



**Massachusetts
Institute of
Technology**

**THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY
BASIC RETIREMENT PLAN**

Notice of Retirement Plan Change

TO: Former MIT employees who have terminated employment with a vested benefit in the MIT Basic Retirement Plan

DATE: July 24, 2017

SUBJECT: Change in How the Plan's Interest Crediting Rate Is Determined

This Summary of Material Modifications (SMM) is being sent to you to explain an amendment to the Massachusetts Institute of Technology Basic Retirement Plan (the "Plan"). To comply with recently issued IRS regulations, the basis for determining the Plan's interest crediting rate must change effective January 1, 2017. The interest crediting rate, set every calendar year and applied on a monthly basis, is the rate of growth credited to active and terminated participants' cash balance accounts.

This SMM describes:

- The Plan's Benefit Formulas,
- The Plan's Current Interest Crediting Basis,
- The Plan's New Interest Crediting Basis, and
- How the Current and New Interest Crediting Rates Compare.

The Plan's Benefit Formulas

The benefit you have earned under the Plan is not changing.

If you were hired after July 1, 2012, the benefit payable to you is based on your cash balance account when you terminated employment. This amount is increased with interest credits until your benefit commencement date and then it is converted to a monthly lifetime pension benefit based on actuarial conversion factors specified in the Plan.

If you were hired on or before July 1, 2012, you will receive the greater of your cash balance benefit or your career pay benefit.

The change described in this SMM applies only to the interest crediting rate used to determine the interest credit allocated to your cash balance account each month after December 31, 2016. Any career pay benefits you may have earned are not affected.

A description of the career pay and cash balance formulas can be found in the Plan's Summary Plan Description which you can request from MIT Benefit by emailing benefits@mit.edu or calling 855-253-6151. You can also download a copy of the Summary Plan Description at http://hrweb.mit.edu/sites/default/files/retirement_basic_spd.pdf.

