THE

ABC SAMPLE COMPANY

DEFINED BENEFIT PLAN AND TRUST

SUMMARY PLAN DESCRIPTION

This booklet summarizes the provisions of the ABC Sample Company Defined Benefit Plan, your rights thereunder, and the benefits you may receive. It is not meant to be the final word on or to overrule the plan document in any respect. In case of discrepancy between the plan document and this summary, the plan document controls.

I. GENERAL INFORMATION ABOUT THE PLAN

Name of Plan:	ABC Sample Company Defined Benefit Plan and Trust.
Plan Number:	001
Effective Date:	January 1, 2002
Type of Plan:	This is a defined benefit plan sponsored by your employer. Under a defined benefit plan, your benefits are determined according to the formula stated in the plan document. Benefits under this Plan are **not** insured by the Pension Benefit Guaranty Corporation ("PBGC").
Employer:	ABC Sample Company
Employer ID:	12-3456789
Plan Year Anniversary:	January 1st
Fiscal Year-End:	December 31st
Plan Administrator:	The Employer (see above for address). The Plan Administrator handles day-to-day plan operations as explained in this booklet and is available to answer questions you may have with regard to the Plan.
Trustee:	John Q. Simple and/or Jane Q. Simple Plan assets are held in such investments as the Trustee elects. Examples are mutual funds, insurance contracts, stocks, bonds, etc. The Trustee may make changes in available choices, investment managers, etc., if in its judgment such changes are in the best interest of the participants.
Agent for Service of Process:	The Employer at the above address. Service of legal process may also be had upon any named trustee or the Plan Administrator.
Collective Bargaining:	This Plan is not maintained pursuant to a collective bargaining agreement.

II. TERMINOLOGY & DEFINITIONS

Service:

Service starts on the date you were first employed by the company. You are credited with an hour of service for each hour of employment and for certain other periods during which you do not work but for which you are paid, such as vacation, sick leave, etc.

A year of service is a plan year in which you complete 1,000 hours of service. Years of service are used to determine your eligibility to participate and your vesting status. For vesting purposes, years of service include years of service completed before the Plan's effective date.

You will also be credited with hours of service (other than for benefit accrual or contribution purposes) for services with companies that are affiliated or under common control with your employer.

Break in Service:

You will incur a break in service for any plan year in which you fail to complete more than 500 hours of service. Exceptions exist for maternity or paternity leave, jury duty, and military service. Breaks in service may delay vesting of your benefit rights (and plan reentry, should you terminate employment and subsequently be reemployed).

If you are reemployed after incurring a break in service and you have a vested benefit that was not paid out, you will be reinstated in the years of service you accrued previously, provided you again complete a year of eligibility service.

If your partially-vested benefit was distributed to you at termination, then your years of prior service will only be reinstated if you pay back the distribution before the 5th anniversary of your reemployment date and before you incur 5 breaks in service. Of course, you won't need to pay anything back if you were not vested.

Years of service are automatically reinstated if you were fully vested at the time of termination.

Years of Credited Service:

Years of credited service are used to determine your benefit under the plan. Years of credited service start accruing from your "entry date" (see next section). You will receive a year of credited service for each plan year in which you have completed 500 hours of service or were employed on the last day of the plan year.

III. ELIGIBILITY & PARTICIPATION

Eligibility:

You will be eligible to participate in the Plan beginning on your entry date, provided you meet the following eligibility requirements:

- Attained age 21;
- Accrued one year of eligibility service with the Employer. You will be credited with a year of eligibility service when you complete 1,000 hours of service during your first year of employment and, thereafter, during any full year of service beginning on the anniversary date of your first day of employment;

Entry Date:

Your entry date is the 6-month anniversary date of the first day of the current plan year if you met the requirements to participate during the first 6 months of the current plan year, or the first day of the next following plan year if you met the requirements to participate during the last 6 months of the current plan year.

Plan Reentry Date:

If you were previously a participant in this Plan and terminated employment, upon rehire, you will reenter the Plan immediately upon completing a year of service.

IV. CONTRIBUTIONS & INVESTMENTS

Contributions:

For each plan year, the total amount of contributions to the Plan is determined by an actuary using certain mortality and interest rate assumptions and the benefit formula set forth in the Plan. The Employer makes the contributions to the Plan's investment fund accordingly. Contributions made by the Employer for your benefit are not taxable to you in the year made. Tax information and distribution options available to you under this Plan will be provided to you at such time distributions normally start.

Investments:

Investments are the responsibility of the Trustee.

V. RETIREMENT BENEFITS

Distribution Starting Date:

Payment of your accrued benefit usually starts on your normal retirement date (see below) but may be triggered by other events, such as early retirement, death, disability, or termination of employment before retirement.

After termination, your benefit will be paid at such times as the Plan provides. The Plan Administrator will advise you at that time of your rights, options, and any action you should or must take.

Compensation Used to Determine Benefits:

The benefit you will receive is based on your "average annual compensation," which is the highest average annual compensation you received during any 3 consecutive plan years during which the Plan was in effect.

The maximum compensation that can be used in determining any participant's benefit is $200,000 for plan years beginning in the year 2002. This maximum will be adjusted for cost-of-living for later years.

Benefit Formula:

Your benefit at your normal retirement date will be equal to 10% of your actual compensation for each year of credited service.

VI. ACCRUED BENEFIT & VESTING

Accrued Benefit:

Your accrued benefit is determined in the same way as your normal retirement benefit (see above for formula).

Vesting:

Vesting means that an asset is non-forfeitable and permanently set aside for your benefit. Vesting means that you cannot legally be deprived of the asset. In the context of this Plan, benefits arising from your own contributions, such as elective deferrals from your paycheck and rollovers from other qualified plans (and all earnings on either of them) are said to be fully vested because you owned them before they entered this Plan.

As described in the above sections, the Employer makes plan contributions to your benefit out of its own pocket, but it also dictates in the Plan just how fast your vesting in such contributions will take place, by means of the vesting schedule described below. This is important to you because, if you terminate employment before meeting the vesting schedule *and* before reaching your retirement date, you will receive only that *percentage* of your accrued benefit that is "vested" according to the vesting schedule. So your vested percentage depends on the number of years of service you have accrued before termination (other than retirement).

Years of service for vesting purposes include all your years of service, except for:

- Years of service completed before you attained age 18.
- Years of service during which you made no mandatory employee contributions.

Vesting Schedule:

Under this Plan, all accrued benefits become fully vested upon completion of 2 years of service.

Vesting at Reemployment:

If you were previously a participant (whether fully- or partially-vested) under this Plan who received as distribution at termination the vested portion of your accrued benefit, upon reemployment you can be reinstated in your accrued benefit by repaying the distribution you received at termination before you have incurred 5 consecutive breaks in service. The amount you previously forfeited will not be adjusted for gains and losses incurred by the Plan's investment fund.

VII. PAYMENT OF BENEFITS

Normal Retirement:

Your normal retirement date is the day you reach age 65.

Unless you elect otherwise, the distribution of your benefits will begin within the 60-day period following the plan year in which you reach your normal retirement date. If you delay retirement beyond your normal retirement date, you will continue to receive contributions as long as you are actively employed and meet the eligibility requirements. You can delay distributions, but not beyond April 1 following the calendar year in which you attain age 70½.

Death Benefit:

If you die, your beneficiary will receive the survivor benefit provided by the Plan. The survivor benefit is the actuarial equivalent of the accrued benefit you would have received, had you terminated employment and delayed distributions until your normal retirement date.

If you want to designate as beneficiary anyone other than your spouse, you must obtain your spouse's written consent on forms to be provided by the Plan Administrator.

This Plan does not allow you to purchase life insurance.

Disability:

Disability is defined as an inability to work at any type of job because of physical or mental illness (whether caused by accident or illness), diagnosed by a medical practitioner and expected to result in death or indefinitely long duration.

Should you become disabled, your benefit will be paid out as if you terminated employment.

Termination Of Employment:

When you terminate employment for any reason other than retirement, you will receive that portion of your accrued benefit that is vested, commencing on your normal retirement date.

Illustration:

The following example illustrates how a pension plan works.

To be eligible to participate, an employee must complete one year of service and be at least age 21. Participation commences on the 6-month plan anniversary date next following the date the employee meets the eligibility requirements (the entry date). Benefits commence once the employee reaches age 65. The plan provides for 80% vesting upon completing 5 years of service.

The pension benefit is equal to 2% of the compensation an employee receives when a participant.

Joan was born on August 1, 1959. She started employment on August 1, 1999. She terminates on December 31, 2004. Her normal retirement date is her 65th birthday. Her compensation and hours of service history are as follows:

1999	$12,000	800
2000	$22,000	1800
2001	$24,000	1800
2002	$31,000	1800
2003	$33,000	1800
2004	$32,000	1800

Joan met the eligibility requirements, i.e., one year of service and having attained age 21, on August 1, 2000. Her plan entry date, i.e., the next following 6-month plan anniversary date, is January 1, 2001.

2001	2% of $24,000	$480
2002	2% of $31,000	$620
2003	2% of $33,000	$660
2004	2% of $32,000	$640

Joan's total accrued benefit is the sum of each year's accrual, i.e., $2,400. Her monthly benefit is 1/12th of the amount, or, $200.

Because Joan is not yet eligible for normal retirement at termination, she will only receive the vested portion of her accrued benefit. Joan has 5 years of service for vesting purposes, thus Joan's vested accrued benefit is equal to 80% of $200, or $160 per month. This is the monthly pension she will receive once she reaches age 65.

VIII. FORMS OF BENEFIT

Normal Form of Benefit:

The normal form of benefit under the Plan is a monthly pension. However, the Plan may, at the Employer's option, cash out in a lump sum benefits not in pay status if the present value of the accrued benefit does not exceed $5,000.

Unmarried Participant:

Your vested accrued benefit will be paid out as a *single life annuity* for you or your beneficiary unless you (or your surviving beneficiary) elect a different form of payout.

Married Participant:

Your vested accrued benefit will be paid out as a qualified *joint and survivor annuity*. This annuity provides a pension to you and a pension to your designated beneficiary at **50**% of the benefit payable to you. You can elect to have your benefits paid out in a different form, such as a lump sum, or to designate a beneficiary other than your spouse. **An election of beneficiary other than your spouse could leave your spouse without a survivor pension.**

Should you die before retiring, your vested accrued benefit will be paid out as a *qualified preretirement survivor annuity* providing a pension to your designated beneficiary, unless your beneficiary elects a different form of payout. The Plan can delay commencement of payment of this survivor pension until the earliest date you would otherwise have become eligible to begin receiving your benefits.

Spousal Consent: Any election other than a qualified joint and survivor or qualified pre-retirement survivor annuity benefiting your spouse and any other change in an election requires spousal consent. Electing a different beneficiary could leave your spouse without a survivor pension. Any election will only be valid if such election is in a writing signed by your spouse, and your spouse's signature has either been notarized or witnessed by a disinterested plan representative.

When to Make Elections:

Subject to any limitations in the Plan concerning designation of beneficiary, your right to make a different election (or revoke or reinstate a prior election) concerning distribution of your accrued benefit takes effect at the beginning of the plan year in which you reach age 35 (or, if earlier, terminate employment) and continues throughout the 90-day period preceding the date your pension is set to start.

Optional Forms of Benefit:

Subject to a written election (and written spousal consent if you are married), the plan permits you to choose among the following optional benefits during the 90-day period preceding your retirement date:

- A lump sum.
- A straight life annuity with or without a period certain not exceeding your life expectancy at the time payments would to commence.
- A period certain annuity only for a period certain elected not exceeding your life expectance or the combined life expectancy of you and your spouse at the time payments are to commence.
- A joint and last survivor annuity. Provided the periodic benefit to your beneficiary does not exceed your periodic benefit. (And if the beneficiary is not your spouse, provide that the actuarial equivalent of the payments expected to be made to you is more than 50% of the actuarial equivalent of the total expected payments.

Any optional form of benefit will be the actuarial equivalent of your vested accrued benefit.

Notice requirements:

Between 30 and 90 days prior to your annuity starting date, the Plan Administrator will inform you of all the details of the foregoing by written notice which will also include a comparison of the relative values of the various optional forms of benefit permitted under the Plan.

However, the annuity starting date period can be shortened to less than 30 days after notice is given if, among other conditions, you to elect to receive your accrued benefit in a form other than a qualified joint and survivor annuity.

IX. LOANS & ROLLOVERS

Participant Loans:

This Plan does not allow a participant to take out loans.

Rollovers:

The Plan permits participants to roll over benefits from a qualified plan sponsored by a different employer. Such rollovers are automatically 100% vested. However, because of many restrictions on such rollovers, approval from the Plan Administrator is required.

X. OTHER IMPORTANT PLAN PROVISIONS

Top Heavy Provisions:

A plan is called top heavy when 60% or more of the value of the accrued benefits belong to *key employees* (generally, the Employer's owners and/or officers.). A number of special rules apply for plan years during which a plan is top heavy. The more important ones are:

- If you are a non-key employee, you will accrue a minimum benefit accrual equal to 2.00% of your 5-year highest average compensation, payable at normal retirement, for up to 10 years of credited service, or a maximum benefit accrual of 20% of your 5-year highest average compensation;

- The Employer may choose a different plan to provide you the minimum benefit. Moreover, in lieu of the 2.00% benefit accrual, the Employer may make a contribution equal to 5.00% of your earnings in a defined contribution plan instead; and

- All accrued benefits become fully vested upon completion of 2 years of service.

Loss or Delay of Benefits:

Certain circumstances could result in reduction or denial of your benefits or contributions. The more important ones are:

- You no longer belong to a group of eligible employees.
- You did not accrue the number of hours of service the Plan requires for vesting or contribution purposes.
- You had one or more breaks in service.
- The plan's favorable tax status is disqualified.
- You participate, or did participate, in another plan sponsored by the Employer.
- Loss of benefits under the break-in-service rules. (See above.)
- Limits imposed by the Internal Revenue Code.
- Losses incurred by the Plan's investment fund.
- Violation of the terms of an insurance policy.
- Payments that must be made to an alternative payee under a Qualified Domestic Relations Order.
- You terminate employment before you are partially or fully vested,. or if you voluntarily withdraw from participating in the Plan.
- Payment may be delayed if you fail to execute forms properly, to make required participant elections (if any), or to perform any acts that may be required of you by the Plan to provide for your benefit.
- If the Plan requires you to make contributions and you fail to do so.

Anti-Alienation Clause:

You cannot give away your interest in the Plan or use it as collateral for borrowing from a third party lender, nor can your benefit be attached or garnished. There are some exceptions, such as compliance with court orders to pay alimony or child support, settlements that are part of a divorce decree, payments of outstanding participant loans upon termination of employment, as well as certain settlements with the Department of Labor or the PBGC or certain judgments for crimes or violations involving the Plan.

Taxation Of Benefits:

Taxation of your benefits at the time of distribution depends on the tax laws. Tax laws change, but typically the law as it stands at the time of receipt of benefits will apply.

Generally, when you receive a distribution, you will have to pay income taxes at ordinary income tax rates. A 10% excise tax may be imposed on distributions received before you reach age 59½.

You may be eligible to roll over any or all of the benefits paid to you into an Individual Retirement Account (IRA) and escape taxation until you withdraw the money at a later date.

Information on your options and tax implications will be given to you at the time you become eligible to receive your benefits or terminate your employment. In any event, it is recommended that you consult your tax advisor in making your decision.

Amendment or Termination of the Plan:

The Employer has the right to amend or terminate this Plan at any time it deems necessary. If the Employer amends the plan, it shall in no way use or divert plan assets for any purpose other than the exclusive benefit of the participants or their beneficiaries, which may include payment of administrative expenses properly chargeable to the Plan and Trust. Nor shall an amendment reduce the vested percentage of any participant or beneficiary or provide for a reversion of any plan assets to the Employer.

If the Plan is terminated, accrued benefits of active participants become fully vested. In the unlikely event assets are not sufficient to pay out all accrued benefits, they will be distributed according to the following priorities:

1st : If any, accrued benefits derived from voluntary contributions.

2nd: Equally to:

- **a.** Retirees who commenced receiving benefits at least 3 years before the date the Plan is terminated.
- **b.** Participants who could have retired and commenced receiving benefits at least 3 years before the date the Plan is terminated.
- **c.** Beneficiaries of participants who commenced receiving benefits at least 3 years before the date the Plan is terminated.

3rd: Benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC), if any.

4th: All accrued benefits not guaranteed by the PBGC that became vested before the date the Plan is terminated (i.e., vested in the ordinary course and not due to plan termination).

5th: All other accrued benefits.

6th: Any remaining assets will be returned to the Employer.

PBGC Insurance:

Pension benefits often are insured by the Pension Benefit Guaranty Corporation ("PBGC") in the event of plan termination. Generally the PBGC guarantees most vested normal retirement age benefits and certain disability and survivor pensions at the level in effect on the date of plan termination. The PBGC does **not**, however, guarantee all types of benefits under covered plans, and the amount of protection is subject to certain limitations.

While the PBGC typically guarantees vested benefits at the level in effect on the date of plan termination, if a plan has been in effect less than 5 years before it terminates, or if benefits have been increased within the 5 years before the plan termination date, the whole amount may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, ask the Plan Administrator the PBGC. Inquiries to the PBGC should be addressed to:

Office of Communications, PBGC
1200 K Street, NW
Washington, D.C. 20005-4026
(202) 326-4040

Claim for Benefits:

It is anticipated that this Plan will be administered in such a manner that your benefits will be paid when due without filing a claim.

However, if you believe a benefit due you has not been paid, you may file a written claim with the Plan Administrator. If your benefit request is denied, the Employer shall give you written notice of the denial, as well as specific reasons for the denial, within 90 days after your claim is received by the Plan Administrator. You then have 90 days to appeal the decision to the Employer in writing. The Employer then has 60 days in which to review the earlier decision, make a final decision and communicate it to you in writing.

Your Legal Rights as Participant:

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

- Examine, without charge, at the Plan Administrator's office all plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

- Obtain copies of all plan documents and other plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for such copies.

- Receive a copy of a summary of the Plan's annual financial report (called "Summary Annual Report"), which the Plan Administrator is required by law to furnish each participant.

- Obtain a written statement, free of charge, telling you whether you have a right to receive a pension at normal retirement age and, if so, what your benefits would be at normal retirement age if you stopped working under the Plan as of the date of such statement. (If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension.) This statement must be *requested* in writing and is not required to be given more than once a year.

In addition to creating rights for plan participants, ERISA imposes duties upon the persons who are responsible for the operation of an employee benefit plan. The persons who operate your plan have a duty to do so prudently and in your interest and that of other plan participants and beneficiaries.

No one, including the Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension or exercising your rights under ERISA. If your claim for a pension benefit is denied in whole or in part, you must be given a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within 30 days, you may file suit in federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to $100 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 which are denied or ignored, in whole or in part, you may file suit in state or federal court. If it should happen that plan fiduciaries misuse the Plan's assets, or if you are discriminated against for asserting your rights, 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.

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, you should contact the nearest area office of the U.S. Labor-Management Services Administration, Department of Labor.

The general provisions of this summary plan description are designed to provide you with information on how the Plan works.

This Plan was adopted to provide employees income after their retirement. The Plan's provisions are governed by a legally binding plan document and trust written in accordance with requirements of the Internal Revenue Code. Although we have designed the Plan in a way that we believe complies with applicable pension law, some changes may be required for formal and continued approval by the Treasury Department. In such case, the changes will be made and communicated to you.