



Retirement Plan for Employees of the School Board of the City of Alexandria, Virginia

Principal Life Insurance Company
Des Moines, IA 50306-9694

Plan Summary for New Employees

The School Board of the City of
Alexandria, Virginia

Contract Number 4-35557

Introduction

The School Board of the City of Alexandria, Virginia defined benefit pension plan provides you with a valuable benefit to help you reach your retirement goals. Here's a summary of the features of this great benefit:

Plan Funding and Expenses

The School Board of the City of Alexandria, Virginia and you make the contributions needed to provide the benefits and pay plan administrative expenses.

Eligibility and Entry

You are eligible to enter the plan on the first day of the month on or after the date you start working for us and are an eligible employee as provided in the plan.

Required Contributions

In order to participate in the plan and earn benefits, you must contribute 1.5% of your pay each pay period to the retirement plan. The amounts you contribute are credited to your employee account. Your employee account earns 5% interest.

Earned Benefit

As you work for us, you earn a retirement benefit. This earned benefit grows with your service and pay and is calculated as follows:

0.40% of your average monthly pay multiplied by your benefit service on and after September 1, 1984.

Helpful Terms

You are a 10-month employee if you're employed on a 10-month contractual basis from September 1 through June 30 each year. You are an 11-month employee if you're employed on an 11-month contractual basis from August 1 through June 30 each year. You are a 12-month employee if you're employed on a 12-month contractual basis from July 1 through June 30 each year.

Average Monthly Pay

One-twelfth of the average of your pay for the 3 consecutive pay years that give the highest average out of all pay years.

Pay year means the one-year period ending on each August 31.

Benefit Service

Benefit service means the sum of your periods of uninterrupted service. A period of uninterrupted service begins when you start participating in the plan. It ends on the earlier of the date you stop working (you quit or are discharged) or the date you have an interruption in service.

Please refer to your Summary Plan Description (SPD) for details.

Normal Retirement Date

Your normal retirement date is the first day of the month on or after the earlier of (1) your 65th birthday or (2) the later of your 50th birthday or the date you complete 30 years of service.

The amount of benefit payable on your normal retirement date is equal to your earned benefit as of that date.

Early Retirement Date

Your early retirement date is the first day of any month you choose that is after the date you stop working for us and is on or after the later of your 55th birthday or the date you have 5 years of service.

The amount of benefit payable on your early retirement date is equal to your earned benefit reduced as provided in the plan because payments begin at a younger age and are expected to continue longer.

Late Retirement Date

Your late retirement date is the first day of any month you choose that is after your normal retirement date.

The amount of benefit payable on your late retirement date is equal to your earned benefit as of that date.

Vesting

You are vested (have a non-forfeitable right) in the earned benefit based on your years of vesting service with us as shown below:

Years of Vesting Service	Less than 5	5 or more
Vesting Percentage	0%	100%

Your vesting percentage will automatically be 100% if you are working for us:

- on or after the date you reach your normal retirement date
- on or after the date you reach age 60

When Benefits Are Payable

Benefits are payable at:

- Normal Retirement Date
- Early Retirement Date
- Total Disability (as provided in the plan)
- Death

Forms of Benefits

The plan offers the following ways for you to receive plan benefits:

- Life Annuity
- Certain and Life Annuity
- Life Annuity with Modified Cash Refund
- Survivorship Annuity
- Small Amount Single Sum Payment

Please refer to your Summary Plan Description (SPD) for details about these options.

Benefit Information

You may obtain information about your benefit through:

- Retirement Plan Statement (annually)
- The Internet at www.principal.com
- Summary Plan Description (booklet)

Other Information

This is a brief summary of your employer's retirement plan. If there are any discrepancies between this summary and the plan document, the plan document will govern.

Please see your plan booklet for more information about your benefits. This summary is not meant to replace the booklet or the plan document. If you would like to receive a copy of the booklet or plan document, please contact your employer.

*Most withdrawals/distributions are subject to taxation and required withholding. Check with your financial/tax advisor on how this may affect you.

The Retirement & Investor Services – Client Contact Center at The Principal is available to answer any questions about your retirement account, too. Please call 1-800-547-7754 Monday through Friday 7AM – 9PM (Central Time) to speak to a counselor.

To find out more information about the Principal Financial Group®, visit our home page at <http://www.principal.com>.