NOTICE OF CHANGES TO
THE SCRIPPS INSTITUTE CASH BALANCE RETIREMENT PLAN

The Scripps Research Institute has adopted important changes to The Scripps Institute Cash Balance Retirement Plan (the “Plan”) that will affect your future benefits under the Plan. These changes do not affect any benefits you have previously earned under the Plan—they will affect only the pension benefits you could earn in 2014 and future years.

Freeze of Deposit Credits

The Plan currently provides for annual “deposit credits” to your cash balance account. These deposit credits equal the greater of 5.0% of your compensation or $2,000 if you work at least 1,000 hours in a plan year, or $1,000 if you work at least 500 but less than 1,000 hours. These credits are allocated to your account as of December 31st each year.

Effective as of December 31, 2013, the Plan will cease to provide annual deposit credits to your cash balance account. Deposit credits for all active Plan participants will be allocated for the year ending on December 31, 2013, but no deposit credits will be allocated for future years.

Even though your deposit credits will be frozen as of December 31, 2013, your cash balance account will continue to earn annual interest credits as provided in the Plan document. Currently, the annual rate of interest is the greater of 5.5% or the 10-Year Treasury Constant Maturity Rate on the first business day in October of the prior calendar year. The annual rate of interest to be used for 2013 is 5.5%.

In addition, if you are not yet vested in your Plan benefit because you have not yet performed at least 3 years of service, you may continue to earn vesting service after December 31, 2013. For example, if you have performed only 2 years of service as of December 31, 2013 but continue working for The Scripps Research Institute through December 31, 2014 (and you perform at least 1,000 hours of service during 2014), you will then have 3 years of service and will become 100% vested in your Plan benefit at that time. You can also become 100% vested in your benefit if you attain age 65 prior to performing 3 years of service.

Freeze of Minimum Benefits

The Plan currently provides for a minimum benefit calculated using a formula which produces an annual amount of retirement income. The formula is 1.15% of your average annual compensation times your years of benefit accrual service (not to exceed 40 years). If the value of this minimum benefit exceeds the value of your cash balance account at the time you commence
benefit payments (the Plan’s actuaries make this determination), you will receive the minimum benefit instead of your cash balance account benefit.

Effective as of December 31, 2013, all benefit accruals under the minimum benefit formula will cease. In other words, the amount of your minimum benefit will be “frozen” at the level it reached as of December 31, 2013, based on your compensation and service history as of that date. The value of this frozen minimum benefit will be compared to the value of your cash balance account at the time you commence benefit payments, and you will receive the greater benefit.

Beginning in 2014—A New Retirement Plan

At the same time the Board of Trustees approved the above changes, the Board approved implementation of a new plan—the Employee Retirement Plan—for 2014 and future years. Materials describing this exciting new plan are enclosed along with this Notice.

For Further Information

This Notice is being provided to you pursuant to Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended. This Notice does not cover all of the details of the Cash Balance Retirement Plan or its operation. The terms of the Plan govern all benefit calculations and eligibility for benefits. In the event of any discrepancy between this Notice and the Plan document, the Plan document will govern.

For any questions regarding this Notice, please call Benefits Administration in Human Resources at 858-784-8487 from 8:00 AM to 5:00 PM Pacific time. A copy of the Summary Plan Description for the Plan can be found on The Scripps Research Institute intranet site at http://www.scripps.edu/hr/benefits/retirement, or a copy may be requested by calling the number listed above.