

# YOUR PLAN B

## Saving for your Retirement



# Agenda

- Why
- What / Who
- Where
- When
- Next Steps...

# WHY

- Plan B and Plan A comparable
- 24/7 Internet access to accounts
- No 5% Income Tax on investment earnings
- With the option of “A La Carte” asset allocation, wider choice of investment funds, thus more flexibility

# WHAT / WHO

- Employee Contribution
- Hardship Withdrawal
- Memo Account Interest Calculation

# Employee Contribution (min 5%)

- Old

- Trustee: HSBC
- Carrier: Merrill Lynch
- Record Keeper: Omnimu Insurance

Portfolios:

- Aggressive
- Moderate
- Conservative
- Cash Management

- New

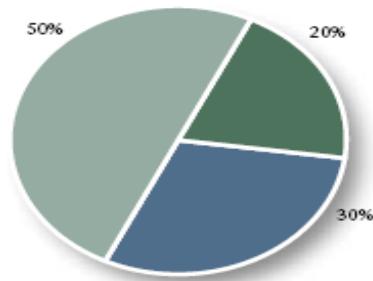
- Trustee: Butterfield Trust
- Custodian: Brown Brothers Harriman (BBH)
- Carrier: Vanguard International/BBH
- Record Keeper: Global Group Services Inc. (GGSI)

Portfolios:

- Aggressive
- Moderate
- Conservative

“A LA CARTE” Fund Selection

# Portfolios

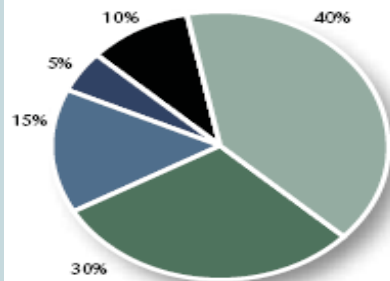


## CONSERVATIVE PORTFOLIO

VANGUARD GLOBAL BOND INDEX FUND	50%
VANGUARD GLOBAL STOCK INDEX	20%
GOLDMAN SACHS MONEY MARKET	30%

## CONSERVATIVE:

- Seeks a high level of current income and preservation of capital. For investors with low risk tolerance.
- Investor Profile Score: 0-8
- Suggested risk tolerance: Low

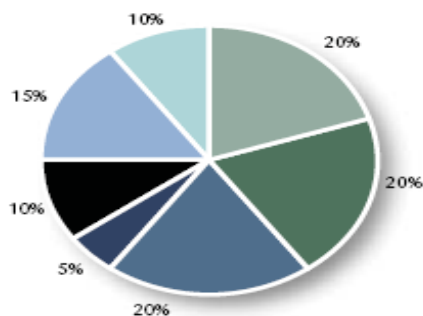


## MODERATE PORTFOLIO

VANGUARD GLOBAL BOND INDEX FUND	40%
VANGUARD GLOBAL STOCK INDEX	30%
VANGUARD U.S. 500 STOCK INDEX FUND	15%
JP MORGAN - JF CHINA FUND	5%
GOLDMAN SACHS MONEY MARKET	10%

## MODERATE:

- Seeks to balance capital growth with income. Appropriate for investors with low to medium risk tolerance
- Investor Profile Score: 9-17
- Suggested risk tolerance: Moderate



## AGGRESSIVE PORTFOLIO

VANGUARD US DISCOVERIES FUND	20%
VANGUARD EUROPEAN STOCK INDEX FUND	20%
VANGUARD U.S. 500 STOCK INDEX FUND	20%
VANGUARD JAPAN STOCK INDEX FUND	5%
JP MORGAN - JF CHINA FUND	10%
VANGUARD GLOBAL BOND INDEX FUND	15%
GOLDMAN SACHS MONEY MARKET	10%

## AGGRESSIVE:

- Invests approximately 80% in equity and 20% fixed income funds.
- Seeks a high level of long-term capital appreciation with less risk than an all equity approach
- Suggested age group: 18-25
- Suggested risk tolerance: High

# Portfolios Performance

## AMERICAN UNIVERSITY OF BEIRUT - PENSION PLAN B

Portfolios Performance as of October 31, 2009

PORTFOLIOS	YTD	1Yr	3 Yr	5 Yr	10 Yr	Inception
<b>AGGRESSIVE PORTFOLIO PERF.</b>	21.39	20.22	-4.24	3.65	2.08	2.82
<i>BENCHMARK PERF</i>	<i>20.71</i>	<i>20.60</i>	<i>-4.23</i>	<i>3.61</i>	<i>2.17</i>	<i>2.70</i>
<b>MODERATE PORTFOLIO PERF.</b>	13.95	14.67	-1.95	0.90	-0.02	2.73
<i>BENCHMARK PERF</i>	<i>14.48</i>	<i>15.54</i>	<i>-1.93</i>	<i>0.99</i>	<i>0.11</i>	<i>2.96</i>
<b>CONSERVATIVE PORTFOLIO PERF.</b>	6.93	8.83	-0.45	1.37	0.84	3.01
<i>BENCHMARK PERF</i>	<i>7.35</i>	<i>9.32</i>	<i>-0.59</i>	<i>1.26</i>	<i>0.85</i>	<i>3.20</i>

# "A La Carte" Funds Performance

AMERICAN UNIVERSITY OF BEIRUT - PENSION PLAN B.

"A La Carte" Fund Performance as of October 31, 2009

FUNDS	YTD	1Yr	3 Yr	5 Yr	10 Yr	Inception
JP Morgan - JF China Fd.	57.82	76.61	17.40	22.51	16.34	11.02
Vanguard US Discoveries Fund	26.63	15.43	-6.83	0.65	_	0.49
Vanguard European Stock Index Fund	29.87	27.37	-5.53	5.14	2.54	3.44
Vanguard US 500 Stock Index Fund	16.18	8.73	-7.83	-0.57	-1.75	0.27
Vanguard Japan Stock Index Fund	6.43	13.59	-9.63	0.95	_	2.04
Vanguard Global Stock Index Fund	22.22	17.94	-6.39	2.27	-0.15	2.06
Vanguard Global Bond Index Inst USD Hdg Fd	4.86	10.29	_	_	_	5.19
Goldman Sachs Money Market	0.18	0.33	2.75	3.05	2.91	_

# Hardship Withdrawal

- Amount of Withdrawal: Up to 40% of accumulated employee contribution **(Max: USD 50,000)**
- Qualifying circumstances:
  - Payment of catastrophic medical expenses
  - Payment for the purchase of a principal residence
  - Payment of educational fees of post-secondary education for participant, spouse, or children /dependents

# Memo Account Interest Calculation

- Old

- Interest calculated at the rate of interest credited by the TIAA/CREF on annuity contracts

- New

- Interest calculated based on the “memo account portfolio”



# WHERE

- The parties involved in this change are located as follows:
  - Butterfield Trust (Limited): Bermuda
  - Brown Brothers Harriman: United States
  - Vanguard International: United States
  - Global Group Services Inc: Canada

# WHEN



- Change Effective Date: January 1, 2010
- Enrollment Sessions / Completion of required documents: Up to Dec. 17, 2009 **(If no enrollment form by that date, you will be automatically enrolled in the default moderate portfolio)**
- Black Out Period (no transactions/ changes allowed): Dec. 14, 2009- Jan 1, 2010
- Liquidation of assets with ML: Starting Dec. 14, 2009
- Hardship Withdrawal Effective Date: April 1, 2010

# Next Steps.....

- Fill out the forms (will be handed to you)
- Online Registration as of January 1, 2010 (details to be conveyed by email)

# Form



**AMERICAN UNIVERSITY OF BEIRUT  
RETIREMENT PROGRAM FOR NON-U.S. CITIZEN or RESIDENT ALIEN EMPLOYEES  
PLAN "B"**

New enrollment  Payroll Change

Employee Last Name	First Name	Middle	Citizenship:
Date of Birth (mm/dd/yyyy) _____			Employee ID:
Sex: <input type="checkbox"/> Male or <input type="checkbox"/> Female		Marital Status: <input type="checkbox"/> Single or <input type="checkbox"/> Married	

I hereby request that I be included in the Retirement Program Plan "B" for Non-US Citizen or Resident Alien Employees of the American University of Beirut ("Plan B"). I agree to comply with the requirements of Plan B and I authorize the American University of Beirut to deduct \_\_\_\_\_% of my compensation (as defined and limited under the Plan) to be contributed to Plan B, subject to applicable limits.

*Please note that the rate you specify must be in whole-number percentages. A request to change your savings rate, suspend or resume contributions may be made at any time. Changes will be made as soon as administratively feasible.*

- I hereby
- a) acknowledge that my participation in Plan B shall terminate as of the first date that I am covered by a social security, labor law, end of service indemnity, pension plan or similar such programs promulgated or maintained directly or indirectly by the Government of Lebanon.
  - b) authorize the University to obtain on my behalf an exemption from making payments into the Lebanese Social Security Fund, if available and applicable.
  - c) understand that the benefits payable under this Plan B in the event of my death shall be payable to my beneficiaries as defined by the applicable law.
  - d) declare and confirm that AUB is hereby authorized through the Employee Benefits Committee to i) enter on my behalf into a fiduciary agreement with Butterfield Trust (Bermuda) Limited "Trustee" to invest any of my eligible contributions with Brown Brothers Harriman as custodian and ii) to enter into an agreement with Global Group Services Inc. (GGS) for recordkeeping.
  - e) also declare and confirm that I solely assume any and all results of my investment choice(s) under the plan, hereby waiving my rights to confidentiality, privacy or the banking secrecy in respect of the foregoing vis-avis AUB, GGS or any other individual or entity designated by the Trustee and AUB to monitor my said investment account.

For payroll change, check here if you wish that BOTH your balance account and future contributions be changed to the asset allocation indicated below. If this box is not checked only your future contributions will be contributed pursuant to the asset allocation indicated below.

Check here if you wish to cancel future contributions to this Plan B.

The program has been thoroughly explained to me, and I understand that, unless I become a contributing Employee under Plan B, I shall receive no benefits as described in Plan B and I shall not be eligible for benefits under any other plan in which participation shall be contingent upon my participation in Plan B, and with full acknowledgement of these facts, I elect not to participate in Plan B at this time.

**FUND ALLOCATION INSTRUCTIONS – please pick from the funds listed OR one of the portfolios.**

**You CANNOT select from both the list of funds and the portfolios; you must select either from the funds or ONE portfolio.**

**Information on the Funds and Model Portfolios is available on the website: <http://www.globaladminsolutions.ca/AUB.html>**

**If no valid investment election is made, your employee contribution amounts will be invested in the Moderate Portfolio.**

Investment Funds	Fund	Percentage	Model Portfolios	Check one:
JP Morgan - JF China Fd.	102		Conservative Portfolio	<input type="checkbox"/> 100%
Vanguard US Discoveries Fund	211		Moderate Portfolio	<input type="checkbox"/> 100%
Vanguard European Stock Index Fund	205		Aggressive Portfolio	<input type="checkbox"/> 100%
Vanguard US 500 Index Fund	209			
Vanguard Japan Stock Index Fund	210			
Vanguard Global Stock Index Fund	201			
Vanguard Global Bond Index Fund	202			
Goldman Sachs Money Market	101			
Total		100%		

Employee Signature: \_\_\_\_\_ Date (mm/dd/yyyy): \_\_\_\_\_

**AUB OFFICE USE ONLY**

Employment Date (mm/dd/yyyy): \_\_\_\_\_  
 Plan Entry Date (mm/dd/yyyy): \_\_\_\_\_  
 American University of Beirut Authorized Signature: \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_



Questions???

# Contacts

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**Benefits Manager**  
**Ext. 2313**  
**College Hall, 3<sup>rd</sup> Floor**

December 17, 2009



**If no enrollment form received at HR by that date, you will be automatically enrolled in the default moderate portfolio.**