EMPLOYEE PENSION PLAN
SUMMARY PLAN DESCRIPTION
For GPU Nonbargaining Employees

Benefits At A Glance

Your pension plan is provided by the Company to help you build financial security for your future. The pension plan is designed to supplement your other sources of retirement income — the Company savings plan, your own personal savings, and your Social Security benefit.

- Participation begins automatically after you complete one year of creditable service.
- The Company pays the full cost of the plan.
- The plan allows for four types of retirement:
  - normal retirement at age 65;
  - early retirement with 10 years of creditable service:
    - with unreduced benefits at age 60, or
    - with reduced benefits at age 55;
  - deferred retirement after age 65;
  - disability retirement.
- You are vested after five full years of creditable service.
- Creditable service is based on your years, months, and days of service from your date of hire.
- Your benefit is based on your years of creditable service and your earnings from January 1, 1984 to retirement.
- The plan provides a survivor benefit to your spouse if you die and are vested before you retire. If there is no surviving spouse, your dependent children receive a survivor benefit if you are single and vested at the time of your death.
- You may elect post-retirement survivor benefits at retirement.

This summary plan description is designed to help you understand and appreciate the value of your pension plan. It describes significant provisions of the plan, but it is not intended to be the governing document in cases of conflict or legal question. The benefits summarized are more fully described in the legal plan document(s). In case of any discrepancies, the official legal document(s) will govern.

Provisions of the pension plan and eligibility for participation do not constitute a contract with any individual. Being a participant in this plan does not grant any current or future employment rights. Plan participation is not an inducement or condition of employment. Employment is not for a definite period and may be terminated at will by either the Company or the employee. Your right to any payment under this plan is determined solely under the plan's provisions.

YOUR PENSION PLAN

ELIGIBILITY

You are eligible to participate in the plan if you are:

- an employee of a GPU Company (as listed under "Required Legal Information" on page 22),
- not a part-time or temporary employee and
- not represented under a collective bargaining agreement.

You automatically begin participating in the plan after you complete one year of service.

If you are a part-time or temporary employee on the Company's payroll, you are eligible to participate if you work at least 1,000 hours in your first year of employment or any year thereafter.

You are eligible to participate in the plan if you are:

- ***an employee of a GPU Company (as listed under "Required Legal Information" on page 22),***
- ***not a part-time or temporary employee and***
- ***not represented under a collective bargaining agreement.***

ENROLLMENT

You are automatically enrolled in the plan once you complete the eligibility requirements.

YOUR COST

The Company pays the entire cost of the pension plan. You are not required to contribute.

YOUR BENEFITS

When You Can Retire

You may choose from four retirement types:

- normal retirement at age 65,
- early retirement as early as age 55 if you have completed 10 years of creditable service,
- deferred retirement after age 65 or
- disability retirement.

NORMAL RETIREMENT

If you have completed at least five years of creditable service and are age 65, you may choose normal retirement. You begin to receive pension benefits on the first day of the month after your 65th birthday.

Early Retirement Reduction—If you choose early retirement, the amount of your monthly benefit is reduced to account for the fact that, generally, it will be paid over a longer period of time. This reduction is equal to 4% of your monthly benefit for each year you retire prior to age 60.

EARLY RETIREMENT

If you are an active employee age 55 or older and have completed at least 10 years of creditable service, you may choose early retirement. Your pension benefit begins the first day of the month after you retire. However, if your benefits begin between ages 55 and 60, you receive a reduced benefit based on your age when you begin receiving benefits.

Early Retirement Reduction—If you choose early retirement, the amount of your monthly benefit is reduced to account for the fact that, generally, it will be paid over a longer period of time. This reduction is equal to 4% of your monthly benefit for each year you retire prior to age 60.

If you leave the Company before you are eligible to retire and are eligible for bridged benefits under the GPU Companies Enhanced Severance Program, you will be eligible for early retirement benefits at age 55 as described above.

Deferred Pension Benefit—If you wish, you may choose to retire between ages 55-60 and elect to defer payment of your pension benefit until a future date. If you choose to defer the commencement of your pension benefit, that benefit is calculated based on your age at the time payment begins and not on your age at retirement. The age at which you begin receiving your pension will determine whether the early retirement reduction will apply.

DEFERRED RETIREMENT

If you continue as an active employee after age 65, you will continue to earn creditable service until your retirement date. You begin to receive pension benefits the first day of the month after you retire.

DISABILITY RETIREMENT

While most employees have disability benefits under the Long Term Disability Plan, certain employees have been grandfathered under a feature of the pension plan that makes them eligible for disability benefits from the plan. If you are eligible for disability benefits under the pension plan and if you become totally and permanently disabled, you may apply for disability retirement under this plan. If approved, you become eligible for pension plan disability benefits after a minimum of three full months of continuous disability. To apply for your disability pension, you must request benefits from the plan administrator at least 30 days before the requested disability retirement date. Your disability pension must be approved by the plan administrator, who will decide if you qualify for total and permanent disability under current plan provisions. If approved, your basic disability pension will equal:

- your pension benefit calculated using creditable service through the date of your disability retirement or, if greater,
- two-thirds of your pension benefit calculated using creditable service to your normal retirement date.

How Your Pension Is Calculated

Your pension benefit is based on your:

- Creditable service (including any applicable service adjustment),
- Basic earnings and
- Supplemental earnings.

Your pension benefit is based on your:

- ***Creditable service (including any applicable service adjustment),***
- ***Basic earnings and***
- ***Supplemental earnings.***

YOUR SERVICE

Your service is used to determine your eligibility to participate in the plan, vesting and the amount of your benefit.

Creditable Service

Creditable service means the number of years, months, and days that you are an employee of the Company. Certain periods of time when you are not at work may also count toward your creditable service. Creditable service includes the years, months, and days during:

- a period of absence for any reason other than you quit, are discharged or retire,
- a period during which you are receiving benefits under the Company's Long Term Disability (LTD) Plan or
- an approved leave of absence which can include family leave, personal leave, and military leave, provided you return to service with the Company before your leave of absence expires, or within the time frame designated by law.

If you leave the Company and are later rehired, you may receive credit for your earlier period of service for vesting and benefit eligibility purposes and in calculating your pension.

An absence is considered to end if you quit, are discharged or retire.

Service Adjustment

If you were a plan participant on April 1, 1989, your creditable service may have been increased due to a plan change. This adjustment will affect the calculation of your pension benefit but will not be used in determining benefit eligibility.

Break In Service

If you leave the Company and are later rehired, you may receive credit for your earlier period of service for vesting and benefit eligibility purposes and in calculating your pension. The following guidelines apply:

- If you left before January 1, 1976, your earlier period of service will not be counted.
- If you were vested when you left the Company and left on or after January 1, 1976, your earlier period of service will be counted after you return.
- If you were not vested when you left, your earlier period of service will be counted depending on when you left and the length of your absence:
  - If you left between January 1, 1976 and January 1, 1985, your earlier period of service will count if the length of your absence does not exceed the length of your earlier period of service.
  - If you left after January 1, 1985, your earlier period of service will count if the length of your absence is under five years.

- If you return within one year, the period of absence will not count as creditable service, but will count toward the benefit eligibility requirements.
- If you have two periods of eligible service, both of which count, your years of creditable service will be calculated separately for each period and then added together.

YOUR EARNINGS

Earnings means your base wage or salary, before any reductions for Company benefit plans (before-tax contributions to the savings plan, flexible spending account contributions), plus any bonuses or amounts you receive under the Company's incentive compensation plans*, up to the maximum allowed by law, and not deferred under the officers deferred compensation plan.

**GPU Employee Incentive Compensation Plan, GPU Officer Incentive Compensation Plan, JCP&L Sales Department Incentive Compensation Program, GPU International, Inc. Annual Performance Award Plan, Met-Ed/Penelec Sales Incentive Compensation Program.*

Basic Earnings

Basic earnings means the average annual earnings you received on or after January 1, 1984 to retirement. Generally, pay before 1984 (if any) is not taken into account. However, if you had a leave of absence after 1984, part of your pre-1984 earnings may be take into account.

Supplemental Earnings

Supplemental earnings are defined as the excess of basic earnings over 60% of the average maximum Social Security wage base during the 35 years before you retire. For 1997, supplemental earnings is the amount of basic earnings over $16,546. The projected amounts for 1998-2000 are as follows:

YEAR	AMOUNT
1998	$17,582
1999	$18,677
2000	$19,829

It is important to remember that these are **projected** amounts and the actual numbers may vary.

The Pension Formula

Your pension benefit is calculated using the following formula:

Part I	1.6% x **Basic Earnings** x **Creditable Service**
	+
Part II	0.4% x **Supplemental Earnings** x **Creditable Service** (up to 38 years)
	=
Total	**Your Annual Pension Benefit**

In general, pension benefits may be limited, based on a calculation using your earnings for your highest 36 months of employment.

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EXAMPLE I - NORMAL RETIREMENT

Your normal retirement benefit is calculated using the formula described above.

Assume that an employee retires in 1997 at age 65 with 20 years of creditable service with a GPU Company. Basic earnings are $40,000 and supplemental earnings are $23,454 ($40,000 - $16,546; see definition of **supplemental earnings**). The employee's annual pension benefit would be calculated as follows:

Part I	
1.6% x **Basic Earnings** x **Creditable Service**	.016 x $40,000 x 20 years =$12,800.00
Part II	
0.4% x **Supplemental Earnings** x **Creditable Service** (up to 38 years)	.004 x ($23,454) x 20 years =$1,876.32
Part I + Part II = Annual Pension Benefit	$12,800.00 + $1,876.32 = $14,676.32
÷ 12 months **= Monthly Pension Benefit**	÷ 12 months **= $1,223.03**

The employee's annual pension benefit would equal $14,676.32. This is equivalent to a monthly pension benefit of $1,223.03, payable for the employee's lifetime.

EXAMPLE II - EARLY RETIREMENT

If you have completed at least 10 years of creditable service, you may retire as early as age 55. If you retire early from the Company, your monthly benefit will be reduced by 4% for each year that payments begin before age 60. This reduction takes into account that your benefit will be paid over a longer period of time.

If you retire early from the Company, your monthly benefit will be reduced by 4% for each year that payments begin before age 60. This reduction takes into account that your benefit will be paid over a longer period of time.

Assume that an employee decides to retire early at age 57 in 1997 with 20 years of creditable service. Basic earnings are $40,000 and supplemental earnings are $23,454. This employee's pension would be calculated the same way as for the employee in the preceding normal retirement example, resulting in a monthly benefit of $1,223.03. Then the monthly benefit would be reduced as follows:

Part I	
Normal Monthly Pension Benefit x Number of years before age 60 (3) x 4% = Early Retirement Reduction	$1,223.03 x 3 x .04 = $146.76
Then...	
Normal Monthly Pension Benefit – Early Retirement Reduction = Early Retirement Monthly Pension Benefit	$1,223.03 – $146.76 **= $1,076.27**

The employee’s early retirement monthly pension benefit would equal $1,076.27, payable for the employee's lifetime.

EXAMPLE III - DEFERRED RETIREMENT

If you work beyond your normal retirement date, you continue to earn creditable service until you retire.

Assume that an employee decides to defer retirement until age 67 in the year 1997. This employee has basic earnings of $40,000 and supplemental earnings of $23,454. Further, let's assume that if the employee had elected normal retirement, he or she would have had 20 years of creditable service. However, by working until age 67, an additional two years of creditable service, for a total of 22 years of creditable service are used to calculate the pension benefit.

A deferred pension is calculated exactly the same way as a normal retirement pension.

Part I	
1.6% x **Basic Earnings** x **Creditable Service**	.016 x $40,000 x 22 years = $14,080.00
Part II	
0.4% x **Supplemental Earnings** x **Creditable Service** (up to 38 years)	.004 x ($23,454) x 22 years = $2,063.95
Part I + Part II = Annual Pension Benefit	$14,080.00 + $2,063.95 = $16,143.95
÷ 12 months **= Monthly Pension Benefit**	÷ 12 months **= $1,345.33**

Under the plan, your Company provides a special benefit during your first year of retirement. Your first 12 monthly pension payments will be increased by 20% to aid in the transition from active employment to retirement.

The annual pension benefit would equal $16,143.95. This is equivalent to a monthly pension benefit of $1,345.33. This is $122.30 higher than the monthly benefit for a similar employee electing normal retirement at age 65 (assuming the same earnings and service).

TRANSITION ("FIRST-YEAR") BENEFIT

Under the plan, your Company provides a special benefit during your first year of retirement. Your first 12 monthly pension payments will be increased by 20% to aid in the transition from active employment to retirement. Your payments will revert to the normal benefit after your first year of retirement (beginning with your 13th pension payment). This transition benefit does not apply to Social Security Equalization or other residual benefits.

Transition ("First-Year") Benefit Example

Using the example directly preceding, the employee's normal monthly retirement benefit is $1,345.33.

Monthly Pension Benefit	**= $1,345.33**
Monthly Pension Benefit + 20% = Monthly Transition Benefit (first 12 benefit payments)	1,345.33 + 269.07 = $1,614.40
Monthly Regular Benefit (after first 12 benefit payments)	=$1,345.33

As you can see in the chart, the benefit during the first year of retirement would be $1,614.40 ($1,345.33 + $269.07) per month; and after the first year of retirement, the regular monthly retirement benefit of $1,345.33 would commence.

How Your Pension Is Paid

It is generally a good idea to apply for pension payments at least three months prior to your retirement. This will allow for the timely processing of your first pension check.

It is generally a good idea to apply for pension payments at least three months prior to your retirement. This will allow for the timely processing of your first pension check.

The way your pension is paid normally depends on whether you are married at the time you begin receiving payments.

IF YOU ARE MARRIED

If you are married, you may elect to receive a reduced monthly pension for life so that after you die, 50% or 100% (whichever you choose) of your reduced monthly pension will be paid to your spouse for the remainder of his or her lifetime. This is known as a **Surviving Spouse Option** (see "Your Payment Options" on page 10). If you are married and you want to choose a payment option that does not continue benefits to your spouse after your death, or, if you want to designate a beneficiary other than your spouse, the law requires your spouse's consent in a written, notarized statement.

IF YOU ARE NOT MARRIED

If you are not married, you may:

- receive monthly payments for the rest of your life. At your death all payments will stop or

- choose the **Surviving Beneficiary Option** (see “Your Payment Options” below) at retirement, which pays you a reduced monthly pension for life and continues to pay your beneficiary 50% or 100% of your reduced monthly pension for life after your death. (The 100% option requires that the beneficiary is within 10 years of the retiree's age.)

If you choose the Surviving Spouse or Surviving Beneficiary Option, the monthly benefit payments you receive will be reduced to account for the payment of a benefit over two lifetimes — yours and your spouse’s (or beneficiary’s).

Your Payment Options

SURVIVING SPOUSE OPTION

If you certify that you are married or expect to be married when your pension begins, you will be sent an estimate that shows:

- the amount of your pension without a Surviving Spouse Option,
- the amount of your pension with a 50% Surviving Spouse Option and
- the amount of your pension with a 100% Surviving Spouse Option.

For the 50% Surviving Spouse Option, your pension will be reduced 10% to provide for a longer expected payment period of continued benefits to your spouse. For the 100% Surviving Spouse Option, your pension will be reduced 21%. Somewhat greater reductions will apply, however, if your spouse is more than 10 years younger than you.

If you are married and do not return your form, your pension will automatically be paid on a 50% Surviving Spouse Option basis. If you elect a Surviving Spouse Option, you will be asked to provide evidence of your spouse’s date of birth.

With the estimate of benefits, you will receive a form to elect your payment option. If you are married and do not return your form, your pension will automatically be paid on a 50% Surviving Spouse Option basis. If you elect a Surviving Spouse Option, you will be asked to provide evidence of your spouse’s date of birth.

If you are married but you and your spouse do not want your pension to be paid on a Surviving Spouse Option basis, you may choose a payment option that does not continue benefits to your spouse after your death. To elect this option, the law requires you to submit your spouse's written, notarized consent. The consent must be filed with your Human Resources representative no more than 90 days before your pension payments begin.

SURVIVING BENEFICIARY OPTION

If you are unmarried, or if you are married but do not want the Surviving Spouse Option, you can elect a Surviving Beneficiary Option. These options are similar to the Surviving Spouse Options, except that someone other than your spouse will receive a pension after your death. Remember that if you are married and choose the Surviving Beneficiary Option, the law requires that your spouse provide a written, notarized consent which must be filed no more than 90 days before your pension payments begin.

If you are interested in a Surviving Beneficiary Option, your Human Resources representative can provide you with an estimate of your monthly benefit and the appropriate forms for selecting this type of payment.

IF YOUR BENEFICIARY DIES

If you choose a 50% or 100% Surviving Spouse or Surviving Beneficiary Option, and your spouse or beneficiary dies within five years after payments begin, your benefit will be paid, beginning the first of the month after he or she dies, as if no Surviving Spouse or Surviving Beneficiary Option had been elected. However, if your spouse or beneficiary dies more than five years after benefits begin, your pension election will remain in effect and you will continue to receive the reduced amount. In this instance, no benefits will be payable after your death. This feature is called the Pop-Up Rule.

If you choose a 50% or 100% Surviving Spouse or Surviving Beneficiary Option, and your spouse or beneficiary dies within five years after payments begin, your benefit will be paid, beginning the first of the month after he or she dies, as if no Surviving Spouse or Surviving Beneficiary Option had been elected.

SOCIAL SECURITY EQUALIZATION OPTION

Whether or not you are married, if you begin receiving your pension before you are eligible for early Social Security benefits at age 62, you can elect the Social Security Equalization Option. Under this option, your monthly payments from the plan are adjusted upward until you are eligible to receive Social Security benefits at age 62. At that time, your monthly benefits from the plan will be lowered.

The result is a more level income (from the combination of your pension and Social Security benefits) throughout your lifetime.

To elect the Social Security Equalization Option, complete the appropriate form and submit it to your Human Resources representative before your pension begins.

CHANGING YOUR ELECTION

You have the right to change the method of pension payment you elect up until your benefit commencement date.

If your spouse dies within the first five years that you receive your pension, and you had elected a Surviving Spouse or Surviving Beneficiary Option, all future payments will be increased to the amount you would have received had you not elected a Surviving Spouse Option.

To change your election, contact your Human Resources representative.

Vesting: Earning A Right To Your Pension

If you have completed at least five full years of creditable service, you are entitled to begin receiving a pension benefit at age 65, whether or not you are actively employed by the Company at the time you retire. This is called being vested in the plan. The amount of your pension benefit will be based on your age when benefits begin and your basic earnings, supplemental earnings and years of creditable service at the time you leave the Company.

If you plan to retire early, you must apply in writing to the plan administrator at least 90 days before your planned benefit commencement.

IF YOU LEAVE THE COMPANY BEFORE YOU RETIRE

If you leave the Company before you retire, your benefit will be based on your earnings and creditable service at the time of your termination. You may request early commencement of your vested benefit any time after your 55th birthday. If you wish to do so, you must apply in writing to the plan administrator at least 90 days before your planned benefit commencement.

If your pension benefits begin before age 65, the amount of your benefits will be reduced. The reduction factor for early commencement of vested benefits for employees who are no longer employed by the Company is different than that for active employees, described on page 2. The following table illustrates how your benefit would be calculated at various commencement dates. Although all early commencement dates are not shown, you can use these percentages as a guide when considering the amount of your benefit.

If you begin receiving benefits at this age…	**Your benefit will be your age-65 benefit multiplied by…**
65	100%
64	89%
63	79%
62	70%
61	63%
60	56%
59	51%
58	46%
57	41%
56	37%
55	34%

Your benefit will automatically be paid to you in a lump sum when you terminate if:

- your monthly payments are less than $50 and
- the value of your benefit is less than $3,500.

If you leave the Company before you are vested, you will not be entitled to receive any benefits from the plan.

LEAVES OF ABSENCE AND RETIREMENT

Family And Other Approved Leaves

If you take a family medical leave of absence, you will continue to participate in the plan and earn credit for vesting and benefit eligibility and for calculating your pension unless you do not return to work.

If you take a family medical leave of absence, you will continue to participate in the plan and earn credit for vesting and benefit eligibility and for calculating your pension unless you do not return to work.

Short Term And Long Term Disability

If you become disabled and are eligible to receive benefits under the Company's Short Term Disability (STD) or Long-Term Disability (LTD) Plans, you will continue to accrue service and earnings during your period of disability. Earnings accrued while on disability will be equal to your earnings (see definition on page 5) at the time you became eligible for disability benefits.

Generally at age 65, your LTD benefits will cease and you will begin receiving benefits from the pension plan. If your service and age permit, you may elect to retire and begin receiving pension benefits prior to age 65.

SURVIVOR BENEFITS

If You Die After Retirement

If you die after your retirement benefits begin, benefits will cease or continue to your pension beneficiary based on the elections you made prior to retirement.

If You Die Before Retirement

BEFORE YOU ARE VESTED

If you die before you are vested, your survivors are not entitled to a benefit from the plan. The section "Vesting: Earning A Right To Your Pension" (p. 12) explains when you become vested in a benefit from the plan.

AFTER YOU ARE VESTED

If you have completed at least five years of creditable service (are vested), have been married at least one year before your death, and are:

- actively employed by the Company or
- receiving benefits under the Company's Long Term Disability (LTD) Plan

your spouse is entitled to a pension benefit from the plan. This benefit will equal 50% of the benefit you earned through the last day of the month of your death.

Your spouse's benefit will begin on the first day of the month following your death and will continue monthly for his or her life. Payments will cease on the first of the month following your spouse's death.

Your spouse's benefit will begin on the first day of the month following your death and will continue monthly for his or her life. Payments will cease on the first of the month following your spouse's death.

Dependent Benefits— If you are not married at the time of your death and have dependent children under age 19 (or age 23, if a full-time student), they may be eligible to receive a pension benefit from the plan. The benefit would equal 50% of your accrued benefit at the time of your death and would begin on the first day of the month following your death. The benefit will be paid until your children are no longer dependents. In circumstances where there are multiple surviving dependent children, the pension benefit will be divided equally among the eligible, dependent children.

AFTER YOU HAVE LEFT THE COMPANY

If you leave the Company, are vested, and die before you begin receiving benefits from this plan, your spouse may be entitled to receive a vested benefit from the plan (see "If You Leave The Company Before You Retire" on page 12 for more information on when you are entitled to receive a vested benefit). Your spouse's benefit will equal the amount that he or she would have received under the 50% Surviving Spouse Option (see page 10). This benefit is determined based on:

- your service and earnings while employed,
- the period that you elected coverage for your spouse and
- the age that your spouse elects to begin receiving benefits.

Your spouse's payments may begin on the first of the month after you would have reached your 55th birthday or the first of the month after your death, whichever is later. Your spouse's benefits will be actuarially reduced for every month they begin before you would have reached age 65. Your spouse may elect to start payments at a later time, and the reduction in benefits will be adjusted accordingly.

If you choose this option, your benefit will be further reduced for the period you have elected coverage. This pre-retirement survivor protection reduction will equal 2/10 of one percent for each year that the election is in effect.

You may elect to waive survivor protection at any time. To do so, you must have your spouse's notarized consent. If you waive this option and you die before commencement of your vested benefits, your spouse will not receive a benefit.

If you are an active employee and you wish to retire, you should send a letter or memo to your supervisor and your Human Resources representative advising them that you wish to retire and the date of your proposed retirement.

ADMINISTRATION

Claiming Benefits

If you are an active employee and you wish to retire, you should send a letter or memo to your supervisor and your Human Resources representative advising them that you wish to retire and the date of your proposed retirement. You should allow at least 90 days between your notification and your actual retirement.

DEFERRED PENSION BENEFITS

To begin receiving your pension benefit if you elected to defer your benefit at the time of your retirement, return the copy of the application to commence benefits given to you at the time of your retirement interview. If you no longer have this application, you should send a letter to GPU Corporate Benefits Administration or your Human Resources representative advising them that you wish to begin receiving your pension benefits and the date on which you would like them to start. You should allow at least 90 days between your notification and the actual commencement of benefits.

IF YOU NO LONGER WORK FOR THE COMPANY

If you no longer work for the Company, but are vested and eligible for a pension benefit, GPU Corporate Benefits Administration will contact you just prior to your attaining age 65 in order to arrange the commencement of your vested pension benefit. If you wish to receive your pension benefit prior to age 65, you should return the documents sent to you when you left the Company employment; or you may send a letter to GPU Corporate Benefits Administration advising them that you wish to commence pension benefits and the date on which you would like them to start. You should allow at least 90 days between your notification and the actual commencement of benefits.

APPEALING A CLAIM

If your claim is denied in whole or in part, GPU Corporate Benefits Administration will notify you within 90 days of receiving your claim.

If you feel an error has occurred in your records or in processing your claim, an appeals procedure is available to you.

First, you must file a written claim for benefits with GPU Corporate Benefits Administration. If your claim is denied in whole or in part, GPU Corporate Benefits Administration will notify you within 90 days of receiving your claim. If special circumstances require an extension of time for processing your claim, you will receive written notice of the extension and the reasons for it before the end of the initial 90 days. The extension will not exceed a period of 90 days from the end of the initial 90-day period.

If you are denied a claim for benefits, you will receive from GPU Corporate Benefits Administration in writing:

- an explanation of the specific reason(s) for the denial,
- specific references to pertinent plan provisions on which the denial is based,
- a description of any additional material or information necessary for you to properly establish the claim and explanation of why such material or information is necessary and
- an explanation of the steps you can take to submit the claim for review.

To appeal a denied claim, you must, within 60 days of receiving the notice of denial, submit a written request to GPU Corporate Benefits Administration asking that your claim be reconsidered. Send the request to the same address to which you sent your claim.

At this time, you or your authorized representative will have the right to review all pertinent plan documents and submit issues and comments in writing. Also, whenever possible, you should send copies of any document or records that support your appeal.

A decision regarding your appeal will be made within 60 days (or, in unusual circumstances, 120 days) after receiving your appeal. The final decision will be furnished in writing, and will include the reasons for the decision with reference to those plan provisions upon which the final decision was based.

If GPU Corporate Benefits Administration continues to deny your claim after you have complied with the steps described above, you have the right to ask the Administrative Committee to review your case.

You may initiate this process by writing the plan administrator at the address provided in the section of this handbook entitled "Required Legal Information." This appeal must be submitted within 60 days of the date your claim is denied. You should include a brief history of your case, your reasons for continuing to pursue claim payment, and any pertinent documents or records as evidence.

The plan administrator will review your case and return a decision to you within 60 days or within 120 days if the case requires additional investigation or information to effect a decision. The decision will be furnished in writing and will include the reasons for the decision with references to plan provisions upon which the final decision is based.

IMPORTANT PLAN INFORMATION

Plan Limits

There are certain Internal Revenue Code rules that may limit your benefit, as explained on the following pages.

- Federal law currently limits the maximum annual income payable under this plan to the lesser of $125,000 (in 1997) or 100% of the average compensation for your highest three years of consecutive service. This limit may be increased periodically because of inflation or it may be decreased by Congressional action. If you also participate in the employee Savings Plan, this maximum may be reduced. If you are affected by this limitation, you will be notified when you retire.
- The Internal Revenue Service (IRS) limits the amount of compensation that may be taken into account under the plan. This amount may be adjusted in future years. The limit for 1997 is $160,000.
- The IRS imposes a 15% excise tax on annual distributions in excess of certain limits. All pension and individual account plans, including Individual Retirement Accounts (IRAs), in which you participate are taken into account in determining the amount of your distribution subject to such tax.
- From time to time the plan is checked to ensure that it does not favor key employees. A plan that does favor key employees is considered **top-heavy**. This plan is **not** top-heavy and it is unlikely that it ever will be. However, in the event that the plan becomes top-heavy, you will be notified of the effect, if any, that it may have on your benefits.

The Internal Revenue Service (IRS) limits the amount of compensation that may be taken into account under the plan. This amount may be adjusted in future years. The limit for 1997 is $160,000.

NON-ASSIGNMENT OF BENEFITS

Being a participant in the plan does not give an employee the right to remain employed with the Company. Your value in the plan may not be assigned, sold, transferred or pledged as collateral, nor may a creditor attach your value in the plan as a means of collecting a debt owed by you.

However, benefits may be attached to satisfy a federal tax levy and state courts can rule that benefits be paid to someone other than yourself or your named beneficiary, in accordance with a Qualified Domestic Relations Order (QDRO), relating to child support, alimony payments or marital property rights.

Notification Of Address/Bank Change

It is important that you notify the Company in writing as soon as possible if you have a change of address or you change your bank and/or direct deposit account.

It is important that you notify the Company in writing as soon as possible if you have a change of address or you change your bank and/or direct deposit account. If any benefit checks are returned because you are no longer residing at the address you furnished the plan administrator, your benefit checks will not be mailed to you until you provide your current address.

If any monthly pension benefit cannot be deposited by direct deposit because you changed your bank or your direct deposit account, further deposits will be held until you contact the Company with the correct information.

How Benefits And Service Are Lost

You may lose part or all of your pension benefits in these situations:

- You may lose years of service when you have a break in service if you are not vested when you terminate employment (see "Break In Service" on page 4).
- If you receive a lump-sum payment of your benefit under the plan, all years of service will be lost on the date you receive payment. This prevents you from receiving double benefits based on the same period of service if you are rehired.
- If you begin receiving pension payments, and later return to employment with the Company, your pension payments will stop while you are scheduled to work more than 980 hours in a plan year.
- If the plan is terminated without enough assets to provide all pension and survivor benefits, your benefit may be affected (however, there is government insurance that protects your benefit, see "Guarantee of Benefits" on page 21).
- If a special court order called a Qualified Domestic Relations Order (QDRO) states that all or part of your benefit must be paid to someone else see the section called "Non-Assignment of Benefits" on page 19.

The plan is operated under the assumptions that it is a qualified plan under the Internal Revenue Code, that employer contributions are tax deductible and that no amounts are contributed in error. Any deviation from these assumptions could affect your benefit.

If your claim for benefits is denied in whole or in part, you have the right to appeal. See "Appealing A Claim" on page 17 for more details.

Plan Amendments And Discontinuance

Although the GPU Companies expect to continue the plan, they reserve the right, in their sole discretion, to change or discontinue the plan, in whole or in part, at any time. Such changes or discontinuation may apply, without limitation, to any or all of the benefit coverages or required contributions described in this summary. The right to amend or terminate the plan applies regardless of whether you are active or retired. You are always entitled to your accrued benefits under the plan.

Although the GPU Companies expect to continue the plan, they reserve the right, in their sole discretion, to change or discontinue the plan, in whole or in part, at any time.

In the case of a conflict between the description contained in this summary and the plan documents, the plan documents will govern. If you have any questions about any of the information in this summary plan description, please contact your Human Resources representative.

Guarantee Of Benefits

Benefits under this plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the plan terminates. Generally, the PBGC guarantees most vested normal retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates, or if the benefits have been increased within the five years before plan termination, the entire amount of the plan's vested benefits or benefit increases may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees (this amount is adjusted periodically).

For more information on PBGC insurance protection and its limitations, ask your plan administrator or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, PBGC, 2020 K Street, NW, Washington, DC 20006. The PBGC office may also be reached by calling (202) 778-8800.

Under the Employee Retirement Income Security Act of 1974 (ERISA), each employee is to be provided with certain details about benefit plans.

REQUIRED LEGAL INFORMATION

Under the employee Retirement Income Security Act of 1974 (ERISA), each employee is to be provided with certain details about benefit plans. This information is listed below. If you need additional information, please contact your Human Resources department or your local U.S. Department of Labor.

Six separate plans cover GPU non-bargaining employees and retirees.

1) **The Metropolitan Edison Company Employee Pension Plan** covers all non-bargaining employees and retirees of the Metropolitan Edison Company.
2) **The Pennsylvania Electric Company Employee Pension Plan** covers all non-bargaining employees and retirees of the Pennsylvania Electric Company.
3) **The Jersey Central Power & Light Company Employee Pension Plan** covers all non-bargaining employees and retirees of the Jersey Central Power & Light Company.
4) **The GPU Generation, Inc. Employee Pension Plan** covers all non-bargaining employees and retirees of GPU Generation, Inc.
5) **The GPU Nuclear, Inc. Employee Pension Plan** covers all non-bargaining employees and retirees of GPU Nuclear, Inc.
6) **The GPU Service, Inc. Employee Pension Plan** covers all non-bargaining employees and retirees of GPU Service, Inc. and GPU International, Inc.

The following information, where not specifically indicated, refers to all six (6) plans:

Plan Name

1) The Metropolitan Edison Company Employee Pension Plan
2) The Pennsylvania Electric Company Employee Pension Plan
3) The Jersey Central Power & Light Company Employee Pension Plan
4) The GPU Generation, Inc. Employee Pension Plan
5) The GPU Nuclear, Inc. Employee Pension Plan
6) The GPU Service, Inc. Employee Pension Plan

Plan Sponsor's Name And Address

1,2 & 3) GPU Energy
2800 Pottsville Pike
Reading PA 19605

4) GPU Generation, Inc.
1001 Broad Street
Johnstown, PA 15907

5) GPU Nuclear, Inc.
One Upper Pond Road
Parsippany, NJ 07054

6) GPU Service, Inc.
100 Interpace Parkway
Parsippany, NJ 07054

Plan Sponsor's Employer Identification Number (EIN)

1) 23-0870160
2) 25-0718085
3) 21-0485010
4) 25-1753949
5) 22-2319520
6) 13-2676321

ERISA Plan Number

1) 008
2) 009
3) 007
4) 001
5) 014
6) 006

Plan Year

January 1 to December 31

Type Of Plan

Defined Benefit Pension Plan

Type Of Administration

Trusteed

Plan Trustee

State Street Bank & Trust Company
1 Enterprise Drive
North Quincy, MA 02171-2197

Plan Administrator And Agent For Service Of Legal Process

The name, business address, and business telephone number of the plan administrator is:

Employee Pension Plan Administrative Committee
c/o GPU Service, Inc.
100 Interpace Parkway
Parsippany, NJ 07054
201/263-6500

An administrative committee, whose members are appointed by the GPU Companies, controls and manages the plan in its discretion. The administrative committee's powers include the power, in its discretion, to:

- interpret the plan,
- construe or apply any of the plan's provisions and
- make all final determinations as to the rights of any person to benefits under the plan.

The administrative committee's interpretations, constructions and applications of the plan, and its determinations as to the rights of any person to benefits under the plan, are conclusive and binding except as may otherwise be provided by applicable law.

In the exercise of its powers, the administrative committee may appoint one or more entities to administer benefit claims and payments made under the plan.

The administrative committee has delegated the administration of benefit payments and claims to GPU Corporate Benefits Administration, which is also the fiduciary of the Employee Pension Plan with respect to the administration of those benefits. As such, GPU Corporate Benefits Administration acts with full discretion and authority to interpret, construe, and apply the provisions of the plan in determining the extent to which a claim will be paid and in making determinations upon the appeal of a claim that has been denied. These determinations shall be conclusive and binding unless appealed to the plan administrator.

GPU Corporate Benefits Administration acts with full discretion and authority to interpret, construe, and apply the provisions of the plan in determining the extent to which a claim will be paid and in making determinations upon the appeal of a claim that has been denied. These determinations shall be conclusive and binding unless appealed to the plan administrator.

Legal process may be served on the administrative committee at the above address, or, with respect to any matters relating to benefit payments and claims to GPU Corporate Benefits Administration.

Legal process may also be served on the trustee of assets held under the plans at the following address:

State Street Bank & Trust Company
1 Enterprise Drive
North Quincy, MA 02171-2197

Statement of ERISA Rights

Employee benefit plans are covered by the employee Retirement Income Security Act of 1974 (ERISA). As a participant, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the plan administrator's office and at other specified locations, such as work sites, all plan documents, including insurance contracts and copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The plan administrator may impose a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called fiduciaries, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim.

As a participant, you are entitled to certain rights and protections under ERISA.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within 30 days, you have a right to file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $100 for each day's delay until the materials are received, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim to benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if 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 federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if the court finds your claim is frivolous.

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the Labor Department at this address:

Pension and Welfare Benefits Administration
Labor Department
P.O. Box 77235
Washington, DC 20013-7235
Telephone Number: 202-219-4377

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