

The Catholic University of America Section 127 Educational
Assistance Plan

Restated May 1, 2010

Article I - Purpose of Plan

1.01 The purpose of The Catholic University of America Section 127 Educational Assistance Plan (the "Plan") is to furnish educational assistance to the Employees of the University. It is the intention of The Catholic University of America (the "University" or "Employer") that the Plan qualify as a plan providing qualified educational assistance under Code Section 127(b)(1), and that the educational assistance under the Plan be eligible for exclusion from the Employees' income under Code Section 127(a).

Article II- Definitions

2.01 "Appeals Committee" means a committee of at least three but no more than five individuals appointed by the Board of Trustees of the Employer who shall hear appeals pursuant to the procedures under Article VIII.

2.02 "Benefits" means the direct payment or reimbursement of some or all Covered Costs incurred by a Participant for Educational Courses taken at The Catholic University of America.

2.03 "Code" means the Internal Revenue Code of 1986, as amended.

2.04 "Covered Costs" means the tuition paid for or incurred by a Participant in taking an Educational Course at The Catholic University of America. Such term shall not include the costs of fees, books, or any tools or supplies purchased by a Participant or the cost of meals, lodging or transportation incurred by a Participant incidental to taking an Educational Course.

2.05 "Educational Course" means any undergraduate or graduate level course taken by a Participant at the University which is offered by the University, except for a course that instructs the Participant in any sport, game or hobby.

2.06 "Employee" means any individual employed on a full time basis by the University or on an approved Leave of Absence from the University. "Employee" also means a Part Time Employee who works more than 1,000 hours per year. Faculty positions which are

generally eligible for Benefits under this Plan include the following categories of positions: appointments with continuous tenure as described in Part II-B-2 of the University's Faculty Handbook; appointments probationary for tenure as described in Part II-B-3 of the Faculty Handbook; contract appointments without tenure as described in Part II-B-4 of the Faculty Handbook; Research Professors; Visiting Professors; Exchange Professors; and Distinguished Lecturers. Faculty positions that are generally not eligible for Benefits under the Plan include the following categories of positions: Professors Emeriti; Adjunct Professor; Lecturer; Senior Lecturer; Research Associate; Clinical Associate; Visiting Scholar or other similar Faculty Associate such as Artist-in-Residence or Judge-in-Residence; and Graduate Teaching or Research Assistant.

2.07 "Employer" means, The Catholic University of America, a D.C. nonprofit corporation.

2.08 "Former Employee" means any individual who was formerly an Employee and who has either (i) retired from the Employer as defined in the pertinent employee handbook (Faculty or Staff Handbook) or (ii) ceased employment with the Employer with at least one Year of Service because of a disability.

2.09 "Leave of Absence" means any absence from the Employer (i) for a period of not more than two years or (ii) for service in the Armed Forces of the United States.

2.10 "Participant" means any Employee or Former Employee who has satisfied the eligibility requirements of Section 3.01.

2.11 "Plan" means The Catholic University of America Section 127 Educational Assistance Plan.

2.12 "Plan Administrator" means the person designated to administer the Plan under Section 7.01.

2.13 "Plan Year" means the 12-month period commencing Jan. 1st and ending on Dec. 31st.

2.14 "Year of Service" means a 12 month period during which an Employee performs at least 1000 hours of service for the University as an employee. "Years of Service" means the number of years, including fractional portions thereof, elapsed since the first date an Employee was paid or entitled to payment for the performance of duties for the University.

Article III -- Eligibility

3.01 Every Employee and every Former Employee shall automatically become a Participant in the Plan on the date he or she becomes an Employee or Former Employee, *provided, however,* that, notwithstanding the above, an Employee shall become a Participant only after he or she has completed a 90 day probationary period upon being hired.

3.02 Eligible part time employees receive prorated benefits (see section 5.08 below).

3.03 A Participant will cease being a Participant in the Plan if he or she leaves the employ of the Employer and is not a Former Employee or on a Leave of Absence.

Article IV -- Benefits

4.01 Every Participant in the plan shall be eligible to receive Benefits under the Plan for Covered Costs incurred by the Participant, subject to the limitations of Article V.

4.02 A Participant shall be entitled to Benefits under this Plan only for Covered Costs incurred after he or she becomes a Participant in the Plan.

4.03 A Participant who desires to receive a Benefit under the Plan shall submit a written request to the Plan Administrator or his designee for such Benefit no later than the last day to add or drop courses, as specified for the semester during which the Education Course is taken. Such request shall state:

- (a) the course or courses such Participant wishes to take;
- (b) the tuition or other cost of such course;
- (c) whether the Employee is receiving any other public or private financial assistance for such education.

Such request must be accompanied by evidence of enrollment for such courses and the Participant must agree to submit evidence of completion of such courses within 30 days after the end of the semester.

4.04 Within 60 days of receipt of the request described in Section

4.03 The Plan Administrator shall notify the Participant whether the Participant will be entitled to a Benefit under the Plan for the Educational Course or Courses the Participant wishes to take.

The Employer shall pay or otherwise satisfy the Benefits payable hereunder directly to the University on behalf of the employee.

4.05 If a Participant ceases participation in the Plan for any reason (a) no Benefits shall be paid to the former Participant for expenses incurred after the date of such termination; and (b) unless the former Participant was discharged for cause, requests for Benefits may be made after the date of termination for Covered Costs incurred prior to such date.

Article V - Limitations on Benefits

5.01 Employee tuition benefits may not be combined with other University scholarship funds.

5.02 No Participant shall receive a Benefit under this Plan for more than two Educational Courses taken in any one semester.

5.03 No Participant shall receive a Benefit under this Plan for more than eight credit hours of Educational Courses taken in any one semester.

5.04 In no event shall a Participant be entitled to receive any Benefit under this Plan in lieu of any other compensation he or she might otherwise be entitled to from the Employer,

5.05 A Participant may not receive more than \$5,250 in Benefits under the Plan for the year in accordance with Code Section 127(a).

5.06 Not more than 5% of Benefits paid or incurred each year under the Plan shall be attributable to principal (5%) shareholders or owners of the University in accordance with Code Section 127(b).

5.07 Recipients of benefits under this plan will not be permitted to attend classes during normal work hours except when the course is directly related to the position occupied and then only with the approval of the appropriate vice president.

5.08 Benefits are prorated for eligible part time employees, the proration factor being time, i.e., the proportion that a part time

employee's employment relates to the work time of full time employment with the University. Thus, for example, a part time employee who works 4/7 of the time of a full time employee would qualify for 4/7 of the benefit for which a full time employee would qualify.

5.9 Participants may not use Benefits under this Plan to take courses in the School of the University where they work.

Article VI -- Funding

6.01 The Employer shall contribute the amount required to pay Benefits under this Plan out of the general assets of the Employer at the time such Benefits are to be paid. Benefits shall be paid to or for Participants upon the submission and approval of a claim for Benefits pursuant to the claims procedure set forth in Article VIII. There shall be no special fund out of which Benefits shall be paid, nor shall Participants be required to make a contribution as a condition of receiving Benefits.

Article VII - Named Fiduciary and Plan Administrator

7.01 The University, located at 620 Michigan Avenue, NE, Washington, DC, 20064, is hereby designated as the Plan Administrator, and has designated the Vice President for Finance and Treasurer to serve as the Named Fiduciary until resignation or removal by the Board of Trustees and appointment of a successor by duly adopted resolution of the Board. The Plan Administrator shall have the authority to control and manage the operation and administration of the Plan, including the authority to make and enforce rules or regulations for the efficient administration of the Plan; to interpret the Plan; and to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan.

7.02 The Plan Administrator shall give reasonable notice of the availability and terms of the Plan to eligible Employees.

7.03 The Plan Administrator shall keep accurate records of all Benefits paid to Participants under the Plan and ascertain that no Benefit was paid to an Employee in lieu of other compensation due a Participant.

Article VIII - Claims Procedure

8.01 A Participant shall make a claim for Benefits by making a request in accordance with Section 4.03.

8.02 If a claim is wholly or partially denied, notice of the decision, in accordance with Section 8.03, shall be furnished to the claimant within a reasonable period of time, not to exceed 90 days after receipt of the claim by the Plan Administrator, unless special circumstances require an extension of time for processing the claim. If such an extension of time is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90 day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date on which the Plan Administrator expects to render a decision.

8.03 The Plan Administrator shall provide every claimant who is denied a claim for benefits written notice setting forth, in a manner calculated to be understood by the claimant, the following;

- (a) a specific reason or reasons for the denial;
- (b) specific reference to pertinent Plan provisions upon which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;
- (d) an explanation of the Plan's claims review procedure, as set forth below in Sections 8.04 and 8.05.

8.04 The purpose of the review procedure set forth in this Section and Section 8.05 is to provide a procedure by which a claimant, under the Plan, may have reasonable opportunity to appeal a denial of a claim to the Appeals Committee for a full and fair review. To accomplish that purpose, the claimant, or the claimant's duly authorized representative may:

- (a) request review upon written application to the Plan Administrator;

- (b) review pertinent Plan documents; and
- (c) submit issues and comments in writing.

A claimant (or a claimant's duly authorized representative) shall request a review by filing a written application for review with the Appeals Committee at any time within 60 days after receipt by the claimant of written notice of the denial of his or her claim.

8.05 Decision on review of a denied claim shall be made in the following manner:

(a) The decision on review shall be made by the Appeals Committee, who may, in its discretion, hold a hearing on the denied claim; the Appeals Committee shall make its decision promptly, and not later than 60 days after the Plan Administrator receives the request for review, unless special circumstances require extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If such an extension of time for review is required, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension.

(b) The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.

(c) In the event that the decision on review is not furnished within the time period set forth in Section 8.05(a), the claim shall be deemed denied on review.

8.06 If a dispute arises with respect to any matter under this Plan, the Plan Administrator may refrain from taking any other or further action in connection with the matter involved in the controversy until the dispute has been resolved.

Article IX - Miscellaneous

9.01 The Board of Trustees of the Employer may amend or terminate this Plan at any time.

9.02 Except where otherwise indicated by the context, any masculine terminology used shall also include the feminine and

vice versa, and the definition of any term in the singular shall also include the plural, and vice versa.

9.03 This Plan shall be effective as of Jan. 1, 2003.

9.04 This Plan shall not be deemed to constitute a contract between the Employer and any Participant nor to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him or her as a Participant of this Plan.

9.05 This Plan shall be construed and enforced according to the laws of the District of Columbia, other than its laws respecting choice of law, to the extent not preempted by any federal law.