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The
Kresge
Foundation

P. O. Box 3151
3215 W. Big Beaver Road
Troy, Michigan 48007-3151
313-643-9830

6/19/92

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644
U. S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

Re: The Kresge Foundation
Supplemental Executive Retirement Plan

To the Secretary of Labor:

This filing is to comply with the alternative method of compliance for pension plans for selected employees provided in Labor Reg. §2520.104-23. The undersigned plan administrator hereby provides the following information:

- (1) Employer name: The Kresge Foundation
- (2) Employer address: 3215 West Big Beaver Road
Troy, Michigan 48007-3151
- (3) Employer Identification Number: 38-1359217
- (4) Number of plans and participants: One plan covering one employee.

The employer maintains this plan primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The employer will provide a copy of the plan document to the Secretary of Labor upon request.

THE KRESGE FOUNDATION

By: Edward M. Hunia
Edward M. Hunia, Vice
President and Treasurer

LMS/1745

No. 245080

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Top Hat Plan Exemption
STREET AND NO.
U.S. Dept. Labor
P.O. STATE AND ZIP CODE
200 Constitution Avenue, NW
Washington, D.C.

CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	\$ 29
	SPECIAL DELIVERY	€
	RESTRICTED DELIVERY	€
	OPTIONAL SERVICES	
	RETURN RECEIPT SERVICE	100 €
	SHOW TO WHOM AND DATE DELIVERED	€

TOTAL POSTAGE AND FEES \$ 29

POSTMARK OR DATE
JUL 10 1952
U.S. DEPT. OF LABOR

PS Form 3800, Apr. 1976

KRESGE
FOUNDATION

SEP 3 9 33 AM '92



August 31, 1992

The Kresge Foundation
3215 West Big Beaver Road
Troy, Michigan 48007-3151

Re: Alternative Method of Compliance for Pension Plans for
Selected Employees (DRC-TH# 92-0068)

Employer Identification Number: 38-1359217
Date of Statement: None

Dear Plan Administrator:

This letter acknowledges receipt of your statement submitted on behalf of the subject pension plan(s) pursuant to the Department of Labor's (Department) Regulation 29 CFR Section 2520.104-23, "Alternative Method of Compliance for Pension Plans for Selected Employees" (commonly referred to as "top hat plans").

We are unable to determine if your statement was submitted timely --within 120 days after the plan(s) became subject to Part 1 of Title I of ERISA. Please submit the plan document or summary plan description showing the date that the referenced plan(s) became subject to Part 1 of Title I of ERISA within 30 days of the date of this letter. If you failed to file the statement timely you may not avail yourself of the relief afforded by the alternative method of compliance and, therefore, must comply with all applicable reporting and disclosure requirements under Part 1 of Title I of ERISA. You may, however, take advantage of the "grace period" program described below.

On April 20, 1992, the Department published a notice in the Federal Register (57 FR 14436) announcing an expanded program for assessing civil penalties under ERISA section 502(c)(2). In the same notice, the Department also announced that for a limited "grace period" period (March 23, 1992 until September 30, 1992) plan administrators who voluntarily file overdue annual reports in accordance with the conditions set forth in the notice will be assessed reduced penalties (copy of notice attached). On July 24, 1992, the Department published a notice in the Federal Register (57 FR 33019) clarifying its position with respect to unfunded/fully insured top hat pension plans (copy of notice attached).

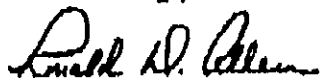
If you failed to file a Top Hat Statement within the 120 period you may wish to take advantage of the grace period program. In

order to apply for the reduced grace period penalty amounts, you must resubmit a statement that meets the alternative method of compliance along with a check for the appropriate penalty amount (\$1,000) to the Department before the end of the grace period. Please include the above DRC-TH# on your statement ensure proper identification of your case. Your check must be made Payable to the U.S. Department of Labor, and mailed along with your statement to the following address:

Pension and Welfare Benefits Administration
P.O. Box 75212
Washington, D.C. 20013-5212

For further information concerning the assessment of civil penalties under Section 502(c)(2) of ERISA, refer to Department regulations 29 CFR Sections 2560.502c-2 and 2570.60 and subsequent sections. If you have any questions, you may contact Ms. Karen Lynn Bell at (202) 523-4006. This is not a toll free number.

Sincerely,



Ronald D. Allen
Chief, Division of Reporting Compliance

Attachments

THE KRESGE FOUNDATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

SECTION 1
ADOPTION OF PLAN

1.1. Adoption. The Kresge Foundation ("The Foundation") hereby adopts The Kresge Foundation Supplemental Executive Retirement Plan ("Plan"), effective July 1, 1991 ("Effective Date").

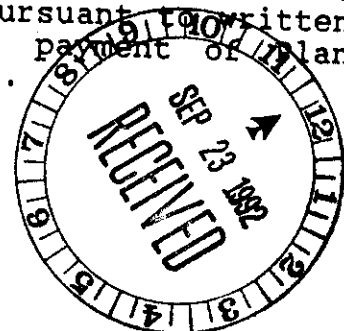
1.2. Purpose. The purpose of the Plan is to provide benefits to covered employees that would be provided to such employees under The Kresge Foundation Pension Plan (Pension Plan), a qualified plan under Section 401(a) of the Internal Revenue Code of 1986, as amended ("Code"), but for the benefit limitations of the Code, so as to encourage the continued employment and diligent service of such employees with The Foundation.

1.3. Construction. The Plan shall be construed in accordance with Michigan law, except where preempted by federal law. It is intended that the Plan shall be unfunded and maintained by The Foundation primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, so that the Plan is exempt from the requirements of Parts 2, 3 and 4 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). All provisions of the Plan shall be interpreted in accordance with such intentions.

SECTION 2
COVERAGE

2.1. Covered Employees. The coverage of the Plan shall be limited to executive employees of The Foundation, who, from time to time, are selected by The Foundation's Board of Trustees by written resolution and whose names and effective dates of coverage are set out in Attachment A.

2.2. Commencement and Cessation of Coverage. An employee shall be covered under the Plan commencing on the date specified in Attachment A. An employee shall cease to be covered under the Plan on the earliest of (a) the date that benefits are forfeited under Section 3.3, (b) the date that the Board of Trustees removes him from coverage pursuant to written resolution of the board, or (c) the final payment of Plan benefits is made to him or his joint annuitant.



SECTION 3
BENEFITS

3.1 Amount. Subject to Section 3.3, a covered employee shall be paid a supplemental retirement benefit as described below:

(a) An annual amount equal to the benefit which would be payable to the employee under the Pension Plan but for any limitations imposed by the Code on the computation of such benefit, including, but not limited to, any limitations under Code Section 415 and any limitations under Code Section 401(a)(17) on compensation used to compute such benefit, reduced (but not below zero) by

(b) any benefits that the employee receives under the Pension Plan,

with the benefit being expressed for this purpose in the normal form of payment under the Pension Plan.

3.2 Timing and Form of Payments. Subject to Section 3.3, supplemental retirement benefit payments shall be made at the same time and in the same form as retirement benefits under the Pension Plan. In the event that the employee validly elects early or late commencement of benefit or another form of payment for benefits under the Pension Plan, the supplemental retirement benefit amount shall be adjusted using the same formulas and actuarial factors as set forth for the determination of optional forms of retirement benefits under the Pension Plan. For purposes of this Section 3.2, an employee's marital status and spouse shall be determined in accordance with the Pension Plan.

3.3 Forfeitability. Payment of benefits under the Plan shall be conditioned upon eligibility for and receipt of retirement benefits from the Pension Plan, and shall be vested in the same manner and to the same extent as retirement benefits under the Pension Plan, except that any benefits under the Plan shall be forfeited completely upon a covered employee's termination of employment with The Foundation prior to eligibility for normal or early retirement under the Pension Plan.

3.4 Special Provision for Accelerated Taxes. In the event that under Code Section 457 (or any other provision of the Code or state or federal law), a covered employee is required to pay income taxes on the annual supplemental retirement benefit specified in Section 3.1 above in a taxable year prior to the taxable year of receipt of that benefit, then the covered employee shall be paid an additional benefit for the taxable year in which the tax is imposed. Such additional benefit shall be an amount which, when added to the benefit specified by Section 3.1, and after subtracting all income taxes imposed for the year on all benefits under the Plan, including the benefit under this section, equals the after-tax amount that the employee would have received if income taxes had been imposed only on the actual benefit received under Section 3.1 for the year. Furthermore, if as a result of the accelerated imposition of income taxes the covered employee receives a tax basis in his benefits under the Plan, such that future income taxes are reduced by the recovery of that basis, then each benefit payment under Section 3.1 shall be reduced, until such tax basis is fully recovered, so that the covered employee receives, after payment of all current income taxes, the net amount that would have been received absent the recovered basis. Attachment B illustrates the computation of the additional benefit under this section and the adjustment of annual benefits under Section 3.1, given one set of assumptions concerning the rate and timing of taxes. It is the intention that the computational methods of the illustration in Attachment B be used for all calculations prescribed by this section.

SECTION 4 COST OF BENEFITS

4.1 Current Expense. The cost of providing benefits under the Plan, including the additional benefit described in Section 3.4, shall be paid by The Foundation out of its current operating budget, and The Foundation's obligation under the Plan shall be an unfunded and unsecured promise to pay. The Foundation shall not be obligated under any circumstances to fund its liability under the Plan.

4.2 Option To Fund Informally. Notwithstanding Section 4.1, The Foundation may, at its sole option, or by agreement, informally fund its obligations under the Plan in whole or in part. Provided, however, in no event shall such informal funding be construed to create any trust fund, escrow account or other security for a covered employee with respect to the payment of benefits under the Plan, other than as permitted under Internal Revenue Service and Department of Labor rules and regulations for unfunded supplemental retirement plans. Furthermore, if The Foundation decides to

informally fund the Plan, in whole or in part, by procuring, as owner, life insurance for its own benefit on the lives of covered employees, the form of such insurance and the amounts thereof shall be the sole decision of The Foundation, and in no event shall a covered employee have any incidents of ownership in any such policies of insurance.

4.3 Physical Examinations. If a physical examination is required for The Foundation to obtain insurance for covered employees under Section 4.2, each employee agrees to undergo such physical examinations as may be required by the insurance carrier. Such physical examinations shall be conducted by a physician approved by The Foundation, at the expense of The Foundation.

4.4 No Employee Contributions. No contributions by employees are required or permitted under the Plan, nor shall there be any form of salary reduction contributions.

SECTION 5 ADMINISTRATION

5.1 Plan Administrator and Named Fiduciary. The Plan Administrator and Named Fiduciary of the Plan for purposes of ERISA shall be the Board of Trustees, whose business address is c/o The Kresge Foundation, 3215 West Big Beaver Road, Troy, MI 48007, and whose telephone number is (313) 643-9630. The Foundation shall have the right to change the Plan Administrator and Named Fiduciary of the Plan at any time, and to change the address and telephone number of the same. The Foundation shall give each covered employee written notice of any such change in the Plan Administrator and Named Fiduciary, or in the address or telephone number of the same.

5.2 Claims Procedure. Each covered employee, or other person claiming through the employee, must file a written claim for benefits with the Plan Administrator as a prerequisite to the payment of benefits under the Plan. Any denial by the Plan Administrator of a claim for benefits under the Plan by an employee or other person (collectively referred to as "claimant") shall be stated in writing by the Plan Administrator and delivered or mailed to the claimant within 90 days after receipt of the claim, 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 the initial period. Any notice of denial shall set forth the specific reasons for the denial, specific reference to pertinent provisions of the Plan upon which the denial is

based, a description of any additional material or information necessary for the claimant to perfect his claim, with an explanation of why such material or information is necessary, and any explanation of claim review procedures under the Plan, written to the best of the Plan Administrator's ability in a manner that may be understood without legal or actuarial counsel. A claimant whose claim for benefits has been wholly or partially denied by the Plan Administrator may request, within 90 days following the date of such denial, in a writing addressed to the Plan Administrator, a review of such denial. The claimant shall be entitled to submit such issues or comments in writing or otherwise, as he shall consider relevant to a determination of his claim, and may include a request for a hearing in person before the Plan Administrator. Prior to submitting his request, the claimant shall be entitled to review such documents as the Plan Administrator shall agree are pertinent to his claim. The claimant may, at all stages of review, be represented by counsel, legal or otherwise, of his choice, provided that the fees and expenses of such counsel shall be borne by the claimant. All requests for review shall be promptly resolved. The Plan Administrator's decision with respect to any such review shall be set forth in writing and shall be mailed to the claimant not later than 60 days following receipt by the Plan Administrator of the claimant's request unless special circumstances, such as the need to hold a hearing, require an extension of time for processing, in which case the Plan Administrator's decision shall be so mailed not later than 120 days after receipt of such request.

SECTION 6 LIMITATION OF COVERED EMPLOYEE'S RIGHTS

6.1 No Contract of Employment. The Plan shall not be deemed to create a contract of employment between The Foundation and any covered employee and shall create no right in any covered employee to continue in The Foundation's employment for any specific period of time, or to create any other rights in any covered employee or obligations on the part of The Foundation, except as are set forth herein or in any written employment contract. Nor shall the Plan restrict the right of The Foundation to terminate any covered employee, or restrict the right of any covered employee to terminate his employment.

6.2 Unsecured Creditor. The rights of any covered employee or any person claiming through the employee under the Plan shall be solely those of an unsecured general creditor of The Foundation. Any covered employee, or any person claiming through the employee, shall only have the right to receive from The Foundation those payments as specified herein. Each covered employee agrees that he or any person claiming through

him shall have no rights or interests in any asset of The Foundation, including any insurance policies or contracts which The Foundation may possess to informally fund the Plan.

6.3 No Trust. No asset used or acquired by The Foundation in connection with the liabilities it has assumed under the Plan shall be deemed to be held under any trust for the benefit of any covered employee. Nor shall any such asset be considered security for the performance of the obligations of The Foundation, but shall be, and remain, a general unpledged and unrestricted asset of The Foundation, except as provided by separate agreement and as permitted under Internal Revenue Service and Department of Labor rules and regulations for unfunded supplemental retirement plans.

SECTION 7 AMENDMENT OR TERMINATION

7.1 Right To Amend or Terminate Plan. The Foundation reserves the right to amend the Plan in any manner deemed appropriate by The Foundation's Board of Trustees, and The Foundation reserves the right to terminate the Plan at any time in whole or part.

7.2 Limitations. Notwithstanding Section 7.1, no such amendment or termination shall reduce or otherwise affect the benefits payable to or on behalf of any covered employee that have accrued prior to such amendment or termination without the written consent of the employee (or beneficiary, if applicable). In addition, the complete or partial termination of this Plan shall have the same effect on the vesting of benefits accrued to date under this Plan as in the case of a complete or partial termination of the Pension Plan.

SECTION 8 MISCELLANEOUS PROVISIONS

8.1 Independence of Benefits. Except as otherwise provided herein, the benefits payable under the Plan shall be independent of, and in addition to, any other benefits or compensation, whether by salary, or bonus or otherwise, payable under any employment agreements that now exist or may hereafter exist from time to time between The Foundation and any employee. The Plan does not involve a reduction in salary or foregoing of an increase in future salary by any employee. Nor does the Plan in any way affect or reduce the existing and future compensation and other benefits of any covered employee.

8.2 Non-alienation of Benefits. Except in so far as this provision may be contrary to applicable law, no sale, transfer, alienation, assignment, pledge, collateralization, or

attachment of any benefits under the Plan shall be valid or recognized by The Foundation.

8.3 Payments for the Benefit of Employee. In the event that The Foundation shall find that any person to whom a benefit is payable under the Plan is unable to care for his affairs because of illness or accident, is otherwise mentally or physically incompetent, or is unable to give a valid receipt, The Foundation may cause the payments becoming due to such person to be paid to another individual for such person's benefit, without responsibility on the part of The Foundation to follow application of such payment. Any such payment shall be a payment on account of such person and shall operate as a complete discharge of The Foundation from all liability under the Plan.

8.4 Use of Words. Wherever any words are used in the Plan in the masculine gender, they shall be construed as though they also were used in the feminine gender in all cases where they would so apply, and wherever any words are used in the Plan in the singular form, they shall be construed as though they also were used in the plural form in all cases where they would so apply, and vice versa.

8.5 Headings. Headings of Sections herein are inserted for convenience of reference. They constitute no part of the Plan and are not to be considered in the construction of the Plan.

8.6 Savings Clause. If any provisions of the Plan shall be for any reason invalid or unenforceable, the remaining provisions nevertheless shall be carried into effect.

SECTION 9 DEFINITIONS

Terms capitalized in the text of the Plan shall have the meanings referred to below, unless the context requires otherwise. Terms not defined herein shall be construed in reference to the same or similar terms as used in the Pension Plan.

- 9.1 Code. See Section 1.2.
- 9.2 Effective Date. See Section 1.1
- 9.3 ERISA. See Section 1.3
- 9.4 Plan. See Section 1.1
- 9.5 The Foundation. See Section 1.1

SECTION 10
EXECUTION

IN WITNESS WHEREOF, The Kresge Foundation has caused
the Plan to be executed on May 21, 1992.

THE KRESGE FOUNDATION

John A. Stevens
Witness

By: John E. Marshall III
John E. Marshall III,
President

ATTACHMENT A

THE KRESGE FOUNDATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Covered Employees

Name of Employee

Title

Date of
Coverage

Alfred H. Taylor

Chairman and Chief
Executive Officer

July 1, 1991

ATTACHMENT B

THE KRESGE FOUNDATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Illustration of Special Tax Provisions

1. ASSUMPTIONS

- Present value of all future benefits taxable in year of retirement
- Exclusion ratio applies in future years to recover tax basis
- Present value is computed per Treas. Reg. §1.72-9 and IRS Notice 89-60
- Retirement is at age 62 on first day of the year
- Section 3.1 annual benefit is \$100,000
- Current interest rate is 8.6%
- Effective marginal state and federal tax rate is 32%
- Additional first year benefit under Section 3.4 is X
- Benefit adjustment under Section 3.4 is Y

2. PRESENT VALUE OF BENEFIT

- Remainder factor from Table R(1)
of IRS Notice 80-60 0.28929
- Annual annuity factor
(1 - 0.28929)/0.08600 8.26000
- Monthly annuity factor
8.26000 x 1.03880 (adjustment from
Table K of Treas. Reg. §1.72-9) 8.58000
- Present value of annuity taxable
in year of retirement (\$100,000 - Y) x 8.58000

3. EXCLUSION RATIO

- Expected return multiple from Table V of Treas. Reg. §1.72-9 22.50000
- Exclusion ratio 8.58000/22.50000 38%

4. TARGETED AFTER-TAX BENEFIT

- Section 3.1 amount of \$100,000 less taxes \$100,000 (1 - 0.32) \$68,000

5. COMPUTATION OF X AND Y

- $(\$100,000 - Y + X) - .32 (100,000 - Y) (8.58) = \$68,000$
and

- $(1 - 0.32) (\$100,000 - Y) (1 - 0.38) + 0.38 (\$100,000 - Y) = \$68,000$

∴ X = \$216,079 and Y = \$15,170.

6. SUMMARY

- Additional benefit under Section 3.4 in year of retirement: \$216,079
- Annual benefit reduction under Section 3.4 \$15,170
- Net annual benefit under plan until tax basis is recovered \$84,830