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expected that the Committee will review and approve the definitive Plan document and the definitive SERAP amendments by the end of 2004. The material terms of the Plan, as approved by the Committee, are as follows:

**The Executive Target Retirement Income Plan.**

**Eligibility.** All Company executives at employment levels 1-3. This includes, but is not limited to, all Company executive officers.

**Benefits.** Each participant will receive a basic benefit, payable as will be provided in the Plan, in the amount of 6.5 times the participant’s final average pay over the most recent five years. For this purpose, average pay only includes base salary plus bonus. Each participant’s benefit amount will be reduced by multiplying the benefits by a fraction whose numerator is Executive Service and whose denominator is 25 (to the extent Executive Service is less than 25 years). For this purpose, “Executive Service” means service as an executive of the Company since January 1, 1995.

**Offset.** The benefit payable to each participant, after being reduced as set forth above, is also offset by that participant’s balances in the following Company plans:

<b>Company Plan</b>	<b>Offset Amount</b>
WaMu Pension Plan	Entire balance
WaMu Savings Plan	Matching and Profit Sharing Accounts only
Supplemental Employee’s Retirement Plan	Entire balance
Supplemental Executive Retirement Accumulation Plan	Entire balance

**Vesting.** Each participant’s benefit, after being reduced and offset as set forth above, is subject to the following vesting schedule for each year of Executive Service credited under the Plan since January 1, 2004:

<b>Years of Executive Service Since January 1, 2004</b>	<b>Vested Percent</b>
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 and more	100%

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**Condition.** As a condition to receiving benefits under the Plan, each participant must execute an agreement, in a form acceptable to the Committee, whereby the participant acknowledges that upon termination of employment for any reason no additional credit for service will be

