BERKLEE COLLEGE OF MUSIC, INC.

RETIREMENT PLAN

SUMMARY PLAN DESCRIPTION

NOVEMBER 2012

EMENDEND FEBRUARY 2014

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THE RETIREMENT PLAN--OVERVIEW

The Berklee College of Music Retirement Plan is a defined benefit pension plan that is designed to provide you with income after you retire to supplement Social Security benefits and any other retirement plan and personal savings that you may have. This booklet describes the Plan. Here are some highlights of the Plan.

- The Plan provides benefits to eligible faculty and staff who were hired by the College before January 1, 2012. In addition, the Plan provides benefits to certain part-time faculty who convert to full-time on or after January 1, 2012 in accordance with the FACULTY CONTRACT AGREEMENT.

- Full Plan benefits are payable for your lifetime if you leave the College at age 65 or later.

- Immediate benefits, in an amount adjusted for early payment, are payable if you leave the College before age 65.

- You have a vested (or nonforfeitable) right to part of your earned benefit at retirement, after earning three years of service, or once you reach age 55, regardless of when you leave the College.

- Your spouse may be eligible to receive a portion of the benefit you earned if you die before receiving Plan benefits.

- The Plan offers a number of payment options so that you can select the method that best suits your needs.

  As required by federal law, the lump sum payment option may be limited based on the Plan's funded status, or may not be available to certain highly-paid participants whose benefits exceed a value determined from time to time by federal regulations.

- Your benefit may not be attached, garnished, or levied by creditors or courts. However limited legal exceptions apply, for example, in divorce proceedings.

- The College pays the entire cost of the Plan. The Plan's assets are held in a trust fund specifically for the purpose of providing benefits and paying the Plan's expenses.

This booklet is a plan summary, and does not contain all details about the plan. The actual terms of the Plan are stated in the plan document, the legal document governing your rights and benefits under the plan. Copies of the plan document are available without charge from the Office of Human Resources. If there are any conflicts between this Summary Plan Description and the plan document, the plan document will control.

If you have any specific questions about the Plan, contact the Office of Human Resources.

Future of the Plan

Berklee College of Music, Inc. expects to continue the Plan, but reserves the right to change or end the Plan at any time, subject to applicable collective bargaining agreements. The College's decision to change or end the Plan may be due to changes in federal or state laws governing benefits, the requirements of the Internal Revenue Code or ERISA, or any other reason.

WHO CAN PARTICIPATE IN THE PLAN

Your participation in the Plan begins automatically on the first day of the month on or after you

- are at least 21;
- have completed **one year of service;** and,
- were hired before January 1, 2012.

A year of service is any calendar year in which you complete at least 600 hours of service.

You are not eligible to participate in the Plan if you are a part-time faculty member represented by the Berklee Chapter of the Massachusetts Federation of Teachers Local 4412, AFT, AFL-CIO agreement with the College. (The Plan provides benefits to certain part-time faculty who convert to full-time on or after January 1, 2012 in accordance with the FACULTY CONTRACT AGREEMENT.) Certain other employees of the College, including temporary and contract employees are also not eligible to participate.

SERVICE

The Plan recognizes two kinds of service.

- ***years of service*** determines when you earn a vested, or nonforfeitable right to a benefit, and

- ***years of participation*** is one of the factors used to determine the amount of your benefit.

Your service is measured in hours. You earn an "hour of service" for each hour for which you are paid, or entitled to payment for the performance of duties for the College. You may also earn hours of service during a non-working period, such as PTO, an approved leave of absence (sabbatical, maternity leave), or long-term disability. If you receive back pay for hours not included above, they also count as hours of service.

Years of Service

You receive one year of service for each calendar year in which you are credited with at least 600 hours of service.

For service before May 31, 1976, you receive one year of service for each year in which you were credited with 1,000 or more hours of service. If you were credited with at least 350 hours of service from June 1, 1976 through December 31, 1976, you will receive one year of vesting service for that period.

Years of Participation

Generally, you are credited with one year of participation for each calendar year in which you work 600 or more hours, provided you are at least age 21 (prior to 1985 this age requirement was 25) and have completed one year of service. If you become disabled and are receiving benefits from the College's Long-Term Disability Plan or Social Security, you are credited for the period of your disability for as long as you remain disabled until your normal retirement age (or earlier, if you elect early retirement).

Leave of Absence While in the Military

You may be entitled to reemployment and other rights after a period of "Uniformed Service" under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), including continuing credit for hours of service and continuation of benefit accruals under the Plan. For purposes of USERRA, "Uniformed Service" includes service in the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health Service Commission Corps, as well as the reserve components of each of these services. Training or service in the Army National Guard or the Air National Guard also constitutes service in a "Uniformed Service." Please contact the Plan Administrator for more information regarding your rights while on a military leave of absence.

Break In Service

If you do not accumulate more than 501 hours of service in a calendar year, you will incur a break in service. There are two exceptions to the break-in-service rule.

- If you are on an approved leave of absence, including a sabbatical, your absence will not be considered a break in service.
- If you are absent from work because of pregnancy, the birth of a child or your adoption of a child, or to care for a child right after birth or adoption, you will be credited with the hours of service that would have been normally credited for the absence, up to eight hours per day for up to eight weeks. The hours of service will be credited in the year in which your absence begins if necessary to prevent a break in service. Otherwise, the hours will be credited the following year.

During a break in service, you do not earn additional service for vesting or participation.

Reemployment

If you have terminated employment with the College or experience a break in service and are subsequently reemployed by the College, your prior service under the Plan will be reinstated once you complete one year of service after your rehire date.

However, if you receive a lump sum payment of your plan benefit after your employment has ended or during a break in service, you must repay the amount of the lump sum distribution plus interest as compounded annually using the rate determined by federal regulation in order to have your service restored. Such repayment must be made by the earlier of five years after the first date on which you are subsequently reemployed, or at the close of five consecutive one (1) year breaks in service commencing with the date of distribution.

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WHEN YOU CAN RECEIVE YOUR BENEFIT

Normal Retirement: employment ends @ age 65

Your normal retirement date is the first day of the month on or after your 65th birthday. If your Berklee employment ends then, you will receive your fully accrued Plan benefit.

Early Retirement: employment ends between ages 55 - 65

If your Berklee employment ends between ages 55 and 65 you may elect to receive your monthly benefit immediately, or you may postpone payment to a later date until your normal retirement date. If you choose to receive your benefit before age 65, it will be reduced to reflect early payment.

Postponed Retirement; employment ends after age 65

If you continue working beyond age 65, your Plan benefit will be determined based on your earnings and service at the time your Berklee employment actually ends. Payment of your benefit will begin after your postponed retirement date.

If you are still employed by the College when you attain age 70-½, you will not be required to begin receiving special benefits called Minimum Required Distributions from the Plan until after your employment ends.

Employment ends before age 55

Benefit payment may begin when your employment ends, or you may postpone payment.

HOW YOUR BENEFIT IS CALCULATED

Your benefit is based on your years of participation (as defined earlier), your final average earnings and the covered compensation level in effect in the year before you reach Social Security retirement age.

Final average earnings is your average eligible compensation for the 60 consecutive calendar months that produce the highest average during your last 120 months of employment. Your eligible compensation includes all your wages, including your employee pre-tax benefits contributions (*e.g.* 403(b), medical, dental); but excludes certain income, such as payment under the College's 457(f) arrangement for certain executives, Berklee Media facilitator pay, and relocation-related payments.

As required by law, annual compensation in excess of the limitation imposed on compensation for qualified retirement plans will be disregarded for all purposes of the Plan. The limitation is $250,000 in 2012 and $255,000 in 2013.

If you have worked fewer than 60 consecutive months when your employment ends, your final average earnings will equal the monthly average of your eligible compensation for all of your service.

Covered compensation is the average of the maximum amount of earnings subject to Social Security taxes each year up to retirement. This average varies with your age and is based on the level in effect in the year before you reach Social Security retirement age.

The covered compensation in effect for the year prior to the year of your retirement or termination is used in the determination of your benefit under the Plan.

Normal Retirement Benefit @ 65

Your annual benefit payable as a lifetime pension is determined by the following formula.

1%	*times*	your final average earnings up to covered compensation	*times*	your years of participation (up to 40)
		PLUS		
1 ¼%	*times*	your final average earnings above covered compensation	*times*	your years of participation (up to 40)

In addition to the above you may be entitled to a special Supplemental Benefit for certain participants who were in the plan as of September 30, 2002.

Special Supplemental Benefit for certain participants who were in the Plan as of September 30, 2002

Under certain circumstances, a special Supplemental Benefit may be added to the benefit outlined above.

To determine if you are eligible for this Supplemental Benefit:

- first calculate your age as of December 31, 2002; and
- then add it to your Years of Participation as of December 31, 2002.
- If this totals at least 65,

  AND

- if your Years of Participation as of December 31, 2002 was at least 10,

then you are entitled to the Plan's Supplemental Benefit determined as follows.

To determine the amount of your Supplemental Benefit

First, find your Supplemental Percentage (based upon the chart below)

Age + Years of Participation as of December 31, 2002	**Supplemental Percentage**
If your Total is less than 65 or your Supplemental Service is less than 10 years	0.00%
65 - 74	0.25%
75 - 84	0.33%
85 - 94	0.42%
95 or more	0.50%

Second, multiply your Supplemental Percentage by your **Years of Participation** as of December 31, 2002) and

Third, multiply the results from the first two steps above by your final average earnings.

For this purpose, your final average earnings is the same final average earnings used in your normal retirement benefit formula calculation as of a current date. It is not determined as of December 31, 2002, the date used to determine your Supplemental Benefit Service.

Fourth, the result is your Supplemental Benefit expressed as an annual benefit payable as a lifetime pension.

Your Supplemental Benefit is added to your benefit calculated under the formula explained in the section Normal Retirement Benefits.

As previously described, only certain Plan participants are eligible for this Supplemental Benefit.

Example – Normal Retirement @ age 65

Here is an example of how a normal retirement benefit is calculated under the Plan.

Part 1

Let's assume that Jane is retiring at age 65. She has 30 years of participation, final average earnings of $70,000 and covered compensation of $67,000*. Here is how Jane's annual retirement benefit is calculated:

1% times covered compensation (.01 x $67,000) *times* 30 years	$	670
	x	30
	$	20,100
PLUS		
1 ¼% *times* final average earnings above covered compensation (.0125 x $3,000) *times* 30 years	$	37.5
	x	30
	$	1,125
For annual Plan benefit of	$	21,225

This is prior to the addition of any Supplemental Benefit.

Part 2

Since Jane was in the Plan on September 30, 2002, a Supplemental Benefit may be added to the benefit amount calculated above. We need to determine if Jane is eligible for the Supplemental Benefit, then we will calculate this benefit if applicable.

Her age as of December 31, 2002:	55
PLUS	
Her years of participation as of December 31, 2002:	21
Total of above	76

Since the total above is at least 65, and Jane's years of participation as of December 31, 2002 is at least 10 years, she is entitled to the Plan's Special Supplemental Benefit.

Jane's Supplemental Benefit is calculated below:

First, determine that her Supplemental Percentage is 0.33%, since the total of her age and service is between 75 and 85	0.33%
Second, multiply her Supplemental Percentage by her years of participation as of December 31, 2002, or 0.33% times 21 years of service = .0693 or 6.93%.	6.93%

Third, multiply the results from the first two steps above by her final average earnings, or .0693 times $70,000 = $4,851

Jane's annual Supplemental Benefit = $4,851

**** Actual covered compensation is $67,008 rounded down to $67,000 for this illustration***

Total Annual Benefit

Jane's total annual benefit is the total of the benefit amounts calculated under Part 1 and Part 2 above, or

$21,225 plus $4,851 = $26,076

Comment

Jane is entitled to a lifetime benefit equal to $26,076/year from the Plan. In addition, benefits from Social Security, other retirement plans, such as the College's 403(b) Retirement Savings Plan or personal savings Jane has accumulated will add to the money Jane has available during retirement.

Jane may elect to receive a one-time lump sum cashout in lieu of a lifetime benefit. The lump sum would be calculated by multiplying the annual benefit by an actuarial factor based on assumptions set by the Internal Revenue Service. These factors may change annually based on changes in interest rates. For example, this factor for a cashout in 2012 for an employee who is age 65 is 12.70648. The factor is age based, and is lower for younger employees.

For this example Jane's lump sum cashout would be determined by multiplying $26,076 by 12.70648, or

	$26,076
	X 12.70648
One-time lump sum cashout	$331,334

More information about numerous forms in which benefits may be paid—including limits on the availability of the lump sum cashout—is contained below in *How Plan Benefits Are Paid.*

Early Retirement Benefits; ages 55 - 65

Postponing payment to age 65
If your Berklee employment ends between ages 55 and 65, your early retirement benefit will be calculated under the formula in the same way as for normal retirement. It will be based on your final average earnings, credited service and covered compensation at the time of your early retirement. This amount of your benefit will be payable at age 65 on an unreduced basis.

Payment before age 65
If you prefer, you can choose to begin receiving payments before age 65. If you do, your benefit will be reduced to reflect the longer period of time over which payments are expected to be made. The chart below shows the percentage of the amount payable at age 65 that you will receive if your payments begin between ages 55 and 65.

If your monthly benefit begins at this age:	
64	93%
63	86%
62	80%
61	73%
60	66%
59	63%
58	60%
57	56%
56	53%
55	50%

These percentages will be prorated for partial years.

Example – Early Retirement (between ages 55 and 65)

This example shows how an early retirement benefit is calculated.

Assume that John retires at age 60. He has 8 years of participation, final average earnings of $80,000 and covered compensation of $78,000*. Here is how John's age 65 annual retirement benefit is calculated.

1% times covered compensation (.01 x $78,000) times 8 years of credited service	$	780
	x	8
	$	6,240
PLUS		
1 ¼% times final average earnings above covered compensation (.0125 x $2,000) times 8 years of credited service	$	25
	x	8
	$	200
for an annual benefit beginning at age 65 of $6,440	$	6,440

If John decides to receive his benefit immediately (at age 60), he will receive 66% of his benefit, or $4,250 per year. (.66 x $6,440 = $4,250)

Note
This example does not include a calculation of the Supplemental Benefit since John did not meet the eligibility (age and service) requirements for this portion of the retirement plan benefit.

* ***Actual covered compensation is $78,084 rounded down to $78,000 for this illustration***

Postponed Retirement Benefits; after age 65

If you continue working beyond age 65, your Plan benefit will be determined based on your earnings and service at the time your Berklee employment actually ends. Payment of your benefit will begin after your postponed retirement date.

If you are still employed by the College when you attain age 70-½, you will not be required to begin receiving special benefits called Minimum Required Distributions from the Plan until after your employment ends.

Termination of Employment before age 55 *emended Feb 2014*

If you leave the College before age 55, you will be entitled to a Plan benefit if you are "vested." See the Vesting Schedule below.

Your vested benefit will be calculated assuming you wish to postpone receipt until age 65, and, therefore, will be calculated as described above for normal retirement based on your final average earnings, credited service and covered compensation at the time you terminate your employment.

You may have the option of receiving a reduced pension benefit starting before age 65. If you so, your benefit will be reduced based on your age when payments begin.

You may also have the option of receiving your vested benefit in a single lump sum payment. If you receive a single lump sum payment, you will not receive any further benefits from the Plan, unless you are rehired and repay your lump sum as described earlier in *Break in Service and Reemployment*.

Finally, if your benefit has a lump sum value of $1,000 or less, it will be paid as a single lump sum.

Vesting (or ownership of your benefit) *emended Feb 2014*

Generally, you are partially vested in your benefit after 3 years of eligible service, and fully vested after 7 years of eligible service.

However, you are fully vested if your employment ends at age 55 or older.

VESTING SCHEDULE

If your years of service equals:	You will be entitled to receive this % of your age 65 benefit:
Less then 3 years	0%
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 years	100%

HOW YOUR BENEFIT IS PAID

You have a number of options for receiving your retirement benefits. However, your options may be limited by the value of your benefit, your marital status, and certain rules imposed by federal law.

Value of Your Benefit—Small Benefit Cashout

If the lump sum value of your lifetime Plan benefit is $1,000 or less, your benefit automatically will be paid to you in a single lump sum when your Berklee employment ends. No other payment option will be available to you.

You may elect to roll over this payment to an IRA or another employer's qualified retirement plan, if that plan accepts rollovers. See *Taxes on Plan Payments*, below, for more information.

Marital Status – Spousal Consent Required

If you are married and the lump sum value of your benefit exceeds $5,000, you must receive your spouse's written, witnessed consent to certain forms of payment as outlined below.

Normal Forms of Payment – Lifetime Annuities

Unless you elect otherwise, your Plan benefits will be paid in the normal form of payment based on your marital status when payments begin.

Not Married
Your full, accrued Plan benefit is paid to you in equal monthly installments for your **lifetime**. All payments will stop at your death. This is the normal form of payment if you are not married.

Married
If you are married your normal form of payment will be **a 50% joint and survivor annuity**. Under this payment method, you receive a reduced income during your lifetime. When you die, 50% of your reduced benefit is paid to your surviving spouse for life. The reduction under this form of payment depends upon your age, and your spouse's age, at the time your payments begin. For this purpose, your *surviving spouse* means the person who, at your death, was eligible to be covered as your spouse or domestic partner as defined under the College's Employee Group Health Insurance Benefit Plan.

Example – *The Joint and Survivor Annuity*

In the earlier example, Jane will receive a lifetime benefit equal to $26,076 a year, or $2,173 a month, from the Retirement Plan. If she is married, her normal form of payment will be the 50% joint and survivor annuity. Under the 50% joint and survivor annuity form of payment, Jane will receive $1,956 a month, and, after her death her eligible spouse (also age 65) will receive $978 a month for his or her lifetime. If Jane's spouse were older or younger, payments to both Jane and her spouse would be adjusted to take this into account.

Optional Forms of Payment

Your benefit may be paid in an optional form. If you are married and the lump sum value of your benefit exceeds $5,000, you must receive your spouse's written, witnessed consent to certain forms of payment as outlined below.

- **Life Annuity Option**
  Under this option, your full, accrued Plan benefit is paid to you in equal monthly installments for your lifetime. All payments will stop at your death. This is the normal form of payment if you are not married. Spousal consent is required if you are married.

- **Joint and Survivor Annuity Options**
  Under this payment method, your monthly payment is reduced to provide a continuing income to your named beneficiary after your death. You choose to continue a percentage (25%, 33%, 50%, 66%, 75% or 100%) of your benefit to be paid to your beneficiary for his or her lifetime. The amount of your monthly benefit is reduced, depending on the percentage of your benefit that is to be continued after your death, and the ages of you and your beneficiary when payments begin.

  Federal regulations may limit this option if there is a significant difference between your age and the age of a non-spouse beneficiary.

  Spousal consent is required in some cases.

- **Ten– or Fifteen-Year Certain and Life Annuity Options**
  Under these forms of payment, your monthly pension is reduced to provide a guaranteed income for 10 or 15 years. If you die before 10 or 15 years of payments are made, your beneficiary would receive the balance of the 10 or 15 years of payments. If you live beyond the 10- or 15-year guarantee period, your payments will continue for your lifetime, but there would be no benefits for your beneficiary after your death. Spousal consent is required if you are married.

- **Adjusted Annuity Option—Social Security Level Income**
  Under this option, your monthly Plan benefit is adjusted both before and after Social Security payments begin so that your combined income from the Plan and Social Security will be nearly level throughout your retirement. You will receive more from the Plan before you are eligible for Social Security benefits and less once you are eligible to receive your Social Security benefits. This form of payment is available only if payments begin before age 62. Spousal consent is required if you are married.

- **Lump Sum Payment**
  You may choose to receive your benefit in the form of a single lump sum cashout payment. The calculation of the lump sum is based on your age when payment is made and an interest rate defined by the IRS and updated annually. Spousal consent is required if you are married.

  As required by federal law, this option may be limited based on the Plan's funded status, or may not be available to certain highly-paid participants whose benefits exceed a value determined from time to time by federal regulations.

Choosing an Optional Form

You may change your optional form election—subject to the spousal consent rules—before your benefits begin. Once your payments begin, you may not change the election for your optional form. However, if you have chosen the 10-year or 15-year certain and life annuity option, and your beneficiary dies before the guaranteed period has ended, you may name a new beneficiary, subject to the spousal consent rules.

When you notify the Plan Administrator that you wish to commence distribution of your pension, you will receive information that sets forth the amount payable under each of the optional forms of payment available, based on the pension commencement date you have selected. The IRS requires the Plan to provide you with a comparison of the actuarial present value of the various forms of payment. This comparison is shown on the election form, as the "relative value" of that form of payment. The relative value shows the actuarial value of the particular form of payment, as compared to the actuarial value of the Single Life Annuity form of payment. The actuarial values are based on your age, and the age of your spouse or other beneficiary, and reflect mortality and an IRS interest assumption. If the actuarial value of an optional form of payment is the same as the actuarial value of the Single Life Annuity, the relative value will be "100%" for that form of payment. If the actuarial value of an optional form of payment is less than the actuarial value of the Single Life Annuity, the relative value will be a number less than 100%. If the actuarial value of an optional form of payment is greater than the actuarial value of the Single Life Annuity, the relative value will be a number greater than 100%.

You can use the information provided by the relative value to assist in determining what option to select. However, other factors must also be taken into consideration. For example, the mortality assumptions used in determining relative values are based on the average life expectancy. The relative value is a guide, based on averages, but your decision must be made based on your own individual circumstances.

The relative values apply only to the Benefit Commencement Date stated. The relative values as of a different Benefit Commencement Date may be different. If you are using the relative value to assist you in making a decision regarding your form of payment, be certain that you are using values as of the appropriate Benefit Commencement Date.

Taxes on Plan Payments

Whenever you receive a benefit payment from your Plan, it will normally be subject to income taxes.

If you elect a lump sum cashout from the Plan, under current tax law, you may elect to roll it over into an Individual Retirement Account (IRA) or the qualified retirement plan of another employer, and defer paying taxes on it until a later date.

If you elect a lump sum cashout, but do not elect to roll it over,

- you may be subject to a 10% penalty tax in addition to regular income tax on the gross amount of the payment.

- income taxes will be withheld from your payment as required by law. However, the amount withheld may not be enough to pay all of the taxes due.

You should consult your tax advisor prior to selecting a form of benefit.

REEMPLOYMENT: IF YOU RETURN TO BERKLEE AFTER PAYMENTS COMMENCE

If you are re-employed by the College after monthly payments have begun, your benefit may be suspended each month you work, unless you are already over age 70 ½. When your employment ends again, your Plan benefit will be recalculated based on your additional service. Your new benefit will be reduced to take into account the payments you have already received.

APPLYING FOR BENEFITS

Contact the Plan Administrator for instructions on applying for payment of your benefit. You may apply no earlier than 180 days before your payments are to start.

If the Plan Administrator denies your request for payment, you have a right to appeal the decision. The appeal procedure is described below in *Benefits Claim Procedure*, below.

IF YOU BECOME DISABLED

You may receive a disability retirement benefit if you are totally and permanently disabled and unable to work. You are considered to be totally and permanently disabled if you qualify for disability benefits under Social Security or the College's Long-Term Disability Plan. You may elect to receive your benefit payments any time, or you may postpone payment for any amount of time up until your normal retirement date.

Your disability retirement benefit is calculated under the same formula as described for normal retirement but is based on your final average earnings and covered compensation as of the date you became disabled. Your years of participation, for this calculation, include the time you receive disability benefits under Social Security or the College's Long-Term Disability Plan.

IF YOU DIE BEFORE YOUR BENEFIT PAYMENTS BEGIN

If you are married, and have a vested benefit, the Plan provides a lifetime benefit to your surviving spouse if you die before benefit payments begin. The benefit will be equal to 50% of the benefit you would have received if your Berklee employment had ended on your date of death, and you had elected a 50% joint and survivor annuity, in accordance with Plan provisions.

For this purpose, your *surviving spouse* means the person who, at your death, was eligible to be covered as your spouse or domestic partner as defined under the College's Employee Group Health Insurance Benefit Plan.

If you do not have a surviving spouse, there are no death benefits are payable from the Plan.

DIVORCE; PROTECTION OF YOUR BENEFIT—NO ASSIGNMENT OR ALIENATION OF BENEFITS

As a general rule, you may not assign or transfer your interest in your benefit under the Plan to another party or use your benefit as collateral for a loan. Also, your creditors may not attach or garnish your benefit. There are two important exceptions to this rule:

Misconduct
Your benefits may be reduced to the extent permitted by federal law due to circumstances such as (i) your conviction of a crime involving the Plan, (ii) a judgment, consent order, or decree in an action for violation of fiduciary standards, (iii) a settlement involving the Department of Labor or the Pension Benefit Guaranty Corporation, or (iv) an IRS levy.

Divorce or other marital proceeding
If your spouse receives a qualified domestic relations order ("QDRO"), the Plan may be required to transfer all or part of your benefit to another party (known as an "alternate payee"). A QDRO is a decree or order issued by a court in a marital proceeding.

If the Plan Administrator receives a QDRO, all or a portion of your benefits will be paid in accordance with the terms of the QDRO. You will be notified if a QDRO is received in connection with your benefit. The Plan Administrator will determine the validity of any QDRO that the Plan receives. For a free copy of the Plan's QDRO procedures, contact the Plan Administrator.

SOCIAL SECURITY

Any benefits you receive from Social Security will be in addition to the benefits you will get from the Retirement Plan. The receipt of Social Security benefits does not affect your benefits under this Plan; you will receive benefits under this Plan, if you qualify, ***in addition to*** any Social Security benefits due.

The Social Security Administration will provide you with a personal statement of your Social Security earnings record, along with an estimate of your Social Security Benefit at various retirement ages. This service is free.

To obtain an earnings statement and benefit estimate,

- call the Social Security Administration at 1-800-772-1213 (TTY Number 1-800-325-0778);
- visit or call your local Social Security Administration office.
- visit the Social Security Administration Website at: www.ssa.gov.

WHEN BENEFITS ARE NOT PAID

The purpose of this document is to explain when and how the Plan provides you or your beneficiary with benefits. It is important, however, that you also understand the conditions under which you or your beneficiary will not receive benefits from the Plan. These are some of those conditions:

- Your Berklee employment ends before age 55 and you have not completed three years of service.
- If you do not apply for benefits or fail to provide information requested by the College or the Plan Administrator, benefits could be delayed.
- If your beneficiary dies before you do, and after you have started to receive payments under a form of payment that provides continuing benefits to your beneficiary, the amount of your payments will not be increased.
- If, as a result of a divorce, you are responsible for child support, alimony or marital property rights payments, your benefits may be assigned to meet those payments if a qualified domestic relations order (QDRO) has been issued as explained above.
- The Internal Revenue Service puts a limit on the amount of benefits that may be paid from the Plan and the compensation that can be considered under the Plan. Generally, few participants will be affected by these limits. However, as required by federal law, lump-sum cashout may be limited based on the Plan's funded status, or may not be available to certain highly-paid participants whose benefits exceed a value determined from time to time by federal regulations.

It is important to keep the Plan Administrator updated on any change in address for you or your beneficiaries after you terminate by sending written notification to the Plan Administrator. If you do not keep your address current, and if the Plan Administrator cannot locate you after making reasonable efforts, you risk forfeiting your benefits. Any forfeiture will be restored if you later make a claim for benefit under the procedures established by the Plan.

RIGHTS AND RESPONSIBILITIES—GENERAL

Trustee Right of Recovery

If the Plan's Trustee makes a payment that, according to the terms of the Plan should not have been made, the Trustee may recover that incorrect payment. If an incorrect payment is made directly to you, the trustee may deduct it when making future payments directly to you.

If it is determined that your benefit has been calculated incorrectly, the Plan Administrator will instruct the Plan Trustee to make up any underpayment to you (plus interest) either in a lump sum or by adjusting future monthly payments. Also, if it is determined that you have been overpaid, the Plan Administrator will instruct the Plan Trustee to deduct the overpayment (without interest) from future monthly payments, generally over your life expectancy.

If the underpayment or overpayment has not been discovered until after a joint annuitant begins receiving payments, his or her pension will be increased or decreased to reflect the total amount of the over or under payment. In addition, monies paid out in a lump sum can also be recovered.

Accuracy of Information You Provide

You are responsible for providing truthful and accurate information to the best of your knowledge. If you willfully and knowingly provide untruthful or inaccurate information, benefits will be determined according to the true facts, and disciplinary action may be taken.

Dispute in the Benefit Amount Calculated

If you dispute the basis of any pension benefit calculation (or if you have any other dispute with regard to the terms of the Plan) you should follow the *Benefit Claims Procedure* outlined below. If you disagree with either the compensation or service used to calculate your benefit the burden is on you to provide the documentation to demonstrate that the benefit was improperly calculated. If you have any records that may affect the manner in which your benefit was calculated, please bring them to the attention of the Plan Administrator.

The College's Role

The College cannot advise you with regard to legal, tax, or investment considerations relative to the Plan. Therefore, if you have questions pertaining to benefit planning, you should seek advice from a qualified personal advisor.

BENEFITS CLAIMS PROCEDURE

If you (or your beneficiary) believe you are entitled to a benefit under the Plan that you are not receiving, you (or your duly authorized representative) should file a written claim with the Plan Administrator. Within 90 days (or up to 180 days in special circumstances), the Plan Administrator will determine the benefit to which you are entitled, and will send you a written notice of its decision. If your claim is wholly or partly denied, the Plan Administrator's notice will specify: (1) the reasons for the denial; (2) the Plan provisions on which the denial is based; (3) any additional material you need to complete your claim and the reason it is needed; (4) the steps to take if you wish to have the denial reviewed; and (5) your right to file suit in state or federal court if your claim is denied on review.

If you disagree with the denial, you have a right to a review of your claim. To obtain this further review, you (or your duly authorized representative) must file a request in writing within 60 days after you receive the initial notice from the Plan Administrator that your claim has been denied. You also may request to review pertinent documents (or to receive copies of such documents free of charge). The Plan Administrator's final written decision will be sent to you within 60 days (or up to 120 days in special circumstances) after receipt of your request for review. If your claim is again denied, the notice will specify the reasons for the denial and the Plan provisions on which the denial is based, and will also include a statement of your rights to review pertinent documents (or to receive copies of such documents free of charge) and to file suit in state or federal court.

YOUR LEGAL RIGHTS--ERISA

As a participant in this Retirement Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information about Your Plan and Benefits

You have a right to examine, without charge, at the Plan Administrator's office 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.

You have a right to 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.

You have a right to 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.

You have a right to obtain a statement telling you whether you have a right to receive a benefit at Normal Retirement Age and if so, what your benefit would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every 12 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 operations of the plan. The people who operate your plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may discharge 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. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in 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 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 this Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, 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 N.W., 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.

If you have any questions about the Plan that are not answered in this booklet, please feel free to contact the Plan Administrator who will be happy to help you.

Or contact the Employee Benefits Security Administration (EBSA) Boston Regional office at:

EBSA
Boston Regional Office
J.F.K. Building, Room 575
Boston, MA 02203
(617) 565-9600

ADMINISTRATIVE FACTS

Plan Identification

The Berklee College of Music, Inc. Retirement Plan is a defined benefit plan providing retirement, disability, and survivor benefits to eligible employees of the College. The Employer Identification Number (EIN) assigned to the Berklee College of Music, Inc. by the Internal Revenue Service is 04-2300472. The Plan identification number is 001.

The Plan is commonly known as the Berklee Defined Benefit or DB Plan.

Plan Year

The Plan Year begins on January 1 and ends on December 31.

Plan Sponsor/Plan Administrator

The Plan Sponsor and Plan Administrator is:

Berklee College of Music, Inc.
1140 Boylston Street
MS-855 HR
Boston, Massachusetts 02215-3693
(617) 266-1400
Attention: Office of Human Resources/Benefits

The Plan Administrator may engage third-parties to perform functions such as recordkeeping and benefit calculation.

IRS Approval

The Plan is subject to the continuing approval of the Internal Revenue Service in order to qualify under section 401(a) of the Internal Revenue Code. If changes are required for continuing approval of the Plan, you will be notified.

Legal Process

If you believe you have been improperly denied a benefit under the Plan after exhausting the claim appeal procedure, you may serve legal process upon the Plan Administrator and/or the Plan Trustee.

Collective Bargaining Agreement

Certain employees represented by the Berklee Chapter of the Massachusetts Federation of Teachers, Local 4412, AFT, AFL-CIO are covered under the Plan through collective bargaining. You may receive a copy of this agreement (for a reasonable copying charge) by writing to the Plan Administrator. Copies are also available for your review at http://www.berkleefacultyunion.org.

Plan Insurance – Benefits if the Plan is Discontinued

Your pension benefits under this plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

- The PBGC guarantee generally covers:

  (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan terminates; and (3) certain benefits for your survivors.

- The PBGC guarantee generally does not cover:

  (1) Benefits greater than the maximum guarantee set by law for the year in which the plan terminates; (2) some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the time the plan terminates; and (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

  Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on the Plan's funding level.

  For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact:

  Technical Assistance Division
  PBGC
  1200 K Street N.W.
  Suite 930
  Washington, D.C. 20005-4026
  Telephone: (202) 326-4000 (not a toll free number)

  TTY/TDD users may call the federal relay service toll free at 1-800-877-8339 and ask to be connected to 202-326-4000.

  Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.

Your Employment

Your eligibility or your right to benefits under this Plan should not be interpreted as a guarantee of employment. The College's employment practices are made without regard to the benefits it offers as part of your total compensation.

Plan Funding

The College makes contributions to a trust fund held by the Trustee to pay benefits and administrative expenses of the Plan in addition to some expenses paid directly by the College.
To the extent there are excess assets in the event of termination of the Plan, the excess may revert to the College.

Plan Trustee

The Plan Trustee is responsible for investing the assets of the trust fund and distributing pension payments. The money in the trust is set aside for the exclusive benefit of Plan participants and their beneficiaries and to pay Plan expenses. The Plan Trustee is:

State Street Bank and Trust Company
801 Pennsylvania Avenue
Tower 1
Kansas City, MO 64108

The agent for distributing benefit payments is:

Diversified Retirement Corporation
24 Prime Park Way
Natick, MA 01760