My retirement, my choice

Retirement Choice Decision Guide
For Johns Hopkins University Support Staff

March 18 – April 15, 2011

» Explore » Compare » Choose
You need to make an important decision regarding your retirement benefits. This guide walks you through the Retirement Choice process. From March 18 – April 15, 2011, you have a one-time opportunity to choose how you wish to accrue future retirement benefits beginning July 1, 2011. Your options include remaining in the Support Staff Pension Plan (and Staff Voluntary 403(b) Plan) or moving to the new Johns Hopkins University 403(b) Plan.

This guide helps you understand your options and takes you through the steps involved in making your choice.

This Choice Decision Guide does not provide full details of Johns Hopkins University’s retirement plans and constitutes neither a summary plan description nor a legal commitment to provide benefits. If there are any discrepancies between the information in this brochure and the official plan documents, the plan documents will govern. Johns Hopkins University continues to reserve the right to amend, modify, or terminate its benefit plans at any time, for any reason, with or without prior notice, to the extent allowable by law. Participation in the plans is not a guarantee of continuing employment with Johns Hopkins University. All estimates shown are based on assumptions that may or may not be realized and are used for illustrative purposes only.
### IMPORTANT LEGAL NOTICE

The Johns Hopkins University Support Staff Pension Plan is being amended, effective July 1, 2011, to provide that no additional support staff employees will become participants in the Pension Plan (including support staff participants rehired by the university on or after July 1, 2011). As part of Retirement Choice, current Pension Plan participants as of June 30, 2011 will make an irrevocable decision whether to stay in the Support Staff Pension Plan or move to the new Johns Hopkins University 403(b) Plan effective July 1, 2011. If a Choice-eligible support staff member chooses to move to the new 403(b) Plan effective July 1, 2011, he/she will no longer accrue any additional pension benefits. In addition, future increases in compensation and service will not affect the value of those accrued Pension Plan benefits. Current Pension Plan participants who are not fully vested in their Pension Plan benefit accrued through June 30, 2011, will continue to be credited with vesting service while they remain employed by the university.

These retirement plan changes could result in a reduction in future benefit accruals for participants. Because of this, the university is required to provide you with this legal notice pursuant to Section 204(h) of the Employee Retirement Income Security Act and Section 4980F of the Internal Revenue Code.

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</tbody>
</table>
Welcome to Retirement Choice

You are receiving this information because you have an important choice to make about how you will accrue future retirement benefits at Johns Hopkins University. We want to assist you with this choice by providing resources, including this Retirement Choice Decision Guide, to help you select the retirement plan that’s right for you. You have a one-time opportunity to choose between two retirement plans: the Support Staff Pension Plan\(^1\) (with matching contribution to the Staff Voluntary 403(b) Plan) or the new Johns Hopkins University 403(b) Plan.

This Retirement Choice Decision Guide has been organized into three sections — Explore, Compare, and Choose. These three sections take you through the process of learning more about your options, comparing your benefits under each retirement plan option, and choosing the retirement plan that’s right for you. It is organized in the same way as the online Choice Tool, which is available for your use starting March 18, 2011.

**Explore** Explore your plan options by learning more about how each retirement option works and the resources available to you.

**Compare** See how the plans compare by walking through an example. Then, go online and take a look at how your own retirement benefits compare under each option using the Choice Tool at benefits.jhu.edu/mychoices.

**Choose** After you have carefully weighed your options, you must make a choice using the Choice Tool. Directions on how to access this site are included on page 19 of this guide.

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You must make your Retirement Choice between March 18 and April 15, 2011. If you do not make an election during this time, you will remain in the Support Staff Pension Plan (and Staff Voluntary 403(b) Plan) and permanently lose the opportunity to make another choice.

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\(^1\) If you choose the Support Staff Pension Plan, the Staff Voluntary 403(b) Plan will continue to provide a 20% university match on the first 3% of base pay you contribute.
Overview of the Retirement Choice Process

Planning for your future is important — especially when it means deciding how your future Johns Hopkins University retirement benefits will be determined.

You have a one-time opportunity to choose between two retirement plans:

**OPTION 1**
Support Staff Pension Plan
This is your current retirement plan. You also have access to the Staff Voluntary 403(b) Plan, which offers a university match on your contributions.

**OPTION 2**
Johns Hopkins University 403(b) Plan
This is a new 403(b) retirement plan that allows you to earn automatic university contributions. If you select this option, you will receive a university contribution, regardless of your own level of contributions.

The Retirement Choice period is March 18 through April 15, 2011. During this time, you will need to decide how you wish to accrue your future retirement benefits.

After you make your choice:
- Your choice becomes effective July 1, 2011.
- Any benefits you've accrued under the Support Staff Pension Plan will be retained and paid at retirement (regardless of which option you choose).
- You will not be able to change your decision after the Choice Period has ended on April 15, 2011.

Johns Hopkins University's retirement benefits play an important role in your financial future. Understanding this important choice will help you make the decision that's right for your future.

Go to [benefits.jhu.edu/mychoices](https://benefits.jhu.edu/mychoices) to make your Retirement Choice
Retirement Plans At-A-Glance

To get smart about your choice, it's important that you understand how your two retirement options work and their key differences.

<table>
<thead>
<tr>
<th></th>
<th>Support Staff Pension Plan¹</th>
<th>Johns Hopkins University 403(b) Plan ²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How your benefit is determined</strong></td>
<td>Based on a formula that takes into account your length of service, earnings/salary history, and your age when retirement income payments begin</td>
<td>Account balance includes contributions made by Johns Hopkins University, you and investment returns²</td>
</tr>
<tr>
<td><strong>Who makes investment decisions</strong></td>
<td>Johns Hopkins University</td>
<td>You do</td>
</tr>
<tr>
<td><strong>How your benefit is protected</strong></td>
<td>A portion of your benefit is insured by the Pension Benefit Guaranty Corporation³</td>
<td>Subject to volatility in the financial market performance</td>
</tr>
<tr>
<td><strong>When you are vested</strong></td>
<td>You are 100% vested upon becoming a participant in the plan (generally after two years of service)⁴</td>
<td>You are 100% vested in contributions made by you and the university upon becoming a participant in the plan</td>
</tr>
<tr>
<td><strong>When contributions are made to the plan</strong></td>
<td>JHU periodically makes contributions to the plan's trust as required by law</td>
<td>Your contributions are made every pay period; university contributions are made once a month at the end of the month</td>
</tr>
<tr>
<td><strong>Your contributions</strong></td>
<td>None — fully paid by Johns Hopkins University</td>
<td>You may contribute from $15/month pre-tax up to the IRS limit, which is $16,500 in 2011, if under age 50 or $22,000, if age 50 or older</td>
</tr>
</tbody>
</table>

¹ If you select this option, you also have access to the Staff Voluntary 403(b) Plan with a university matching contribution.

² The rate of return on 403(b) plan investments will depend on the performance of the investment options you select. Like other investments, a positive return on your investment is not guaranteed.

³ To learn more about how your pension benefit is protected, visit the Pension Benefit Guaranty Corporation website at [www.pbgc.gov](http://www.pbgc.gov).

⁴ If your first day of employment was prior to July 1, 1993, you become fully vested after five years of service.
After You Make a Choice

You have until April 15, 2011 to decide how to accrue future Johns Hopkins University retirement benefits. You will not be able to change your decision after April 15, 2011.

If you…

If you…

If you continue in the Support Staff Pension Plan, you will:

• Continue to earn pension benefits; the university will continue to contribute to the Plan
• Continue to be eligible to participate in the Staff Voluntary 403(b) Plan with matching university contributions (you are immediately 100% vested in all contributions made by you and the university); your current contribution rate and investment elections will continue unless you change them

Essentially, there will be no change to the way in which your plan is administered or funded. Remember, you can choose to start making your own contributions to the Staff Voluntary 403(b) Plan at any time.

If you move to the Johns Hopkins University 403(b) Plan, you will:

• Begin receiving university contributions to the Plan starting in July 2011
• Need to select an investment company and investment funds for your contributions and the university’s contributions
  - If you do not make an election, all contributions will be invested in the TIAA-CREF target date funds
  - If you elect an investment company and do not select a fund, all contributions will go to that company’s target date fund
• Have the option to make your own before-tax contributions to the Plan beginning with the first pay period in July 2011; if you currently contribute to the Staff Voluntary 403(b) Plan, your current contributions and investment elections will continue unless you change them
• Stop earning benefits under the Support Staff Pension Plan; you will, however, retain the benefit you’ve accrued under the Plan through June 30, 2011, which will be paid to you when you retire
• No longer be eligible to participate in the Staff Voluntary 403(b) Plan with matching contributions; however, your current balance will be automatically reflected in your new 403(b) Plan account.

Worried about making investment decisions?

We make it easy for you. See the Retirement Checklist on page 13.
Support Staff Pension Plan

How the Plan Works

Every year you work at least 988 hours with the university, you accrue a credited year of service, which is used in determining your future retirement benefit. Your benefit is also based on your earnings/salary history and your age when retirement benefits begin. You do not make any contributions to the plan.

How “Pay” is Defined

For purposes of the Pension Plan, pay is your base rate of compensation on each July 1. Earnings do include your contributions made to the Staff Voluntary 403(b) Plan but do not include overtime, commissions, bonuses, shift differential and any other additional compensation you might receive.

How Your Benefit Is Calculated

(Note: Capitalized terms are defined in the Glossary of Terms)

Your benefit is computed as two percent of your Career Average Earnings multiplied by years of service as a plan participant on or after July 1, 1989. This amount is added to any benefits you had accrued prior to July 1, 1989 as shown below:

\[
\text{(2\% \times \text{Career Average Earnings}) \times (Years of Service on or after 7/1/89)}
\]

Benefits accrued prior to 7/1/89

If You Were Hired Before July 1, 1989...

Your retirement benefits also take into account your service prior to July 1, 1989. So your pension formula is as follows:

- 1.15% of your Average Annual Earnings (as of June 30, 1989) up to your Covered Compensation on June 30, 1989, multiplied by your years of Credited Service as of June 30, 1989; plus
- 1.8% of your Average Annual Earnings (as of June 30, 1989) in excess of your Covered Compensation as of June 30, 1989, multiplied by your years of Credited Service as of June 30, 1989; plus
- 2% of your Career Average Earnings multiplied by your years of Credited Service on and after July 1, 1989.
An Example — How your retirement benefit is determined

Maria was hired after July 1, 1989 and has 10 years of service. She turned 55 last month and is thinking about Early Retirement. Because Maria is at least 55 years old, she is eligible for the Early Retirement benefit. Or, she could wait and receive her Normal Retirement benefit, which would begin the first day of the month on or following her 65th birthday.

Based on her annual earnings below, the following example shows Maria’s annual income in retirement.

<table>
<thead>
<tr>
<th>Year of Service</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$22,500</td>
</tr>
<tr>
<td>2</td>
<td>$26,500</td>
</tr>
<tr>
<td>3</td>
<td>$27,600</td>
</tr>
<tr>
<td>4</td>
<td>$28,400</td>
</tr>
<tr>
<td>5</td>
<td>$29,300</td>
</tr>
<tr>
<td>6</td>
<td>$30,300</td>
</tr>
<tr>
<td>7</td>
<td>$31,300</td>
</tr>
<tr>
<td>8</td>
<td>$32,200</td>
</tr>
<tr>
<td>9</td>
<td>$33,100</td>
</tr>
<tr>
<td>10</td>
<td>$33,100</td>
</tr>
</tbody>
</table>

Using Maria’s information on the left, here’s how her Normal Retirement benefit is determined:

- **Maria’s Total Earnings Over a 10-Year Period**: $294,300
- **Maria’s Career Average Earnings**: $29,430
- **Two Percent of Career Average Earnings**: $588.60
- **Annual Retirement Benefit**: $5,886
- **Monthly Retirement Benefit**: $490.50

In this example, Maria could receive $490.50 a month for life on her Normal Retirement Date, if her retirement income is paid in the form of a Ten Years Certain and Life Annuity.

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1You may receive Early Retirement benefits on the first day of any month on or following your 55th birthday and before your normal retirement date.
Early Retirement
If Maria chooses to retire before her Normal Retirement date, this is considered Early Retirement. Her benefit would be reduced as shown in the table below. This reduction accounts for the additional years during which she would receive payments.

<table>
<thead>
<tr>
<th>Years Before Normal Retirement Date</th>
<th>Early Retirement Factor</th>
<th>Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>100.0%</td>
<td>$490.50</td>
</tr>
<tr>
<td>1</td>
<td>92.8%</td>
<td>$455.18</td>
</tr>
<tr>
<td>2</td>
<td>85.6%</td>
<td>$419.87</td>
</tr>
<tr>
<td>3</td>
<td>78.4%</td>
<td>$384.55</td>
</tr>
<tr>
<td>4</td>
<td>71.2%</td>
<td>$349.24</td>
</tr>
<tr>
<td>5</td>
<td>64.0%</td>
<td>$313.92</td>
</tr>
<tr>
<td>6</td>
<td>60.4%</td>
<td>$296.26</td>
</tr>
<tr>
<td>7</td>
<td>56.8%</td>
<td>$278.60</td>
</tr>
<tr>
<td>8</td>
<td>53.2%</td>
<td>$260.95</td>
</tr>
<tr>
<td>9</td>
<td>49.6%</td>
<td>$243.29</td>
</tr>
<tr>
<td>10</td>
<td>46.0%</td>
<td>$225.63</td>
</tr>
</tbody>
</table>

Late Retirement
If Maria retires after her 65th birthday, this is considered Late Retirement. Maria would then be eligible for the Late Retirement benefit. For Late Retirement, the calculation is essentially the same as the Normal Retirement calculation. However, Maria would have more years of service and earnings before she ends employment. These would be included in the calculation.

Investment Options
As a Support Staff Pension Plan participant, you do not make decisions about how plan assets are invested; the university makes these decisions. Your benefit grows based on your years of service and earnings/salary history.

Vesting
Vesting means that you have earned the right to your benefit. In general, you are considered vested as soon as you enter the plan (generally after two years of service).¹

Remember, if you choose to stay in the Support Staff Pension Plan, you continue to be eligible to participate in the Staff Voluntary 403(b) Plan, which offers a university match on your contributions.

¹ If your first day of employment was prior to July 1, 1993, you are vested after five years of service.
Receiving Support Staff Pension Plan Benefits

When you leave Johns Hopkins University — whether you retire or otherwise end employment — you are able to receive your benefit. Here's how.

Retirement

When you retire from Johns Hopkins University (which assumes you are 55 or older), the value of your benefit will take the form of an annuity. An annuity is a payment of your benefit in equal amounts, on a monthly basis, over a certain period of time. Johns Hopkins University offers several types of annuity options to meet retirees’ personal situations.

If the total value of your benefit is less than $5,000, you will receive the benefit as a lump sum payment.

Termination of Employment

If you leave Johns Hopkins University before you are eligible to retire, you may still receive your benefit. The way you receive your benefit depends on the value as described below.

• If the total value of your benefit is $5,000 or less: you will receive a lump sum payment. You may have the amount rolled over into an Individual Retirement Account (IRA) or other tax-qualified retirement plan to avoid tax penalties.

• If the value of your benefit is more than $5,000: you will begin to receive your benefit as an annuity when you reach retirement age. You may request to receive your payments sooner, following the day you turn 55. However, the benefit will be reduced.

If You Die

If you die before retirement, your benefit will be payable to your spouse or beneficiary on file. If you would like to update your beneficiary information, please complete the form on the Benefits website.
Johns Hopkins University 403(b) Plan

(A new plan option effective July 1, 2011)

Building retirement income is a shared responsibility between you and the university. With the Johns Hopkins University 403(b) Plan, you and the university work together to invest in your future.

Your retirement account balance grows based on:
• Your contributions,
• The university's contributions, and
• Investment income on your total account balance.

Your contributions to the 403(b) Plan are made to your account every pay period with university contributions made to your account at the end of each month, giving your account the opportunity to grow throughout the year. Not only will the account grow with contributions, it also has the potential to grow as a result of investment returns on your balance.

You decide how to invest your contributions and the university's contributions by choosing among a variety of funds offered by our financial vendors. All investment earnings and/or losses are reflected in your account.

How the Plan Works

Employee Contributions

The minimum amount you may contribute is $7.50 of your eligible pay each pay period. Your contributions are made on a before-tax basis. You decide which of the plan's investment choices you want your money invested in. You may change your contributions to your plan account or stop making contributions at any time.

The maximum amount you may contribute annually is regulated by the IRS — for 2011, your annual before-tax maximum is $16,500, if you are under age 50 and an additional $5,500, if you are age 50 or older.

1 The maximum amount you may contribute annually is regulated by the IRS — for 2011, your annual before-tax maximum is $16,500, if you are under age 50 and an additional $5,500, if you are age 50 or older.

“Base Pay”
The pay used to determine contributions to the 403(b) Plan includes your taxable wages as reported on your W-2 statement. It does not include overtime, commissions, bonuses, shift differentials, and any other additional compensation you might receive.

Johns Hopkins University Contributions

As a plan participant, the university will provide you with an automatic contribution of 4% of base pay, if you are under age 35 with at least two years of service, and 8% of base pay, if you are age 35 or older. If you are under the age of 35 with less than two years of service, there is no university contribution.

The following chart shows the amount of university contributions:

<table>
<thead>
<tr>
<th>Your Age as of July 1, 2011</th>
<th>University Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under age 35</td>
<td>4%</td>
</tr>
<tr>
<td>(with at least two years of service as of July 1, 2011)</td>
<td></td>
</tr>
<tr>
<td>35 or older</td>
<td>8%</td>
</tr>
</tbody>
</table>
An Example — How university contributions can add up

Meet Adam. Adam is age 37 and eligible for the 8% automatic university contribution. His gross semi-monthly pay is $1,150. Adam decides to contribute 3% of his pay to his retirement account. When his contribution is combined with the university contribution, it adds up to 11% of pay. Here's what that means in terms of dollars.

<table>
<thead>
<tr>
<th>Contributions Add Up</th>
<th>8% x $1,150</th>
<th>$92.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>University automatically contributes 8% of Adam’s pay</td>
<td>8% x $1,150</td>
<td>$92.00</td>
</tr>
<tr>
<td>Adam contributes 3% of his pay semi-monthly</td>
<td>3% x $1,150</td>
<td>$34.50</td>
</tr>
<tr>
<td>Total deposited into the Plan</td>
<td>11% x $1,150</td>
<td>$126.50</td>
</tr>
<tr>
<td>Total deposited into Adam’s account per year at current salary rate</td>
<td>$126.50 x 24 (pays/yr)</td>
<td>$3,036.00</td>
</tr>
</tbody>
</table>

Take advantage of special tax rules — before-tax contributions

You contribute money to your account before federal and most state taxes are withheld. This lowers your current taxable income and allows you to pay less in taxes. So, for the above example:

<table>
<thead>
<tr>
<th>When Adam contributes...</th>
<th>Adam pays taxes on...</th>
<th>At an approximate tax rate of...</th>
<th>So, Adam pays in taxes...</th>
</tr>
</thead>
<tbody>
<tr>
<td>None (0%) of his pay the entire year</td>
<td>$29,900.00 (his annual salary)</td>
<td>15%</td>
<td>$4,485.00 this year</td>
</tr>
<tr>
<td>3% of his pay the entire year</td>
<td>$29,003.00 (his annual salary minus $897 in 403(b) contributions)</td>
<td>15%</td>
<td>$4,350.45 this year</td>
</tr>
</tbody>
</table>

Adam’s tax savings would be about $135 a year ($4,485 minus $4,350) if he contributes just 3% to the plan. He could realize even more tax savings by increasing his contribution.
More about taxes — tax-deferred growth
Your account also grows on a tax-deferred basis. So, you won’t have to pay taxes on your contributions or on investment earnings until you withdraw the money from your account.

Investment Options
The Johns Hopkins University 403(b) Plan offers a variety of investment choices, ranging from conservative to aggressive, from several different investment companies. You decide which investment company(ies) to use based on the resources we make available. After you have made your selection(s), you will need to enroll with the investment company you have selected. If you do not select your investment mix, your contributions will automatically default into that investment company’s Target Date Funds, as described below.

Vesting
You are always fully vested in your contributions and the university’s contributions to the Johns Hopkins University 403(b) Plan.

Choose Your Own Funds vs. A One-Stop One-Fund Solution
Building your own portfolio (or mix of investments) may seem overwhelming, but you don’t have to be financially savvy to do so. It comes down to selecting a mix of stock and bond funds that will help you meet your retirement goals, taking into account how much risk you’re willing to take and how many years you have until retirement. You can use the online retirement tools offered by any of the university’s financial vendors to see how different strategies might affect your retirement benefit. If you’re not interested in doing some of the leg work required in developing and managing your portfolio, Target Date Funds may be right for you. The advantage of these funds is that they give you quick and easy access to a diversified portfolio based on when you plan to retire.

Overwhelmed by investment options?
A one-stop, one-fund solution, “Target Date Funds,” may be for you. Simply determine what year you’d like to retire and let your investment company do the rest. Each fund is a mix of cash, bonds and stocks. Over time, your fund is routinely rebalanced and becomes incrementally more conservative. For more information about the Target Date Funds available, see benefits.jhu.edu/retirement for access to the university’s financial vendors and the prospectus information they provide.

Before making your investment choices, it’s important that you understand the risks and potential rewards of each investment option. Specific information can be found in the prospectus for each fund choice.
A Retirement Checklist
If you decide to participate in the new 403(b) Plan, you will need to choose a financial vendor and the investment funds for your university contribution. You can also choose to make your own contributions to the new 403(b) Plan. To help you make the best decision, consider these tips:

- **Explore each financial vendor’s investment planning tools.** Visit the financial vendors’ websites (accessible via benefits.jhu.edu/retirement) for retirement planning tools, calculators and publications that can help you reach your financial goals.

- **Set up an investment counseling session with your vendor.** Regular one-on-one meetings with an investment counselor will help you determine what your financial goals should be, how to achieve them, and help keep you on track. You can access a schedule of these sessions at benefits.jhu.edu/mychoices.

- **Choose how much to contribute.** Talking with a financial counselor or using an online investment tool can help you determine how much you should be contributing monthly in order to achieve your financial goals.

- **Choose your investment approach.** You should consider all the investment options provided to you by your financial vendor. You can choose to invest your money in conservative Target Date Funds, or higher-risk funds, which could provide greater gains over the long term.

- **Evaluate your plan allocations and contributions — now and annually.** You should review your contribution and investment choices annually to ensure you remain on track to achieve your financial goals. Factors such as salary increases and market conditions are important to consider when reviewing your portfolio. You want to keep a diverse portfolio to protect your assets from market fluctuations.

- **Rebalance your portfolio annually.** Market fluctuations can throw your assets off balance, meaning you need to rebalance your portfolio to keep your investments aligned with your goals. Rebalancing your portfolio won’t guarantee protection against losses, but it can help you stay on track.
Receiving Your 403(b) Plan Benefits

You are able to receive your full, vested account balance when you retire, leave employment, become disabled or die. You may also elect to receive your voluntary unmatched contributions while you are still an active employee, without incurring any tax penalties, provided you are at least age 59½. You may choose to receive your benefit as a lump sum or installments, or you may purchase an annuity.

Payment Options
When you retire or leave Johns Hopkins University, whatever your age, you have several options for how to handle your account balance. You can:

• Receive a distribution from your account immediately* — as a lump sum, installments or you may purchase an annuity
• Roll over or transfer your account balance to a new employer’s qualified plan — if permitted by that new employer
• Roll over your account balance to an IRA
• Leave the money in the plan — as long as you begin receiving benefits at age 70½.

*If you terminate employment with Johns Hopkins University before retirement, you can receive the full value of your account immediately, although you may be subject to additional taxes and penalties if you are not retirement age.

If You Die
If you die before you retire, your account balance will be payable to your spouse or beneficiary.

Update Your Beneficiaries
You can update your beneficiary information by contacting your financial vendor.
The Retirement Choice Tool: Consider and Compare

The Choice Tool (located at benefits.jhu.edu/mychoices) is based on your personal data. It has been pre-populated with your age, base salary, date of hire, and 403(b) account balances, as of February 28, 2011. It calculates your accrued Support Staff Pension Plan benefit and projects your future retirement benefits under the Pension Plan, the Staff Voluntary 403(b) Plan and the new Johns Hopkins University 403(b) Plan.

You have the ability to change the underlying assumptions and see how these assumptions impact your personal results. These are assumptions only, and in no way guarantee future salary increases or investment earnings. Looking at your estimated results at different points in the future will help you to better understand how choosing one retirement plan over the other may ultimately impact you.

When comparing your retirement plan options, it's important to:

- **Verify your personal data.** Verify that your personal information including your date of birth, date of hire and salary information is correct, as of February 28, 2011.
- **Compare the plans.** Review your estimated projected benefits under each plan and look at several different sets of assumptions.
- **Think about the future.** As you weigh your options, think about how long you plan to work for Johns Hopkins University and how much you expect to earn on your 403(b) plan investments.

### Choice Tool Assumptions
Some of the assumptions that are part of the Choice Tool include:
- Projected salary increases
- Investment returns

Benefits for the 403(b) Plan and the Pension Plan are shown either as lump sum equivalents or as monthly amounts.

**An Example — How benefits compare**

Let's walk through an example that shows how benefits might compare for a fictional support staff member who is eligible for Retirement Choice. This employee must choose between the Support Staff Pension Plan and the new Johns Hopkins University 403(b) Plan for future retirement benefits. Consider Monica, a 38-year-old employee who has worked for the university for a little more than five years. Her current base salary is $39,369.
**Compare the Plans: Graph and Table Views**

Monica enters the Choice Tool to view how her benefits compare under each option—Option 1, the Support Staff Pension Plan (her current plan) and Option 2, the new 403(b) Plan. Her personal data is first displayed as a line graph that looks like this. Following the blue line, Monica sees that Option 2, the 403(b) Plan yields a greater retirement benefit until age 55, at which point, Option 1, the Support Staff Pension Plan yields a greater benefit.

Monica can view actual values by changing the display from “graph view” to “table view.” Her personal data for each year will be displayed; some key dates are shown in the table below.

<table>
<thead>
<tr>
<th>Age</th>
<th>Pension Plan</th>
<th>Voluntary 403(b) Match</th>
<th>Total</th>
<th>New 403(b) Plan</th>
<th>Voluntary 403(b) Match</th>
<th>Pension Plan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>$7,000</td>
<td>$1,000</td>
<td>$8,000</td>
<td>$0</td>
<td>$1,000</td>
<td>$7,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>40</td>
<td>$12,000</td>
<td>$1,600</td>
<td>$13,600</td>
<td>$5,400</td>
<td>$1,100</td>
<td>$7,700</td>
<td>$14,200</td>
</tr>
<tr>
<td>45</td>
<td>$31,100</td>
<td>$3,800</td>
<td>$34,900</td>
<td>$27,800</td>
<td>$1,500</td>
<td>$10,400</td>
<td>$39,700</td>
</tr>
<tr>
<td>50</td>
<td>$63,900</td>
<td>$7,000</td>
<td>$70,900</td>
<td>$61,400</td>
<td>$2,100</td>
<td>$13,900</td>
<td>$77,400</td>
</tr>
<tr>
<td>55</td>
<td>$119,200</td>
<td>$11,600</td>
<td>$130,800</td>
<td>$110,800</td>
<td>$3,000</td>
<td>$18,800</td>
<td>$132,600</td>
</tr>
<tr>
<td>60</td>
<td>$201,300</td>
<td>$18,300</td>
<td>$219,600</td>
<td>$182,800</td>
<td>$4,100</td>
<td>$24,300</td>
<td>$211,200</td>
</tr>
<tr>
<td>65</td>
<td>$362,900</td>
<td>$27,900</td>
<td>$390,800</td>
<td>$286,500</td>
<td>$5,800</td>
<td>$34,800</td>
<td>$327,100</td>
</tr>
</tbody>
</table>

Note that Monica contributes to the Staff Voluntary 403(b) Plan, which offers a 20% university match on the first 3% of pay that Monica contributes. Only employer money (in this case, the match) is displayed on the table.

If Monica stays in the Support Staff Pension Plan and continues to contribute to the Staff Voluntary 403(b) Plan, she will continue to receive this match. If she moves to the new 403(b) Plan, her match will stop. Instead, Monica will begin receiving the university contribution of 8% of pay because she is over age 35. Monica would also continue to earn investment returns on her prior university match.
Compare the Plans: Try Different Scenarios

While modeling her data, Monica discovers she can view several different scenarios — conservative, moderate or aggressive — or choose her own. These financial scenarios are all based on assumptions around how quickly her pay will increase and how high her investment returns will be. It’s a good idea to try out each of these scenarios and decide which one suits your own tolerance for risk. Your results will change based on the assumptions you choose.

What to Consider When Making Your Choice

<table>
<thead>
<tr>
<th>What to Consider When Making Your Choice</th>
<th>Option 1 might be better for you if...</th>
<th>Option 2 might be better for you if...</th>
<th>How the Choice Tool can help</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your age when you leave JHU</td>
<td>You plan to stay at JHU for a long time.</td>
<td>You don’t plan to stay at JHU long term.</td>
<td>Consider what age you anticipate leaving JHU. Then compare your estimated benefit at that age.</td>
</tr>
<tr>
<td>Your salary</td>
<td>You expect your salary to increase significantly over time.</td>
<td>You don’t expect a significant salary increase.</td>
<td>Under “Assumptions” on the right side of your screen, click “enter your own assumptions,” then adjust your rate of pay increase to see how it will affect your results.</td>
</tr>
<tr>
<td>Your risk tolerance</td>
<td>You prefer to know in advance how much you will have at retirement or the uncertainty of the stock market fluctuations worries you.</td>
<td>You feel you can afford a little more risk because you have a longer time to build your retirement savings.</td>
<td>You can adjust your risk factor by choosing “conservative,” “moderate,” or “aggressive” under “Assumptions.”</td>
</tr>
<tr>
<td>Your confidence in managing your own investments</td>
<td>You don’t want to bother with investments and would rather leave investment management up to professionals.</td>
<td>You want some control over how your money is invested and feel comfortable providing some direction to financial vendors.</td>
<td>See above.</td>
</tr>
</tbody>
</table>

Be sure to take the time to model your results based on different scenarios and your anticipated career path. While this list is not exhaustive, it can help you to focus on factors that could lead to greater financial gains.

### Assumptions

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Pay Increase</th>
<th>Investment Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Moderate</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Aggressive</td>
<td>4%</td>
<td>9%</td>
</tr>
<tr>
<td>Choose your Own</td>
<td>0-5%</td>
<td>1-10%</td>
</tr>
</tbody>
</table>

Note: The three scenarios above are based on assumptions we believe are reasonable, based on consultation with the plan’s consultants. However, other assumptions may also be reasonable and produce different results. You may also choose and model your own assumptions.
**Keep in Mind**

You may use the Choice Tool at [benefits.jhu.edu/mychoices](http://benefits.jhu.edu/mychoices) as often as you wish during the Retirement Choice period. The tool is secure, available 24/7, and Internet based. You may access it from any computer, and you'll need your JHED ID and password to login.

The Choice Tool is set up in much the same way as this Choice Decision Guide. The tool walks you through three steps — **Explore, Compare** and **Choose** — that help you arrive at a final decision.

As you consider your two retirement plan options and think about which one offers you the best benefits in the future, please keep the following facts in mind:

<table>
<thead>
<tr>
<th>Support Staff Pension Plan</th>
<th>Johns Hopkins University 403(b) Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Benefits tend to grow more slowly earlier in your career and more rapidly as you reach retirement age.</td>
<td>• Generally, the younger you are the more time your money has to grow. This may give you a larger benefit when it comes time to retire.</td>
</tr>
<tr>
<td>• You must wait until you reach retirement age to receive your benefit.</td>
<td>• You choose your investments and manage them over time. This means you will have more control over your finances (you may also see more volatility depending on the market and fund performance).</td>
</tr>
<tr>
<td>• You cannot receive a lump-sum payment at retirement (unless your benefit is $5,000 or less).</td>
<td>• You have flexibility when it comes to managing your portfolio. You can make changes (rebalance) at any time if your funds are not performing the way you’d like.</td>
</tr>
<tr>
<td>• The university selects the plan investments and assumes investment risk.</td>
<td>• Your benefit is portable. You can receive a lump-sum payment of your account when you leave, or roll over amounts into an IRA or other qualified retirement plan. (You may also select installments or establish an annuity if you retire.)</td>
</tr>
<tr>
<td>• Benefits are payable as an annuity for your lifetime.</td>
<td>• You’ll need to consider how much money you need at retirement and contribute accordingly to ensure that you have enough money to retire.</td>
</tr>
<tr>
<td>• Depending on the payment option you choose, benefits may also continue for your spouse.</td>
<td></td>
</tr>
</tbody>
</table>

While the future is uncertain, and the benefits you ultimately receive will be influenced by your investment returns and employment, we hope that the Choice Tool will help you make the choice that is right for you.
Making Your Choice

The Choice Tool will help you make your one-time retirement plan decision during the Retirement Choice period, which runs from March 18 – April 15, 2011. Here’s how to access the Choice Tool.

**STEP 1**
From any computer with Internet access, go to the myChoices website at benefits.jhu.edu/mychoices. Then click on Retirement.

**STEP 2**
Look under Related Links and click on the Retirement Choice Tool.

**STEP 3**
Input your Johns Hopkins University JHED ID and password.

**STEP 4**
Once logged into the Choice Tool, follow the three steps — **Explore, Compare, Choose** — to elect your choice. Remember, you must make your final choice online by April 15, 2011.

If you have technical difficulties entering the Choice Tool, please contact the Benefits Service Center at 410-516-2000 or email the Benefits Team at retirementchoice@jhu.edu.

Investing in Your Future

The Johns Hopkins University Retirement Program provides you with the opportunity to build the financial resources you need for the future.

Through Retirement Choice, you have a one-time opportunity to decide whether the Support Staff Pension Plan or the Johns Hopkins University 403(b) Plan is a more beneficial plan for you.

It is important that you understand your options and make a choice between March 18 and April 15, 2011. It’s up to you to decide which plan can best help you invest in your future.
**Accrued Benefit** – A benefit that you have earned by satisfying the benefit plan’s rules.

**Annuity** – A benefit paid to you in monthly installments over your lifetime — or the lives of you and your beneficiary(ies). Under the Support Staff Pension Plan, you can elect any of the following annuity payment options: A lifetime annuity; a lifetime annuity with at least 10 or 20 years of payments guaranteed, regardless of if you die before the end of that period; or an annuity with 10 years of payments guaranteed and then continuing to your beneficiary at the same or reduced level (50%, 66.7% or 75%). Of course, the value of the monthly annuity varies depending on the option chosen.

**Automatic University Contribution** – Once you are eligible, the university makes a contribution to the 403(b) Plan in your name. You do not need to contribute to the plan to receive this automatic contribution.

**Average Annual Earnings** – Your highest average Earnings received during any 5 consecutive years in the last 10 years before July 1, 1989. Average Annual Earnings is a factor used in determining your retirement benefit under the Support Staff Pension Plan.

**Base Salary/Earnings** – Under the Support Staff Pension Plan, your Base Pay is defined as your basic rate of compensation on each July 1. Base Pay does include contributions made on your behalf under salary deferral arrangements or tax-sheltered annuity plans but does not include overtime, commissions, bonuses, shift differential and any other additional compensation you might receive. The yearly amount of Earnings that may be used in determining your benefit cannot exceed the limit imposed by the federal government.

**Beneficiary** – The person(s) named to receive a plan benefit in the event of your death. If you die before benefits are paid to you, your spouse is automatically your beneficiary for purposes of the plan’s survivor benefit. When electing a payment option at retirement, your spouse is also your beneficiary, unless he or she consents to your naming someone else.

**Career Average Earnings** – The sum of all of your Earnings on and after July 1, 1989 or your date of participation, if later, divided by your Credited Service on and after July 1, 1989.

**Covered Compensation** – The maximum amount of compensation for which old age and survivors’ insurance benefits would be provided under the Social Security Act. Covered compensation is computed as the average of the taxable wage base for each year in the 35-year period ending with the year in which the employee attains the Social Security retirement age.

**Credited Service** – Credited Service is the portion of your university employment used in calculating the amount of your retirement income. Credited Service includes full years and completed months (any month during which you complete more than 15 days of employment). Credited Service does not include periods when you are no longer actively employed in an eligible class or when you are receiving disability payment under the university’s group long term disability program.

**Defined Benefit Plan** – A pension plan under which Johns Hopkins University is responsible for funding (or providing) your benefit. Johns Hopkins University makes all contributions to this plan, decides how to invest the money, and assumes the investment risk. The plan benefit is based on a formula that takes into consideration your Average Annual Earnings, Career Average Earnings and Credited Service. You receive a monthly income upon your retirement.
**Defined Contribution Plan** – A 403(b) retirement plan to which both you and the university may contribute. You choose how the money in your account is invested based on the investment options you select; you bear the investment risk. Your savings are portable — in the event you leave Johns Hopkins University.

**IRS Pre-tax Limits** – The Internal Revenue Service sets limits each year on the amount of money you may contribute to a 403(b) Plan. The limit for 2011 is $16,500, if you are under age 50. If you are age 50 or older, you may also make annual “catch-up” contributions — in 2011 the limit on these additional contributions is $5,500.

**Individual Retirement Account (IRA)** – A tax-deferred retirement account to which you can make current contributions, rollover voluntary contributions at age 59½, or rollover all contributions when you leave the university.

**Investment Earnings** – Interest and/or dividend income that you earn on your investment.

**Investment Risk** – The probability that the actual return on an investment is lower than your expectations. All investments have some level of risk based on the unpredictability of the financial markets.

**Lump-Sum** – A form of payment that allows you to receive your defined contribution benefit in a single lump-sum after you leave Johns Hopkins University.

**Monthly Accrued Benefit** – The pension benefit payable at retirement age that you have earned under the Support Staff Pension Plan.

**Pension Benefit Guaranty Corporation (PBGC)** – The federal agency responsible for protecting pension benefits in private-sector defined benefit plans. The university pays premiums to the PBGC, which guarantees benefits (up to certain amounts provided by law) for participants and beneficiaries in the event the Support Staff Pension Plan terminates with insufficient assets to pay benefits.

**Portability** – The ability to take the total value of your benefit with you when your employment ends. The 403(b) Plan offers portability because you can roll over the full value of your account into another tax-qualified plan should you leave Johns Hopkins University for any reason.

**Retirement** – For purposes of the Support Staff Pension Plan, it is termination from employment with Johns Hopkins University with a plan benefit after having satisfied the age requirements for retirement.

**Risk Tolerance** – An investor’s ability to handle a decline in his or her portfolio.

**Rollover** – The direct reinvestment of your Johns Hopkins University retirement benefits into another eligible employer retirement plan or an IRA.

**Retirement Choice Period** – The period from March 18 through April 15, 2011 during which eligible support staff must make a one-time choice of whether to stay in the current Support Staff Pension Plan or move to the Johns Hopkins University 403(b) Plan for future benefit accruals. If an employee currently participates in the Staff Voluntary 403(b) Plan, the employee will only continue to be eligible to receive a matching contribution if he/she remains in the Support Staff Pension Plan.

**Vesting** – Your right to receive your retirement benefit when you retire or leave Johns Hopkins University. In general, you are 100% vested in the Support Staff Pension Plan upon becoming a plan participant (generally after two years of service)¹. In the 403(b) Plan, you are 100% vested in contributions made by you and the university upon becoming a plan participant.

**Years of Service** – The consecutive 12-month period (beginning with your date of employment) in which you complete at least 988 hours of service with Johns Hopkins University. Years of service are used to determine plan eligibility and contributions to your Support Staff Pension Plan.

¹ If your first day of employment was prior to July 1, 1993, you became vested after five years of service.