

### Summary of Key Changes From the Pension Protection Act of 2006

Following is a list of key required and optional amendments to tax-qualified defined contribution plans (referred to as "DC plans" in the chart) and defined benefit plans (referred to as "DB plans" in the chart) that must be adopted by December 31, 2009 for calendar year plans (December 31, 2011 for government plans). This list also includes key changes resulting from the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART Act") and the Worker, Retiree and Employer Recovery Act of 2008 ("WRERA").

Provision	Plan Type	Description	Mandatory or Optional	Effective Date
Expanded Hardship Distribution Rules	DC	"Hardship distributions" may include hardships experienced by a participant's primary beneficiary, regardless of whether the beneficiary is a spouse or dependent.	Optional	Aug. 17, 2006
New Vesting Rule for Employer Nonelective Contributions	DC	The three-year cliff or six-year graded vesting rules for matching contributions are extended to all employer contributions in DC plans.	Mandatory	Plan years beginning after Dec. 31, 2006
HEART Act Death Benefits	DB & DC	Participants who die after Dec. 31, 2006 while in military service must be eligible for any death benefits provided by the plan.	Mandatory	Jan. 1, 2007 (Amendment required by end of 2010 plan year)
HEART Act Optional Benefit Accrual	DB & DC	A plan may provide that it will treat an individual who becomes totally disabled or dies while in qualified military service as if the individual were rehired under the Uniformed Services Employment and Reemployment Rights Act ("USERRA") immediately prior to death or disability in order to qualify for all or a portion of the USERRA make-up contributions and benefits as specified by the plan.	Optional	After Dec. 31, 2006 or such later date as provided by the plan
HEART Act Differential Wage Payments	DB & DC	Differential wage payments paid to employees in the military are to be treated as compensation effective Jan. 1, 2009, and employees are to be treated as employees, allowing individuals to	Mandatory with respect to treatment of differential wage payments; optional with respect to distribution of deferrals	Jan. 1, 2009 (Amendment required by end of 2010 plan year)

Provision	Plan Type	Description	Mandatory or Optional	Effective Date
		contribute differential wage payments to retirement plans. However, a plan may treat the individual as severed from employment for purposes of receiving a distribution of deferrals, provided such deferrals are suspended for a period of six months following such distribution.		
WRERA RMD Waiver	DB & DC	Required minimum distributions ("RMDs") are not required for 2009; plans must determine how they will treat 2009 RMDs (e.g., suspend all RMDs, permit participant elections to continue to receive the RMD, continue to distribute RMDs unless participant elects otherwise, etc.).	Mandatory	Jan. 1, 2009 (Amendment required by end of 2011 plan year)
Distribution Notice and Consent Period Expanded	DB & DC	The period for providing distribution notices and election forms may be extended from 90 days to 180 days; also, distribution notices must describe the right to defer receipt and the consequences of failing to do so.	Optional for increase in notice period to 180 days; mandatory for notice regarding the consequences of failing to defer receipt of the benefit	Plan years beginning after Dec. 31, 2006
Diversification Rights for Participants in DC Plans Holding Publicly Traded Employer Securities	DC	Participants must have the right to immediately diversify investments in publicly traded employer securities with respect to elective deferrals and after-tax contributions and upon completion of three years of service for matching and nonelective contributions. At least three diversified investment options other than employer securities must be offered.	Mandatory	Plan years beginning after Dec. 31, 2006
Notice of Right to Divest Employer Securities	DC	Participants must be provided notice of the right to diversify investments in publicly traded employer securities at least 30 days before the first date a	Mandatory	Plan years beginning after Dec. 31,

Provision	Plan Type	Description	Mandatory or Optional	Effective Date
		participant becomes eligible to diversify.		2006
Periodic Benefit Statements	DB & DC	Quarterly benefit statements must be provided to participants and beneficiaries who have the right to direct investments, and annual statements must be provided to those who do not have the right to self-direct; DB plans must provide benefit statements every three years or on written request (limited to one statement per year); and participants must be advised of the risk associated with holding more than 20% of plan assets in a single security.	Mandatory	Plan years beginning after Dec. 31, 2006
Rollovers by Non-Spouse Beneficiaries	DB & DC	An eligible rollover distribution received by a non-spouse beneficiary may be directly rolled into an "inherited IRA."	Optional until Jan. 1, 2010; then mandatory	Jan. 1, 2007
Rollovers of After-Tax Contributions	DB & DC	Direct rollovers of after-tax amounts are permitted from qualified retirement plans to DB, DC and 403(b) plans, provided the plans separately account for such contributions and earnings. However, plans are not required to accept such rollovers.	Mandatory	Jan. 1, 2007
Direct Rollover From Qualified Plan to Roth IRA	DB & DC	Taxable distributions from qualified plans, 403(b) plans, and governmental 457(b) plans are permitted to be rolled over directly to a Roth IRA for certain individuals.	Mandatory	Jan. 1, 2008
Automatic Contribution (Non-Safe Harbor)	DC	Plans may provide for non-safe harbor automatic contribution arrangements and permissible 90-day withdrawals described below, provided certain notice requirements are met and the plans provide a qualified	Optional	Plan Years beginning after Dec. 31, 2007

<b>Provision</b>	<b>Plan Type</b>	<b>Description</b>	<b>Mandatory or Optional</b>	<b>Effective Date</b>
		default investment alternative.		
Automatic Contribution (Safe Harbor)	DC	Plans may provide for an automatic contribution arrangement that will automatically satisfy the nondiscrimination tests provided the automatic enrollment rate is at least 3%, increasing by 1% per year until it reaches 6%; the plans provide for either a 3% nonelective contribution or a 3.5% matching contribution; 100% vesting occurs after two years of service; and certain notice and investment requirements are met.	Optional	Plan years beginning after Dec. 31, 2007
Automatic Contribution 90-Day Withdrawal Option	DC	An eligible automatic contribution arrangement may allow participants to elect to withdraw their automatic contribution amounts (adjusted for gain or loss) during the first 90 days of participation. Any such withdrawal will be exempt from the 10% early distribution penalty.	Optional	Plan years beginning after Dec. 31, 2007
Qualified Reservist Distribution	DC	Distributions of elective deferrals to a military reservist called to active duty on or after Sept. 11, 2001 for more than 179 days are not subject to the 10% early withdrawal penalty tax.	Optional	Distributions on or after Sept. 11, 2001
Gap Period Income Eliminated	DC	Gap period income (i.e., income between the end of the plan year and date of distribution) is no longer required to be paid on corrective ADP or ACP distributions, or on excess 402(g) distributions, from 401(k) plans.	Optional	Jan. 1, 2008

<b>Provision</b>	<b>Plan Type</b>	<b>Description</b>	<b>Mandatory or Optional</b>	<b>Effective Date</b>
Retirement Plan Age 62 In-Service Withdrawals	DB and DC Plans Subject to Code Section 412	In-service pension payments may be made to a participant who attains age 62; plans that currently permit in-service pension payments prior to age 62 may need to be amended.	Optional to permit in-service distributions, but plans that currently permit such distributions prior to age 62 may need to be amended	Jan. 1, 2007
Qualified Optional Survivor Annuity	DB and DC Plans Subject to Code Section 412	For plans that are required to provide qualified joint and survivor annuities as the normal payment form, an optional survivor annuity that meets certain requirements must be offered.	Mandatory	Jan. 1, 2008
Cash Balance Plan Vesting	DB – Cash Balance	Cash balance plan benefits must be 100% vested after three years of service.	Mandatory	June 29, 2005 (but plan years beginning after Dec. 31, 2007 for plans in existence on June 29, 2005)
Minimum Funding Rules	DB	Funding requirements are increased to 100%, amortization periods are decreased to seven years, and minimum required contributions are computed based on the "funding target," "target normal cost" and other factors.	Mandatory	Plan years beginning after Dec. 31, 2007
Actuarial Assumptions and Mortality Tables	DB	The interest rate used in determining a plan's target normal cost and funding target is determined by using three segment rates (short, medium, and long-term), and new mortality tables prescribed by the Secretary of Treasury are used to determine the present value of plan liabilities.	Mandatory	Plan years beginning after Dec. 31, 2007

<b>Provision</b>	<b>Plan Type</b>	<b>Description</b>	<b>Mandatory or Optional</b>	<b>Effective Date</b>
Interest Rate Assumptions for Lump-Sum Distributions	DB	The interest rate assumption used to calculate the present value of optional forms of benefits including lump sums is changed to a rate similar to that used for determining a plan's funding target, and the interest rate used in calculating maximum annual benefits that can be provided under a plan is also changed.	Mandatory	Plan years beginning after Dec. 31, 2007
"At Risk" Plan Funding Acceleration	DB	Plans that were less than 80% funded in the prior year (with transition relief) must make conservative assumptions about employee retirements and will be subject to stricter funding requirements and accelerated funding.	Mandatory	Plan years beginning after Dec. 31, 2007
Benefit Limitations for Underfunded Plans	DB	For plans underfunded to a certain level, unpredictable contingent event benefits may not be provided, amendments increasing benefit liabilities may not be adopted, and lump sum payments may be prohibited. Notice must be given to participants within 30 days after plan becomes subject to these limitations.	Mandatory	Plan years beginning on and after Jan. 1, 2008
Annual Funding Notices	DB	Single employer plans must provide annual notices regarding the funding status of the plan, certain actuarial, financial and other information must be made available to participants of multiemployer plans, and additional information must be included in an annual report to the Treasury and Department of Labor for DB plans.	Mandatory	Plan years beginning after Dec. 31, 2007

Provision	Plan Type	Description	Mandatory or Optional	Effective Date
Combined Defined Benefit/401(k) Plans	New Plan Type	Rules for an "eligible combined plan" or "defined benefit/401(k)" are provided. Assets must be funded through a single trust, and specified benefit, contribution, vesting and nondiscrimination requirements must be met.	Optional	Plan years beginning after Dec. 31, 2009