The American Red Cross
SAVINGS PLAN

Summary Plan Description

Take Charge of Your Savings

American
Red Cross

Contents

Fast FACTS

A QUICK LOOK AT THE SAVINGS PLAN

The American Red Cross Savings Plan ("Savings Plan") has been designed as a retirement savings program. The Savings Plan is an attractive way for you to plan for your financial future. The Savings Plan is a 401(k) "Qualified Retirement Plan" under the Internal Revenue code and offers many advantages:

Lower current taxes. Your pre-tax contributions are deducted from pay before federal income taxes and before most state taxes are calculated, so most participants pay no taxes on these contributions until they are withdrawn.

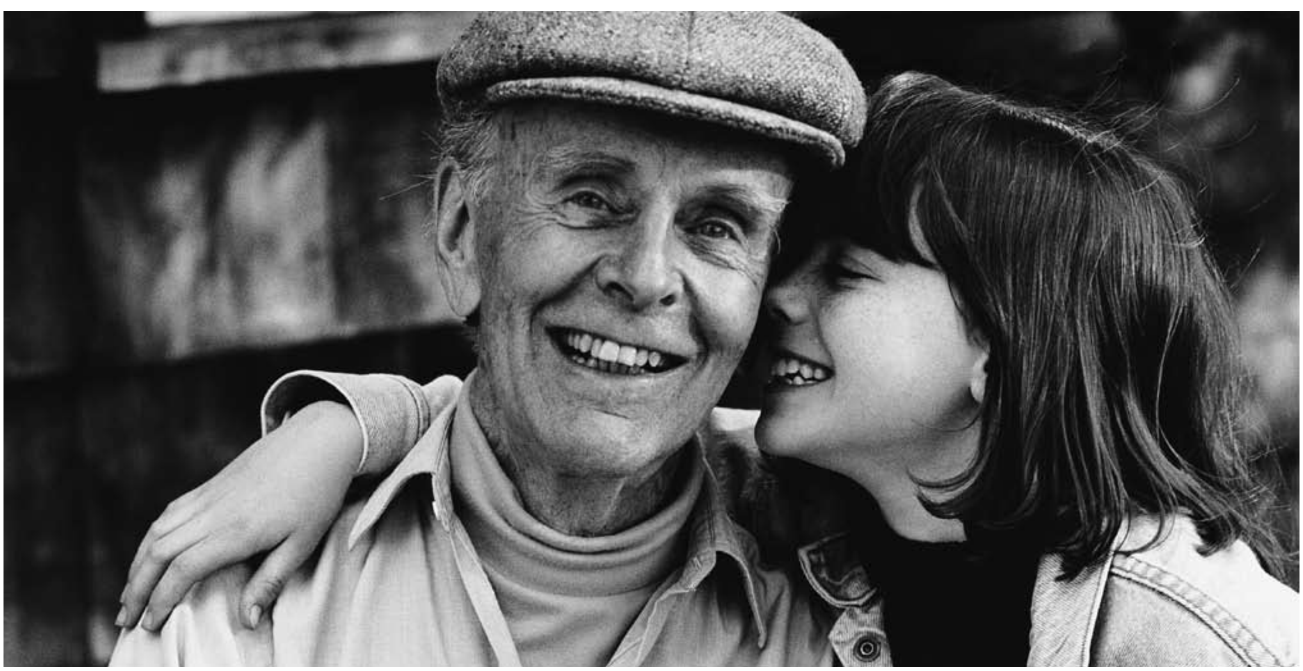
Tax-deferred growth. Income tax on your pre-tax savings, any Red Cross contributions and investment earnings on all contributions is delayed until you take money out of the Savings Plan.

Investment choices. You can invest your money in investment funds that are designed to meet a wide range of investment needs. Plus, once your account reaches a minimum value determined by the Savings Plan, you can choose to open a self-managed brokerage account within the Savings Plan. This allows you to invest directly in stocks, bonds and other financial instruments typically available from brokers.

Payroll deduction. Your Savings Plan contributions are deducted automatically from your pay. It's the easiest and most convenient way to save.

Qualified Retirement Plans

The Internal Revenue Service designates plans that meet certain requirements as qualified retirement plans. The money in these plans is protected from income taxes until it is withdrawn. The American Red Cross Savings Plan is a qualified retirement plan.



A Summary of the SAVINGS PLAN

PARTICIPATING IN THE SAVINGS PLAN

Eligibility
You are eligible to participate in the American Red Cross Savings Plan if—

- You are an employee of the American Red Cross national sector anywhere in the world, including Puerto Rico, but excluding non-resident aliens paid by a non-U.S. source;
- You are an employee of the American Red Cross Biomedical Services anywhere in the United States (including Puerto Rico);
- You are an employee of an American Red Cross chapter that participates in the Savings Plan.

Note: Full-time, part-time, per diem, temporary (paid by the Red Cross) and seasonal staff in the above categories are eligible to participate.

In all cases, eligibility of bargaining unit employees is subject to the terms of the applicable collective bargaining agreement.

Enrollment
National sector (including Service to the Armed Forces), Biomedical Services and chapter employees will automatically receive an enrollment kit in the mail. Use the enrollment kit as a guide to decide how much to save and to make your investment choices. Then access the Savings Plan Web site or call the Savings Plan Information Line to open your account. It is not necessary to submit any forms to open your account.

When Participation Begins
Your participation begins when you enroll via the Savings Plan Web site or the Savings Plan Information Line. Payroll deductions will begin as soon as administratively possible after you enroll.

Naming a Beneficiary
If you are married, your spouse is automatically your beneficiary and will receive the full value of your account when you die. You should designate a beneficiary, even if you are naming your spouse as beneficiary. You should note this election with the Benefits Service Center. If you are married and elect to designate someone other than your spouse, your spouse's written consent must be obtained. You may change your beneficiary(ies) at any time. If you are married, these changes must also have the written, notarized consent of your spouse.

CONTRIBUTIONS TO THE SAVINGS PLAN

When you enroll in the American Red Cross Savings Plan, an account is established in your name.

Deposited in the account are—

- Your contributions;
- Contributions made by the Red Cross;
- Any "rollover" contributions you transfer from another qualified retirement plan;
- Earnings generated by all of the above contributions.

Your Contributions

You may make both pre-tax and after-tax contributions to your Savings Plan account. Both pre-tax and after-tax contributions are subject to the Red Cross Match, when in effect. The amount you may contribute each plan year is subject to the Internal Revenue Service limits and is based on your gross pay:

- **Pre-tax:** You may contribute from one percent to 50 percent of your gross pay.
- **After-tax:** You may contribute from one percent to 10 percent of your gross pay.

The most you may contribute to your Savings Plan account each plan year is 60 percent of your gross pay (up to 50 percent pre-tax and up to 10 percent after-tax).

Note: Residents of Puerto Rico may contribute only on an after-tax basis.

Catch-Up Contributions

If you will be age 50 or older during the current calendar year, you can elect to make catch-up contributions above those IRS limits in addition to your regular pre-tax and/or after-tax contributions, anytime during that year and subsequent years. Catch-up contributions are not matched and your contributions are limited by the IRS rules described below.

Changing Your Contributions

You may change your pre-tax, after-tax and catch-up contribution elections at any time. Changes will be effective as soon as administratively possible.

Limits on Contributions

The Internal Revenue Service sets a limit on the amount of contributions you may make under the Savings Plan and other similar plans (such as tax-sheltered 403(b) annuity contracts, simplified employee pensions or other 401(k) plans).

The IRS limits the amount of compensation permitted to take into account each year for employer and employee contribution purposes.

The IRS also sets other limits to ensure that the Savings Plan does not discriminate in favor of "highly paid employees." The Savings Plan will notify you if your contributions must be limited for non-discrimination purposes.

The Red Cross Match

The Red Cross may contribute a match to your Savings Plan account. For each dollar you contribute, the Red Cross may contribute an additional amount, based on the matching rate, determined by the Red Cross.

When in effect, the Red Cross will match both pre-tax and after-tax contributions. The Red Cross Match generally is credited to your account at the same time your own contribution is deposited each pay period.

The Red Cross Match will be applied to the same investments and in the same proportion as your own contributions. See below for details on when you vest (or own) the Red Cross Match.

The Annual Red Cross Contribution (ARCC)

The American Red Cross will contribute a percentage of pay to the Savings Plan following the end of each fiscal year (June 30). The contribution is available for those who do not participate in the Retirement System, who perform at least 1,000 hours of service at participating American Red Cross units during the fiscal year and are employed by the American Red Cross on June 30. Should you meet the requirements, but were not employed on June 30 due to retirement[1] or death, you or your beneficiary will receive the ARCC. The ARCC rate will be determined annually. Please see *"Connecting with the Savings Plan"* or contact the Benefit Service Center for the current Annual Red Cross Contribution percentage rate.

The ARCC is credited to your account shortly after the end of the fiscal year to those who have met the eligibility requirements.

The ARCC will be applied to the same investments and in the same proportion as your own contributions. See below for details on when you vest (or own) the ARCC.

VESTING

Vesting refers to your ownership of the money in your Savings Plan account, as described here.

Your Contributions

You always own the contributions you make to the plan, plus investment earnings on those contributions.

The Red Cross Match and ARCC

Your hire date is used to determine when you own the contributions Red Cross makes to your account (plus investment earnings on those contributions):

- If you were hired before July 1, 2005, you are fully and immediately vested in Red Cross contributions.
- If you were hired on or after July 1, 2005, you become fully vested in Red Cross contributions after three years of service.

If you incur a break in service and return within 12 months, you will get vesting service credited for the break-in-service period. If your break in service is longer than 12 months, you will not get vesting service during the break but you will continue to accrue vesting service the day you return to work. If the break in service is longer than six years and you were not vested when you left, you will lose and not regain your prior vesting service.

If You Are Not Fully Vested When Your Employment Ends

If you leave the Red Cross before you are vested in the Red Cross contributions, you lose, or forfeit, those contributions. For example, if you were hired on August 15, 2009, and you leave the Red Cross in 2011, you would have less than three years of service. This means you would forfeit the Red Cross Match when you leave and only be entitled to withdraw your contributions plus investment earnings. But if you continued to work for the Red Cross beyond August 15, 2012, you would be fully vested in your entire Savings Plan account balance.

Remember, you are always 100 percent vested in your contributions.

1. Retirement must be on or after age 65 with at least five years of vesting service or on or after age 55 with at least 10 years of vesting service.

WHERE YOUR MONEY GOES

The Savings Plan is intended to constitute a plan described in section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Title 29 of the Code of Federal Regulations Section 2550.404c-1. The Savings Plan offers participants and beneficiaries the opportunity to exercise control over the assets contributed and accumulated on their behalf under the Plan by allowing participants to choose, from a broad range of investment alternatives, the manner in which these assets will be invested and by providing them with information necessary to make informed decisions with respect to the investment options under the Plan and the benefits and risks of ownership that arise from those investments. The Savings Plan Administrator and the Plan Trustee are the named fiduciaries who are obligated (with certain limited exceptions) to comply with participant instructions. As a result of the foregoing, fiduciaries of the Plan may be relieved of liability for any losses that are the direct and necessary result of investment instructions given by a participant or beneficiary.

You choose how your Savings Plan dollars are invested. The Savings Plan offers several investment funds, plus an optional self-managed brokerage account.[2] You may invest the full value of your account in one fund, or divide your money among two or more funds.[3,4]

Earnings are applied to your account each business day, except stock market holidays. From time to time, these funds may change or new funds may be added. You'll be notified if and when such changes occur.

Your contributions, combined with the Red Cross Match and the Annual Red Cross Contribution, create an opportunity for significant savings growth.

2. Self-managed brokerage accounts are subject to additional fees.
3. Investments options are subject to certain fees.
4. Individual investment advice and retirement planning is available, subject to certain fees.

Fund Transfers

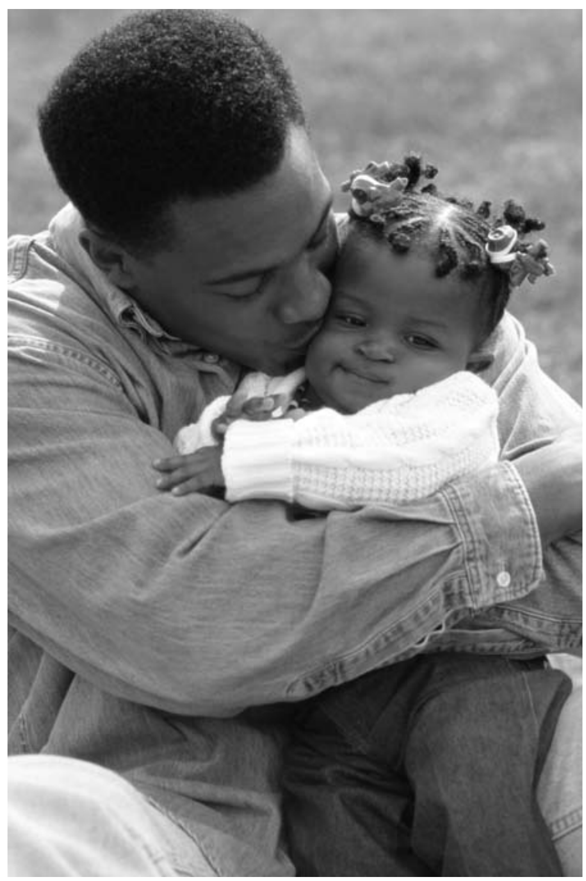
Subject to the terms and any limitations imposed by individual investment options, you may transfer or reallocate your current balance to a new fund selection subject to the restrictions noted below.

Restrictions

The Savings Plan Administrator reserves the right to limit the number of investment election changes or fund transfers for any participant if the Plan Administrator determines that such a limit would be in the best interest of all Savings Plan participants or would be prudent from a fiduciary standpoint.

If You Don't Make an Investment Election

If you do not select an investment fund, the money in your Savings Plan account will be automatically invested according to your age in a Qualified Default Investment Alternative



(Target Retirement Date Fund). These are pre-mixed funds that change as you get closer to retirement and take some of the work out of investing.

You can also choose Target Retirement Date Funds as an investment option for your account. You choose the fund that coincides with the date you plan to retire, and as you approach the predetermined retirement date, the funds are invested more conservatively. If you have a number of years before retirement, the funds are invested more aggressively.

Account Statements

Account statements are available anytime online. Statements are also processed on a periodic basis. You have the option of electing to receive these statements electronically, via the U.S. mail or to generate a statement at any time.

The statement will tell you the following:

- How much money was in your account at the end of the previous period.
- How much money has gone into and out of your account during the period. The money that goes into your account can come from the following places:
  - Your own contributions
  - The Red Cross Match
  - The Annual Red Cross Contribution (ARCC)
  - Rollover contributions (money you transferred from another employer's plan)
  - Earnings (how much money your account has gained or lost as a result of market activity)
  - The money that comes out of your account can be a result of:
    - Distributions, withdrawals, or loans from your account during the period
    - Fees that have been charged to your account, such as Self-Managed Brokerage Account maintenance fees, Advisor Fees (where applicable), annual account maintenance fees for employees no longer working at the Red Cross and overnight fees (for distributions sent overnight upon request)

If you have any questions about your statement, call the Savings Plan Information Line and speak to a Participant Services Representative.

WHEN YOU RETIRE OR LEAVE THE RED CROSS

The full vested value of your Savings Plan account is paid to you or your beneficiary(ies) when you leave the Red Cross (in some circumstances you may keep your account in place after you leave the Red Cross) or you die.

If You Leave the Red Cross

If you leave the Red Cross, you are entitled to receive the full vested value of your account.

You may choose a lump-sum distribution, installment payments or partial withdrawals. You may also elect to leave your money invested in the Savings Plan, but you may not make additional contributions nor will you receive additional matching funds.[5]

If you leave your money in the Savings Plan after you leave the Red Cross, an annual service charge will be applied after one year. In addition, if your account balance is less than $5,000 after your employment with the Red Cross ends and you have not elected to do otherwise, it will automatically be distributed to you as follows.

- If your account balance is more than $1,000 (but less than $5,000): Your Savings Plan account balance will be directly rolled over to an Individual

5. May be subject to maintenance fees.

- Retirement Account (IRA), established by the Savings Plan administrator. Any maintenance fees will be your responsibility as the participant.
- If the value of your account is $1,000 or less: You will automatically receive a lump-sum payment in cash and all required federal and state taxes will be withheld.

In all cases, any balances in your Self-Managed Brokerage Account must be moved to one of the Savings Plan's regular investment funds before they can be distributed.

Note: If you leave the Red Cross and go to work for an employer that has a similar plan, you may be able to "roll over" your Savings Plan balance with no tax consequences. You may also choose to roll over your balance to an Individual Retirement Account (IRA).

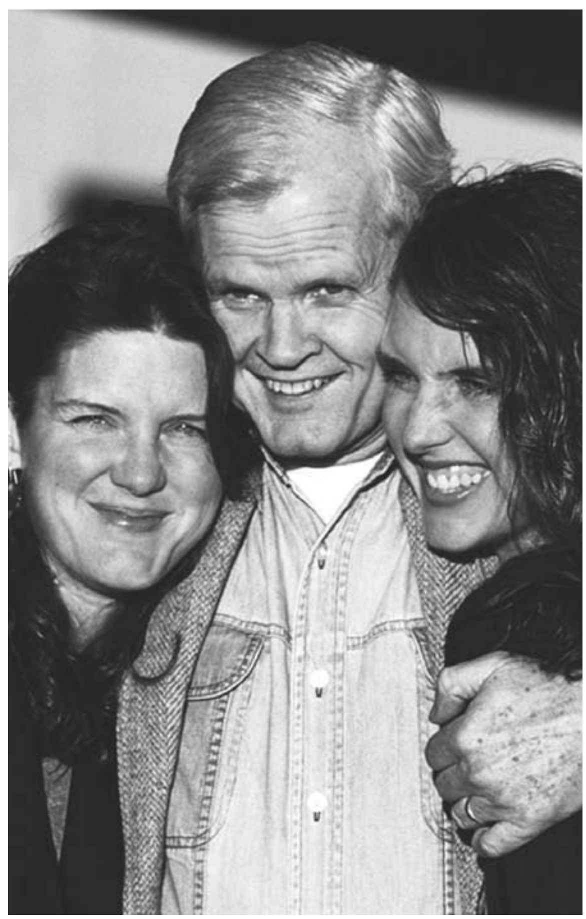
Payment of Your Account When You Die
When you die, the full vested value of your account will be paid in a lump sum to your beneficiary(ies) as soon as administratively feasible. If your beneficiary is your spouse, he or she may elect to receive installment payments instead of the lump sum.

Normal Retirement Age
Normal retirement age for the plan is defined as the later of the date of which an employee attains age 65 or the third anniversary of his or her commencement of participation in the plan. *You are fully vested at your normal retirement age.*

ACCESSING YOUR MONEY WHILE WORKING AT THE RED CROSS

Even though the Savings Plan is intended primarily for retirement savings, under certain conditions you have four options for accessing the money in your account while still working at the Red Cross:

- A loan
- A withdrawal before age 59½
- A withdrawal on or after age 59½
- A Qualified Reservist Distribution



Loans

You may borrow from your contributions and your vested Red Cross Match contributions in your Savings Plan account for any reason. When you borrow from your account, you repay your account with interest and essentially pay yourself back.

- You must be an active employee to receive a loan.
- You may have only one loan outstanding at a time and you must wait 90 days after paying off one loan before requesting a new loan.
- The minimum loan amount is $1,000.
- The maximum loan amount is 50 percent of your vested account balance or $50,000 minus your highest outstanding loan balance during the 12-month period before the date the loan is granted, whichever is less.
- You must repay the loan within four years through debits of your personal savings or checking account via the Automatic Clearing House (ACH). (You can repay the loan balance in full earlier without penalty.)
- Terminated participants can continue to repay via ACH debiting provided you maintain your account in the Savings Plan. If you withdraw your account at termination prior to repaying your loan, the outstanding balance will be considered a taxable distribution.
- If you miss a repayment and you default on your loan, the outstanding balance will be considered a taxable distribution.
- Loan payments will not be made via payroll deduction. Participants will need to provide a savings or checking account number from which the payment will be deducted once a month on or around the 13th. Your signature on the loan check is your approval of the terms outlined in the Truth-in-Lending Disclosure Statement.
- The interest rate will be the prime interest rate + 1, as printed in *The Wall Street Journal* on the first day of the month prior to the month that you request the loan. The interest rate will stay fixed throughout the duration of your loan.
- You will pay a loan processing fee for each loan you request.
- Loan processing fees are deducted from your account. See “Connecting With the Savings Plan” or contact the Benefits Service Center for the current fee.

Withdrawals Before Age 59½

If you request a withdrawal before age 59½—

- You may withdraw the unmatched after-tax money you have contributed;
- You may withdraw money you have transferred into the Savings Plan from other qualified retirement plans;
- You may withdraw vested pre-tax money only if you have a financial hardship, as described below.

A financial hardship is an immediate and significant financial need, as determined by the Savings Plan administrator, which you cannot meet using other resources, including taking the maximum loan amount available to you under the plan. Financial hardship status may be granted for the following needs:

- Payment of unreimbursed medical expenses for you or an immediate family member
- Purchase of your principal residence
- Payment of post-secondary educational expenses (tuition, room, board, fees) for you or an immediate family member
- Payment to prevent foreclosure on your primary residence
- Payment of funeral expenses for an immediate family member

You may request only one financial hardship withdrawal per calendar year.

To qualify for a hardship withdrawal, you must furnish proof of the financial need and that the amount needed is not readily available from any other options available to you (such as taking a loan from your Savings Plan account). The withdrawal may come from all categories of contributions and growth in your account except that you may not withdraw the earnings generated by your pre-tax contributions. In no event may you withdraw more than you need to meet your hardship expense. However, the final withdrawal amount may be increased to cover federal and state tax withholding.

The Internal Revenue Service (IRS) requires the Red Cross to report your financial hardship withdrawal as ordinary income, and you must pay income taxes on it. In addition, you must pay a 10 percent penalty on the withdrawal, except if the withdrawal is for tax-deductible medical expenses. Tax-deductible medical expenses are generally those unreimbursed medical costs that exceed seven and a half percent of your adjusted gross income.

Withdrawals at Age 59½ or Older

Beginning at age 59½, you may make withdrawals from your account for any reason. You will be subject to income taxes on the amount you withdraw, but there is no 10 percent penalty.

Qualified Reservist Distribution

Effective January 1, 2009, qualifying reservists and national guardsmen called to active duty after September 11, 2001, are eligible to receive a total or partial distribution from the Savings Plan.

Important:

The IRS requires that distributions from your account begin by April 1 of the year following the calendar year in which you reach age 70½, unless you are still an active employee.

TAX CONSIDERATIONS

You do not pay current federal or state income taxes on your pre-tax contributions, the Red Cross Match or any investment earnings that are generated. You continue to enjoy this tax-deferred status as long as the money stays in your Savings Plan account. However, when you withdraw the money or take a final distribution, you may be required to pay taxes on it.

Tax laws affect different people in different ways. You should get professional tax advice before requesting a payment from your account. Here are some general tax guidelines based on current tax laws. These laws are subject to change without notice; so again, please get specific professional advice before making important financial decisions.

Ten Percent Early Payment Penalty Tax

The IRS collects a 10 percent penalty tax on any withdrawal or final distribution you receive from the Savings Plan before you reach the age of 59½. This tax is in addition to the regular income taxes that are due on the money removed from the account. The Red Cross does not withhold the 10 percent tax penalty when it makes the Savings Plan distribution to you. It is your responsibility to calculate and pay this tax on time.

The 10 percent penalty tax does not apply if the distribution is—

- Paid to your beneficiary because of death;
- Due to a disability that prevents you from engaging in any substantial gainful employment;

- Paid to you when you leave the Red Cross after you reach age 55;
- Withdrawn to pay for tax-deductible medical expenses (generally, those unreimbursed medical expenses that exceed 7.5 percent of your adjusted gross income); Rolled over into another employer's qualified retirement plan or into an IRA within 60 days of the distribution; or made as a "direct rollover" (See next section);
- Made as a corrective distribution because of the nondiscrimination requirement or other IRS limitation;
- Required by a Qualified Domestic Relations Order (QDRO).

Rollovers

If you make a withdrawal or receive a distribution that would be subject to federal income tax, in most cases the law allows you to redeposit or "roll over" all or part of the distribution to an IRA or to another employer's qualified benefit plan. If you make the rollover within 60 days of your distribution, the amount rolled over is not subject to either federal income tax or the 10 percent penalty tax. If you made after-tax contributions to your account, check to see if your new plan will allow this money to roll over.

You can make a direct rollover by requesting the Savings Plan to transfer your distribution directly to the other plan, or by taking your distribution and depositing it yourself within the 60-day limit. However, if you take the distribution yourself, federal law requires that 20 percent of it be withheld. This 20 percent is sent to the IRS as an estimated payment of the federal income taxes you may owe. If you redeposit the funds as described here, the withheld portion will either be returned to you as part of your tax refund or will be applied to other federal income taxes you owe. State and local taxes may also be withheld.

There is no 20 percent withholding if you elect to have your distribution rolled over directly to an IRA or another employer's qualified

retirement plan. With a direct rollover, taxes are automatically deferred until you actually receive the money.

APPLYING FOR BENEFITS

Normally, loans, withdrawals and distributions are routine matters that are initiated by accessing the Savings Plan Web site or by calling the Savings Plan Information Line. You will be advised of the proper steps to take depending on the nature of the transaction.

Filing a Claim

If you do not receive a payment from the Savings Plan to which you believe you are entitled, you may file a written claim with the Savings Plan administrator. If the administrator needs more information to review your claim, he or she must ask you for this information within 45 days of receiving the claim. You then have 180 days to supply the requested information. Your claim will be given a full and fair review.

If Your Claim Is Denied

If your claim is partially or wholly denied, the administrator must notify you in writing. This notification must include the following:

- The specific reason or reasons for the denial
- Reference to the specific provisions of the Savings Plan on which the denial is based
- Descriptions of the Savings Plan's review procedures and any applicable time limits. A description of any additional material or information you must supply to complete your claim, and an explanation of why this information is necessary

Your Right to Appeal
You have the right to appeal if your claim is partially or wholly denied. To exercise this right, you must file a written request to the administrator within 60 days of the notice that your claim was denied. When you appeal, you are entitled to reasonable access to all information relevant to your claim, and you are entitled to submit written comments, documents, records and other information regarding your claim. The decision will be sent to you in writing within 60 days. If special circumstances require additional time to reach a decision, you will be notified of the extension of time in advance, and a decision on your appeal as soon as possible, but in no case later than 120 days after receipt of your appeal.

SITUATIONS AFFECTING YOUR SAVINGS PLAN BENEFITS

The American Red Cross Savings Plan is designed to pay benefits to you when your active employment ends. Because these benefits are important, you should take care to do the following things:

- Make proper application for your benefits, preferably with the help of experienced tax and financial planning professionals.
- Keep the Savings Plan informed when your address changes. If the Savings Plan can't find you, your benefits may be delayed.

Blackout Periods
Occasionally, because of a change in Savings Plan record-keepers or providers, you may be temporarily prohibited from transferring your account funds among investment options, taking plan loans or engaging in other financial transactions. This is known as a "blackout period." Most blackout periods are very short in duration. Whenever possible, you will receive prior notice of any blackout period.

Assignment of Your Account
In general, your account may not be sold, assigned, alienated, transferred, pledged, attached or garnished prior to distribution, except by the IRS in certain instances for payment of taxes owed or to comply with a court issued Qualified Domestic Relations Order (QDRO).

Qualified Domestic Relations Order (QDRO)
If you become divorced or separated, a QDRO could require that part of your benefit be paid to your spouse or children. A QDRO is a court decree or order that obligates you to pay child support or alimony or otherwise gives a portion of your assets in the Savings Plan to your spouse, former spouse, child or other dependent (These are considered "alternate payees.") Payments resulting from a QDRO will normally be made in a lump sum, unless the order itself specifies a different form of payment permitted by the Savings Plan.

Participants or prospective alternate payees may request QDRO information free of charge. To request QDRO procedures, including model order language, please contact the Plan Administrator.

If a Benefit Is Overpaid
Every effort is made to ensure that benefit payments are correct. If an error is made, the Savings Plan administrator has the right to correct it.

AMENDMENT AND TERMINATION OF THE SAVINGS PLAN

Amendment

The Red Cross has the right to amend the Savings Plan at any time. However, no amendment shall—

- Cause any Savings Plan assets to be diverted to the Red Cross;
- Cause any Savings Plan assets to be used for any purpose other than the exclusive benefit of participants, former participants and beneficiaries;
- Deprive you or any beneficiary of any benefit in which you are already vested.

Termination

The Red Cross intends to offer the Savings Plan and make matching contributions to it indefinitely. However, the Red Cross has the right to terminate the Savings Plan at any time. The following occurs with such a termination:

- You will remain 100 percent vested in your account, and will own it in its entirety.
- The trust that underlies the Savings Plan will continue to operate until all accounts have been distributed to or for the benefit of participants.

STATEMENT OF ERISA RIGHTS

As a participant in the American Red Cross Savings Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

Your rights under ERISA include the following:

- You may examine without charge all Savings Plan documents and copies of all Savings Plan documents filed with the U.S. Department of Labor. These include the Annual Financial Report and the Summary Plan Description (this document). These documents can be examined in the Savings Plan administrator's office.
- You may request in writing all Savings Plan documents and other Savings Plan information from the Savings Plan administrator. You may be required to pay a reasonable charge for these copies.
- You will automatically receive a summary of the Savings Plan's *Annual Financial Report*, as required by law.
- By law, once a year you have the right to receive, free of charge, a statement of your accrued benefits and the non-forfeitable (vested) portion of those benefits.

The Savings Plan Administrator makes available all documents required by law, along with other information that may be helpful in making the best use of the Savings Plan.

If you have tried to get information about the Savings Plan and do not receive it within 30 days, you may file suit in a federal court. If the court finds that, in fact, you have been treated improperly, the Savings Plan Administrator may be required to pay up to $110 for each day's delay until the materials are received.

ERISA also imposes obligations upon those persons responsible for the operation of the Savings Plan. Such persons are referred to as "fiduciaries" under the law. Fiduciaries must act solely in the interest of Savings Plan participants and beneficiaries, and they must act prudently in the performance of their Savings Plan duties. In the unlikely event of violations of these rules, fiduciaries may be removed and required to make good any losses they have caused the Savings Plan.

The law provides that no one may terminate your employment or otherwise discriminate against you to prevent you from receiving a benefit or exercising your rights under ERISA.

If your claim for benefits is denied, you must receive a written explanation of the reasons, and you have the right to a review and reconsideration of your claim. If your claim is improperly denied, or if fiduciaries are misusing Savings Plan money or you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. You will be responsible for the cost of any legal action, although the court may require the other party to pay a part or all of the legal costs, including attorneys' fees, if you are successful in your lawsuit. However, if you are not successful in your lawsuit, the court may order you to pay all legal costs if, for example, it finds your claim to be frivolous.

If you have questions about your Savings Plan, you should contact the Savings Plan Administrator.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory. Or you may contact the division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

ADMINISTRATIVE INFORMATION

No Guarantee

Participation in the Savings Plan is not a guarantee of employment with the American Red Cross. The investment of your account is your responsibility. Your investment results are not guaranteed.

Pension Benefit Guaranty Corporation (PBGC)

Because the Savings Plan is a "defined contribution" plan *(meaning that the amount you receive depends on the amount you contribute)*, benefits are not guaranteed or insured by the Pension Benefit Guaranty Corporation (PBGC).

Savings Plan Expenses

Savings Plan participants pay administration, operation, investment manager and trustee fees.

Governing Document

This Summary Plan Description is designed to present the American Red Cross Savings Plan's benefits, rules and procedures in a way that is clear and helpful to you. If there are any discrepancies between this document and the American Red Cross Savings Plan document, the latter shall prevail. The Savings Plan administrator has sole discretionary authority with respect to the administration of the Savings Plan, as well as to interpret the terms of the American Red Cross Savings Plan Document.

Director's Office

The American National Red Cross
Human Resources – Savings Plan
2025 E Street, N.W.
Washington, DC 20006-5009

Phone: (202) 303-6850
Toll-Free: (800) 846-1122
Fax: (202) 303-6502

Plan Sponsor

The name of the plan sponsor is the American National Red Cross.

Plan Administrator

The Savings Plan Administrator is the Benefit Plan Administration Committee of the American National Red Cross.
Mailing address:

American Red Cross
430 17th Street, N.W.
Washington, DC 20006

Plan Trustees

State Street Bank and Trust Company is the Plan Trustee of the Savings Plan.
Mailing address:

State Street Bank and Trust Company
Master Trust Services Division
105 Rosemont Avenue
Westwood, MA 02090

Participating Employers
A complete list of employers participating in the Savings Plan may be obtained by written request to the Savings Plan Administrator.

Savings Plan Number, Type, Year and Name
Documents and reports for the Savings Plan are filed with the U.S. Internal Revenue Service and the U.S. Department of Labor under two numbers:

- American Red Cross Employer Identification Number (EIN): 53-0196605
- Plan Number: 008 The Savings Plan is a defined contribution plan for government purposes.
- Savings Plan records are kept on a Plan year basis, which is January 1 through December 31.
- The official Savings Plan name is The American Red Cross Savings Plan.

Agent for Service of Legal Process
Legal process may be served on either the Savings Plan administrator or the Savings Plan Trustee at the address given above.

CAN'T AFFORD TO SAVE?

Most Red Crossers agree that the Savings Plan is a valuable benefit, but some feel their current expenses don't leave enough extra cash to make a contribution. What they sometimes don't consider is that a biweekly Savings Plan contribution of say, $50, won't mean a $50 reduction in their net take home pay. The actual "out-of-pocket" amount will be less, because Savings Plan money is tax-deferred if contributed as pre-tax. Income taxes are not deducted from the Savings Plan contribution. Here's how it works:

From this example you see that even though the saver contributes $1,400 to the Savings Plan for the year, her net pay is only reduced by $1,185 (that's less than $23 a week). Bottom line: the saver invests $1,400 for an out-of-pocket payment of just $1,185. When you add to this the possibility of even more tax-deferred growth from investment performance and the Red Cross Match, the real question becomes, "Can I afford not to save?"

	Non-Saver	Saver
Gross annual pay	$35,000	$35,000
4% pre-tax savings plan contribution	$0	- $1,400
Income subject to federal tax	$35,000	$33,600
Federal taxes	- $6,485	- $6,270
Net income	$28,515	$27,330
Saver's "out-of-pocket" contribution		$1,185

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