

KEY FEATURES OF THE EMERITI PROGRAM:

Emeriti Retirement Health Solutions is pleased to offer the Emeriti Program, a tax-advantaged way to save now for health care costs during retirement. Emeriti is a practical and comprehensive solution to providing retiree health benefits for employees of colleges, universities and other higher-education-related tax-exempt organizations. The core design features of the Emeriti Program innovative model include:

- a **tax-advantaged** way to invest and accumulate assets exclusively to help meet future retiree medical expenses—the *Emeriti Health Accounts*—with services provided by Fidelity Investments
- a specially designed **health-insurance program for retirees and their dependents** that complements Medicare—the *Emeriti Health Insurance Plan Options*—underwritten by Aetna Life Insurance Company
- an innovative, tax-free way to pay for other **qualified out-of-pocket medical expenses**—the *Emeriti Reimbursement Benefit*—administered by FBD Consulting Inc., a third-party administrator

Additional information regarding the Emeriti Retirement Health Solutions Plan may be found at: <www.emeritihealth.org> or by contacting HR Services at: (717) 245-1503.



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At a Glance

HIGHLIGHTS OF THE
EMERITI RETIREMENT
HEALTH SOLUTIONS PLAN
AT DICKINSON COLLEGE

For Active Employees

Dickinson College has adopted a retiree health plan that provides benefits through the Emeriti Program, and you are eligible to participate in the plan. The information in this brochure will help explain your eligibility and how to access benefits under the plan.

EMERITI BENEFITS:

Emeriti benefits will be available to you upon retirement. In addition, eligible dependents can participate and will continue to receive benefits after your death.

Eligible dependents may be your spouse, dependent children and dependent relatives, as defined by IRS guidelines, or a same-sex domestic partner with affidavit of domestic partnership.

TAX ADVANTAGES OF EMERITI PLAN:

Emeriti health savings accounts have a particular tax advantage that will make your savings dollars go further for health care expenses in retirement. Based on a Voluntary Employee Beneficiary Association (VEBA) Trust, funds deposited into Emeriti accounts grow tax-free over time, and when distributions are made for qualified medical benefits in retirement, they are tax-free, too. This is different from the dollars you've invested in your IRA or 403(b) retirement-savings plans where distributions are taxed when withdrawn in retirement. The VEBA, by contrast, provides you with one-third more purchasing power, on average, for health care expenses than the dollars distributed from your regular retirement accounts.

WHEN EMPLOYER CONTRIBUTIONS BEGIN:

After July 1, 2005, Dickinson College began to make employer contributions with Fidelity Investments for eligible employees. Eligibility for employer contributions begins when you reach age 35 if you have at least one year of service to the college. The amount of Dickinson's annual contribution will be determined by your number of years employed at Dickinson and the schedule of benefits in effect at the time the contribution is made.

WHEN EMPLOYER CONTRIBUTIONS END:

Dickinson will cease making employer contributions to each eligible employee's Emeriti savings account as soon as one of the following occurs:

- Dickinson has made 25 years of contributions to the account
- the employee ceases employment at the college
- the employee dies

YOUR ABILITY TO MAKE EMPLOYEE CONTRIBUTIONS:

On January 1, 2006, you may begin to make voluntary employee contributions to an Emeriti Retirement Health Plan savings account if you are 21 years of age or older. These contributions will be made on an after-tax basis. Unlike many retirement-savings instruments, such as IRAs or Roth IRAs, there is **no** limit to how much you can save in a given year in Emeriti. Tax-free distributions for health-insurance premiums or other qualified medical expenses are available after retirement.

ELIGIBILITY TO BEGIN USING EMERITI HEALTH INSURANCE BENEFITS OPTIONS:

If you cease employment having met Dickinson's criteria for retirement eligibility, have attained age 65 and have enrolled in Medicare, you will be eligible to purchase the Emeriti Health Plan Option coverage. Various plan options are available to provide supplemental insurance to Medicare and prescription coverage through Emeriti. Your eligible dependents also may be permitted to enroll at that time.

YOUR RIGHT TO USE THE FUNDS IN YOUR EMPLOYER CONTRIBUTION ACCOUNT:

- If you cease employment with Dickinson due to either satisfying the retirement eligibility or becoming

permanently disabled, 100 percent of the balance of the Dickinson-contribution account will remain available, subject to the rules of the college's plan. These funds can be used to pay for health-insurance premiums and other qualified medical expenses.

OR

- If you cease employment with Dickinson without having satisfied the criteria for retirement eligibility or without having become permanently disabled, you will forfeit 100 percent of the balance of the Dickinson-contribution account, unless you have been employed by Dickinson for five years.

Please note: After five years of employment, employer-contribution funds will remain invested for your use at the time of retirement. If you leave the college or die with less than five years of service, employer contributions will be forfeited. Risk of forfeiture only applies to **employer** contributions. Voluntary **employee** contributions (money you contribute) from your after-tax income will not be subject to these forfeiture rules. Distributions may begin when you reach age 60.

FORFEITURE OF RESIDUAL BALANCE:

Subject to the rules described above, your account is available to pay health-insurance premiums and other qualified expenses for you and your eligible dependents. If there is any residual balance remaining in your Emeriti voluntary employee account (money you contributed) after you and the last of your eligible dependents are deceased, these amounts will be allocated among other participants in the Emeriti plan at Dickinson.

SPECIAL NOTE:

This brochure is intended to provide a brief overview of certain key features of the plan as it will be implemented at Dickinson College. Please consult your Summary Plan Description (SPD), to be sent to you during fall 2005, for a complete explanation of the terms and conditions of the plan, as well as your rights and responsibilities.

Dickinson College reserves the right to amend, modify or terminate the program at any time for any reason.

Please keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

**Additional information regarding the
Emeriti Retirement Health Solutions
Plan may be found at:
<www.emeritihealth.org>**