

The Biogen Idec 401(k) Savings Plan Company Match

The 401(k) Savings Plan is a key element of Biogen Idec's Total Rewards program. With its highly competitive matching contribution feature, this program facilitates an essential aspect of personal financial management – saving for your future.

How does the Company matching feature in the Biogen Idec 401(k) Savings Plan work?

The matching contribution feature of the Savings Plan provides participants with a 200% Company match for each dollar contributed up to the first 3% of 401(k)-eligible pay, with a maximum match of 6% of eligible pay. In other words, if you contribute 3%, the Company matches 6%; if you contribute more than 3%, the Company match remains at 6%. Throughout the year, the Company makes a matching contribution each time you contribute to the Savings Plan, up to the maximum annual Company contribution of 6% of 401(k)-eligible pay. Generally speaking, 401(k)-eligible pay is base salary and bonus.

Is it possible to NOT get the maximum Company match I am entitled to during the year?

Yes. Under certain circumstances (e.g., if you contribute less than 3% at any time during the year but contribute at least 3% in total by year-end, or if you hit the maximum IRS allowable annual contribution limit before receiving the maximum Company match), it is possible that participants will not receive the maximum Company match based on their level of participation in the Plan. This is because when your contribution to the Plan stops, so does the Company match. (See below for annual limit details)

If I don't get the full match I am entitled to during the year, do I lose out on the Company match?

Our objective is to ensure that all participants receive the maximum Company match they are entitled to under the Savings Plan. So, after the close of each calendar year, the Company reviews all participants' 401(k) accounts to identify those who did not receive the maximum Company match for which they are eligible based on their level of Plan participation during the prior year. In such cases, an additional Company match, called a "true-up" contribution, is made to eligible participants' 401(k) accounts during the following calendar year. Employees must be employed through December 31 of the applicable plan year to be eligible for a true-up.

Is there a maximum allowable match under the Plan?

Yes. As stated above, the matching contribution feature of the Savings Plan provides you with a 200% Company match for each dollar you contribute up to the first 3% of your 401(k)-eligible pay, with a maximum match of 6% of eligible pay. That said, the IRS imposes an annual limit on the level of employee compensation that can be considered eligible for receiving 401(k) matching Company contributions. The maximum allowable Company match under the Plan is equal to 6% of the maximum annual compensation limit. (See annual limit details, below).

So, would I lose out on Company match just because my annual compensation exceeds the maximum annual compensation limit in a particular year?

No. If your eligible compensation exceeds the annual IRS limit in a particular plan year, you may be eligible to receive a restoration payment into the Biogen Idec Supplemental Savings

Plan (SSP). This restoration payment keeps you “whole” with respect to Biogen Idec’s 401(k) Company match philosophy. Since the tax regulations do not allow the Company to make this restoration payment to your 401(k) account, it is made to the SSP.

The restoration payment amount that you receive is determined by multiplying 6% times the amount of your 401(k)-eligible cash compensation that exceeded the annual compensation limit.

Please note:

1. IRS rules require that the restoration payment be included as FICA taxable wages on your paycheck. Accordingly, if you receive a restoration payment, your portion of these FICA taxes will be deducted from your paycheck.
2. Effective with the 2008 Plan year, restoration payments will be contributed quarterly to the SSP. Each restoration payment will be included as FICA taxable wages on your paycheck at the time of contribution to the SSP.

What are the current annual contribution and compensation limits and what is the current maximum allowable match available under the 401(k) Plan?

Each year, the Internal Revenue Service announces annual dollar limits for qualified retirement plans. These limits dictate what employees and employers can contribute to ‘qualified’ retirement plans, such as the Biogen Idec 401(k) Savings Plan.

The chart below includes the individual pre-tax deferral amount to 401(k) plans and the compensation taken into account in determining benefits (e.g., a company match) from retirement plans, as well as the maximum allowable match under the Biogen Idec 401(k) Savings Plan.

Limit	2009	2010
401(k) Elective Deferral Limits	\$ 16,500	\$ 16,500
Annual Limitation on Compensation	\$245,000	\$245,000
Maximum Biogen Idec 401(k) Savings Plan Match	\$14,700	\$14,700
(Annual Limitation on Compensation x 6%)	(\$245,000 x 6%)	(\$245,000 x 6%)
Catch-Up Contributions (additional for age 50+)	\$ 5,500	\$ 5,500

The Internal Revenue Code governs the limits on qualified retirement plans. Many are adjusted annually based on cost-of-living-allowances (COLA). Since 1993, inflation for the 12-month period ending September 30 has been the basis for determining COLA increases in the next calendar year.

This Q&A is intended for information purposes only; the 401(k) Plan document is the governing document for the Plan. If there is a discrepancy between the Plan document and this Q&A, the Plan document will prevail. Also, please refer to the Summary Plan Description for more information. If you have additional questions, contact the HR Service Center at 1-866-824-8444 or <mailto:esc@biogenidec.com>