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# Human Resources: Defined Benefit Plan

## Benefit Restriction lifted effective April 1, 2013

The Institution's Defined Benefit Retirement Plan has been under a Benefit Restriction since April 1, 2011. In accordance with federal law, this restriction was imposed as a result of the Plan's assets falling below 80% of its liabilities. During this restriction, the Plan's ability to make lump sum payments was limited to 50% of the individual's total accrued (earned) benefit.

Effective as of April 1, 2013, the Plan's funding percentage will exceed the 80% threshold and the Benefit Restriction will be lifted to allow the Plan to resume paying 100% of an individual's accrued benefit as a lump sum. The lifting of the restriction will remain in effect through at least March 31, 2014 at which point the Plan is subject to its annual reevaluation. See the special memo dated March 28, 2013.

## Defined Benefit Plan Highlights

IMPORTANT: Effective January 1, 2010, no new participants will be allowed to enter the Defined Benefit Plan but will be eligible to participate in the new Defined Contribution Retirement Plan. Effiective December 31, 2010, the Defined Benefit Plan will be placed under a soft-freeze for current participants with all future retirement benefits being earned through the new Defined Contribution Retirement Plan. For more information, please view the official 204(h) Notice for a detailed explanation of Plan changes.

The Institution offers and pays for a non-contributory Defined Benefit Plan. Employees are automatically enrolled in the Defined Benefit Plan on the first day of the month following the completion of one year of eligible service.

Employees hired before January 1, 2006 are vested in the Plan benefit when they have completed three years of vesting service. Employees hired on or after January 1, 2006 are vested after completing five years of vesting service. Employees earn a year of vesting service for each calendar year that he or she is paid for at least 1,000 hours (125 days for marine crew employees).

In general, the Plan provides retirement income that takes into account years of credited service* with WHOI and eligible compensation for the five calendar years (in the last 10 years of employment) during which pay was the highest.

The Defined Benefit Plan offers a variety of annuity options and, in some cases, employees may choose to receive a portion of their pension as a lump sum payment.

**one full year of credited service is working at least 2,080 hours in a service year.*

*Last updated: December 4, 2013*

**Related Files**

» 2014 DB Plan Restriction Announcement - memo dated 3/5/2014
The DB Plan will remain out of restriction until March 1, 2015 due to the Plan's assets remaining above 80% of its liabilities.

» 90-Day Notice Provision - memo dated 2/26/2014
Notice explaining the 90-day notice requirement for DB Plan distributions.

» Benefit Restriction - Special Memo dated 3/28/2013
Effective April 1, 2013, the Benefit Restriction under the DB Plan has been lifted.

» 2012 Annual Funding Notice
This notice provides important financial information regarding the funding of the DB Plan as well as federal guidelines that govern the Plan to protect your pension plan benefits.

» 204(h) Notice of Plan Changes effective 12/31/2010
This notice is required to inform Plan Participants of the changes to the Defined Benefit Plan effective on December 31, 2010.

» Required Notice to Employees regarding IRS Determination of DB Plan
This notice is required as part of the periodic submission of the Plan to the Internal Revenue Service (IRS) to check on its continued tax qualified status, including its compliance with laws and regulations, under a mandated IRS program to verify the Plan's status every five years.

» Retirement Estimate Request Form
Use this form to notify Human Resources of your actual retirement date OR to request an estimate.

» DB Plan Summary Plan Description (SPD) Booklet
This Summary Plan Description booklet describes the principal features of the Retirement Plan as amended through January 1, 2013, and replaces all prior descriptions of the DB Plan retirement benefits.

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Mail: Woods Hole Oceanographic Institution, 266 Woods Hole Road, Woods Hole, MA 02543, USA.
E-Contact: info@whoi.edu; press relations: media@whoi.edu, tel. (508) 457-2000
Problems or questions about the site, please contact webdev@whoi.edu