

Dr. S. K Avery
President and Director
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Institution Note

To All Members and Beneficiaries of the Retirement Plan for Employees of Woods Hole Oceanographic Institution,

On March 31, 2011, I sent you a communication regarding the Institution's Defined Benefit Retirement Plan and a restriction being imposed by federal law that limits lump sum payment benefit elections. At that time, I informed you that effective April 1, 2011 and until such time that the restriction is lifted, three (3) distribution options, in accordance with federal law, are available to Members eligible for a retirement distribution. In addition to these three (3) distribution options, the Board of Trustees, Executive Committee has approved two (2) additional distribution options to provide more flexibility.

The three (3) federally mandated Distribution Options are as follows:

1. *Deferred Benefit* – wait to receive your Plan benefit (either in a 100% lump sum payment or any other form of payment) at a later date when the restriction no longer applies; or
2. *Immediate Split Benefit* – split the benefit by taking a partial lump sum payment and an immediate monthly annuity for the remaining balance; or
3. *Immediate Annuity* – receive a monthly annuity of your full Plan benefit.

The Board of Trustees, Executive Committee has approved two (2) additional distribution election options for benefits commencing on or after May 1, 2011, offering you more flexibility and choice when making your retirement elections:

4. *Bifurcated Commencement Option* – commence the unrestricted portion of your benefit immediately as a lump sum and defer the restricted portion to a later date after the restriction no longer applies; or
5. *Bifurcated Temporary Election Option* – split the benefit by taking a partial lump sum payment and an immediate monthly annuity for the remaining balance; under this option, you will generally be able to re-elect a lump sum on the monthly annuity portion during the 12 month period after the restriction no longer applies.

Members eligible to commence their retirement benefit while the restriction is in place will receive more detailed information regarding the above available options in their benefit election packages. The Human Resources website will also be updated with more detailed information regarding the available options.

I again want to reiterate that the benefit restriction does not reduce the value of your accrued benefit. Although the restriction limits distributions to a partial lump sum, you can receive 100%

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of the value of your distribution as a monthly annuity if you so elect. Should you have any questions regarding the distribution restriction, please contact one of the following:

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Best regards,

Susan K. Avery
President and Director