



### **Eligibility and Entry**

All employees of VCSC are eligible to participate in the 403(b) plan and elect to make salary reduction contributions (salary deferrals) to the 403(b) plan immediately following employment except the following:

- Nonresident aliens with no U.S. source of income,
- Students performing services for Employer whose Compensation is not wages under the Federal Insurance Contributions Act (“FICA”),
- Employees who normally work fewer than 12 ½ hours per week, which is generally less than 625 hours per year, and
- Independent contractors and their employees.

Accordingly, part-time employees, *including substitute teachers, bus drivers, and cafeteria workers*, are eligible to make salary deferrals to the 403(b) plan, provided they do not otherwise fall within one of the foregoing exclusions.

### **Pay**

In general, pay is total pay from Vigo County School Corporation including salary deferral contributions. Your employer can provide more detailed information.

### **Salary Deferral Contributions**

You may choose to contribute up to 100% of your pay.

Your taxable income is reduced by the amount you contribute through salary deferral. This lets you reduce your current income taxes. Your total salary deferral in 2008 may not be more than \$15,000. Your maximum deferral percentage and/or dollar amount may also be limited by IRS regulations.

If you have 15 years of service, you are allowed to make a catch-up contribution. See your contract administrator for more details.

### **Salary Deferral Changes**

You may stop making salary deferral contributions or change your salary deferral amount at any time.

### **Employer Contributions**

Your employer may match part of the pay you contribute to the plan through salary deferral.

Your employer may make a discretionary contribution at the end of the plan year if you meet the requirements below.

The conditions you have to meet may include an hour’s requirement and/or require you to be an active participant during or at the end of the plan year.

Employer contributions may change in the future.

### **Rollover Contributions**

You may be allowed to rollover into this plan (4-51189) all or a portion of the retirement funds you have outside this plan. You are always 100% vested in any rollover contributions made to this plan. To receive additional information, contact your Plan Administrator or visit us at [www.principal.com](http://www.principal.com) or call 1-800-547-7754.



**Vesting**

You are always 100% vested in the contributions YOU choose to defer. You cannot forfeit these contributions.

You are vested in Vigo County School Corporation contributions based on years of vesting service in which you worked at least 1,000 hours as shown below.

Years	Less than 3	3	4	5 or more
Vesting %	0%	50%	75%	100%

**Investments**

Your retirement benefit plan intends to qualify as an ERISA§404(c) plan. This means that the Plan Fiduciary has transferred some responsibility for investing the retirement account to you. You are able to direct the investment of the retirement account balance by choosing among several fund options.

For the plan to qualify under ERISA §404(c), you must be given:

- The opportunity to diversify your investment, and
- The ability to make an informed decision

In order for you to make informed investment decisions, it is important that you read the investment material (including prospectuses if applicable) available from your employer. You may also obtain this information by calling our Client Contact Center at 1-800-547-7754.

Contributions will be automatically directed to the plan’s investment default if you do not choose any investment options. Please see your employer for more details.

You may invest your contributions and employer contributions in any of the investment options offered by the plan. For detailed information about your investment options, please visit us at [www.principal.com](http://www.principal.com) or contact us at 1-800-547-7754.

Please review the §404(c) information included in your enrollment kit. If you have questions about the investment options under the Plan your 404(c) contact can assist you. The contact is:

Dierdre Llewellyn  
Suite 156  
2901 Ohio Blvd  
Terre Haute, IN 47803-2239

**Investment Mix Changes**

You may change your investment direction for future contributions anytime.

Note that when transferring existing balances from one investment option to another, redemption fees or restrictions on transfer frequency may apply. Refer to the redemption fee and transfer restriction policy on the Principal Retirement Service Center or contact your Plan Administrator. Changes made through TeleTouch® (1-800-547-7754) and the Internet are free. A charge will apply to all paper requests.



### **Account Information**

You may obtain account information through:

- Retirement Plan Statement (quarterly)
- TeleTouch®
- Internet

### **Expenses**

Plan administrative expenses reduce the credited investment return.

### **When You Receive Benefits**

Benefits are payable at:

- Retirement (age 65)
- Death
- Disability\*
- Termination of employment

\*Must cease employment to receive this benefit.

### **Financial Hardship**

You may withdraw all or part of your salary deferral contributions (not earnings) if you can prove financial hardship and are unable to meet your financial needs another way.

The plan defines hardship as an “immediate and severe financial need” along with establishing the allowable reasons to receive such a withdrawal. Please see your Summary Plan Description for more details regarding hardship withdrawals.

Salary deferral contributions will be suspended for six months after your withdrawal.

### **Other Information**

Your salary deferral contributions are included in the wages used to determine your social security tax.

This summary includes a brief description of your employer’s retirement plan. If there are any discrepancies between this summary and the plan document, the plan document will govern. Contact your employer if you would like to see the plan document.

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

The Principal is required by the IRS to withhold 20% of any distribution eligible for rollover if it is not directly rolled over to another eligible retirement plan, including an IRA, or used to purchase an annuity to be paid over a minimum period of the lesser of 10 years or the participant’s life expectancy. This withholding will offset a portion of federal income taxes you owe on the distribution.

The retirement account may be affected differently by individual state taxation rules. Contact your tax advisor with questions. The Retirement and Investor Services – Client Contact Center at The Principal is available to answer



Plan Summary  
Vigo County School Corporation  
403(b) Plan & 401(a) Savings Plan  
Plan ID: 4-51189 & 7-06208

questions about the retirement plan, too. Please call 1-800-547-7754 Monday through Friday, 7 a.m. – 9 p.m. and Saturday 8 a.m. – 2 p.m. (Central Time), to speak with a counselor.

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

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*Before investing in mutual funds, investors should carefully consider the investment objectives, risks, charges and expenses of the fund. This and other information is contained in the free prospectus, which can be obtained from your local representative. Please read the prospectus carefully before investing.*

*Insurance products and plan administrative services are provided by Principal Life Insurance Company. Principal Investors Fund is distributed by and securities are offered through Princor Financial Services Corporation, 1-800-247-4123, member SIPC. Princor and Principal Life are members of The Principal Financial Group, Des Moines, IA 50392.*