decision promptly, and not later than 60 days after receipt of the request for review, unless special circumstances require an extension of time for processing. In that case, a decision will be

rendered as soon as possible, but not later than 120 days after receipt of the request for review. The decision on review will include:

- ◆ the specific reason or reasons for the denial;
- ◆ specific reference to the Plan provisions upon which the denial is based;
- ◆ a description of your right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and
- ◆ a statement of your right to bring a civil action under section 502(a) of ERISA.

The Plan Administrator's decision on review will be final and binding on all parties. No person may bring an action for any alleged wrongful denial of Plan benefits in a court of law unless the claims procedures set forth above are exhausted and a final determination is made by the Plan Administrator. In addition, no person may bring an action in a court of law if he fails to comply with the time limits described above. If the terminated employee or other interested person challenges a decision of the Plan Administrator, a review by the court of law will be limited to the facts, evidence and issues presented to the Plan Administrator during the claims procedure set forth above. Facts and evidence that become known to the terminated employee or other interested person after having exhausted the claims procedure must be brought to the attention of the Plan Administrator for reconsideration of the claims determination. Issues not raised with the Plan Administrator will be deemed waived.

Plan Administrator

The Plan Administrator is the Executive Director of Jefferson University Physicians. All matters relating to the administration of the Retirement Plan, including the duties imposed upon the Plan Administrator by law and the interpretation of Retirement Plan provisions, except those duties relating to the control or management of Retirement Plan assets other than the selection of available investment funds, are the responsibility of the Plan Administrator. The Plan Administrator has the authority, in the Plan Administrator's sole discretion, to interpret the Retirement Plan and resolve ambiguities therein, to develop rules and regulations to carry out the provisions of the Retirement Plan, to make factual determinations, and to resolve questions relating to eligibility for and the amount of benefits. All interpretations, determinations, etc. made by the Plan Administrator pursuant to the Plan Administrator's authority shall be subject to review only for abuse of discretion.

Termination and Amendment of the Plan

It is expected that this Plan will continue indefinitely, but JUP reserves the right to modify, suspend or discontinue contributions to the Plan at any time. JUP may decide to amend or terminate the Plan because of a change in federal or state laws governing retirement benefits, the requirements of the Internal Revenue Service or Department of Labor or for any reason whatsoever. Moreover, the Vice President of Administration or his delegate may make certain

technical amendments to the Plan. JUP may transfer Plan assets and liabilities to another plan or split the Plan into two or more parts.

In the event of termination or complete discontinuance of contributions to the Plan, accounts will be distributed in accordance with applicable law. No events, other than those special circumstances permitted by the Plan, will cause any assets in participants' accounts to be returned to JUP.

No amendment to the Plan will reduce your vested interest in the portion of your account attributable to contributions made before the amendment. If the vesting schedule of the Plan is amended, and if you have three or more years of service to your credit, you may elect to have your vested interest in future contributions determined under the old vesting rules. However, the Plan may be amended to change the formula which determines the amount of future JUP contributions allocated to your account.

Termination Insurance

The Employee Retirement Income Security Act of 1974 (ERISA) created the Pension Benefit Guaranty Corporation (the PBGC), which provides federal insurance for certain retirement benefits. The benefits under this Plan are not insured by the PBGC. The PBGC insures only pension plans that promise a fixed level of benefits without regard to whether sufficient contributions have actually been made. Under the Plan, the benefits promised are exactly equal to contributions actually made (adjusted for withdrawals, distributions and investment experience), so no insurance is provided.

Your Rights under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants are entitled to:

- ◆ Examine, without charge, at the Plan Administrator's office and at other specified locations, 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 Plan 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 your current account balance and whether you have a right to receive a vested benefit at normal retirement age (age 65). If you do not have a vested right to a benefit, the statement will tell you how many more years you have to work to earn a vested right. This statement must be requested in writing and is not required to be given more than once every twelve 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 upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called “fiduciaries” 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 pension benefit or exercising your rights under ERISA.

Enforce Your Rights. If your claim for a pension 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 the 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 that is denied or ignored, in whole or in part, you may file suit in a state or federal court after exhausting the Plan’s benefit claims procedure. In addition, if you disagree with the Plan’s decision or lack thereof concerning the status of a qualified domestic relations order after exhausting the Plan’s benefit claims procedure, you may file suit in a federal court. If it should happen that the 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 the 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 office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

APPENDIX A

MANAGED AFFILIATES

(As of July 1, 2003)

Please check with the Plan Administrator to see if other entities have been designated as Managed Affiliates.

Thomas Jefferson University Hospital – Ford Road Campus

(periods prior to January 1, 1995)

Children’s Rehabilitation Hospital

(periods prior to January 1, 1995)

Methodist Hospital

Jefferson Faculty Foundation

(periods beginning on or after July 1, 1995)

Thomas Jefferson University Hospital

Thomas Jefferson University

* Entities shall qualify as Managed Affiliates only for the periods designated, if any.

APPENDIX B

FUNDING AGENCIES AND CONTACT INFORMATION

(As of October 1, 2003)

Investment Company	Web Address	Customer Service #/ Hours of Operation
TIAA CREF	www.tiaa-cref.org	1-800-842-2776 Mon – Fri 8 A.M. – 10 P.M. Sat 9 A.M. – 6 P.M.
Vanguard	www.vanguard.com	1-800-523-1188 Mon – Fri 8:30 A.M. – 9 P.M.
Fidelity	www.fidelity.com/atwork	1-800-343-0860 Mon – Fri 8 A.M. – Midnight