

University of Dayton Tax Deferred Annuity Plan
Automatic Enrollment and Default Investment Notice

You are receiving this notice to inform you how your contributions under your 403(b) Plan will be invested and how they will continue to be invested if you have not provided investment instructions.

The University of Dayton is making saving for retirement under your 403(b) Plan even easier. We are offering an automatic enrollment feature which will ensure you receive the maximum University retirement contribution.

If you have not completed and submitted a salary reduction agreement form indicating zero contributions, you will be automatically enrolled in the TIAA-CREF 403(b) Group Supplemental Retirement Annuity Plan starting with your paycheck following 30 days after you receive this notice. This means that a dollar amount will be taken from your pay and contributed to the 403(b) Plan. For pay during the calendar year, these automatic contributions will be 5% of your eligible pay each pay period. You can choose, however, a different amount. You can choose to contribute more, less, or even nothing.

This notice gives you important information about the Plan's rules, including the Plan's automatic enrollment feature and employer matching contributions. The notice covers these points:

- What percentage will be automatically taken from your salary and contributed to the Plan;
- What other amounts the University of Dayton will contribute to your Account;
- How your contributions will be invested;
- When your Account will be vested (that is, not surrendered if you leave your job), and when you can withdraw from your Account; and
- How you can change your Salary Reduction Agreement and how your contributions are invested.

You can find out more about the Plan in the Summary Plan Description (SPD), which is available from the Plan Administrator at the address shown at the end of this notice.

1. What if I want to opt out of being automatically enrolled in the Plan?

If you do not want to be enrolled, complete a salary reduction agreement form indicating your election not to participate, electing zero contributions to the TIAA-CREF Group Supplemental Retirement Annuity. The form must be submitted to the office of Human Resources.

2. If I do nothing, how much will continue to be taken from my salary and contributed to the Plan?

If you do not turn in a completed salary reduction agreement form, 5% of your eligible salary for each pay period will be deducted on a pre-tax basis and contributed to the 403(b) Plan. To learn more about the 403(b) Plan's definition of eligible salary, you can review the Plan's SPD.

Your contributions to the 403(b) Plan will be taken out of your salary and are not subject to federal and state income tax at that time. Instead, they will be contributed to your Account and can grow over time with earnings. Your account will be subject to federal and state income tax only when withdrawn. This helpful tax rule is a reason to save for retirement through Plan contributions.

Contributions will be taken out of your salary if you do nothing. However, you can determine the amount that you contribute. You may decide to do nothing and become automatically enrolled, or you may choose to contribute an amount that better meets your needs. You can change your contributions by completing and submitting a salary reduction agreement form to the Plan Administrator at the address listed at the end of this notice.

If you want to contribute more to your account than would be provided automatically, there are limits on the maximum amount. These limits are described in the Plan's SPD, which is available from the Plan Administrator at the address listed at the end of this notice.

If you do not complete and submit a salary reduction agreement form in time to stop the automatic contributions, you can receive a refund of the accumulations (plus or minus investment earnings or losses) for a short time, despite the general limits on 403(b) Plan withdrawals. During the 90 days after automatic contributions are first taken from your

salary, you can withdraw the Auto Enroll accumulations by contacting the Plan Administrator at the address listed at the end of this notice. The amount you withdraw will be adjusted for any gain or loss. If you request a refund of your Auto Enroll accumulations, you will also forfeit the matching UD accumulations under the Auto Enrollment provision. Also, your withdrawal will be subject to federal and state income tax in the year of the distribution (but not the extra 10% tax that normally applies to early distributions before the age of 59½).

3. In addition to the contributions taken out of my salary, what amount will the University of Dayton contribute to my Account?

Besides contributing the amounts taken from your salary, as long as you contribute at least \$1 of your salary to the 403(b) Plan, the University of Dayton will make a matching contribution equal to 2.5% of your salary if you have less than 5 years of service. If you have more than 5 years of service, but less than 10 years of service, the University of Dayton will make a matching contribution equal to 3.5% of your salary.

In addition, the University of Dayton will make contributions to the 401(a) retirement plan on your behalf. However these contributions are subject to vesting rules, so you will have ownership (will be vested) according to the following schedule:

End of year	Total % vested
1	25%
2	50%
3	75%
4	100%

Remember, you can always change the amount you contribute to the 403(b) Plan by completing and submitting a new salary reduction agreement form to the Plan Administrator at the address shown at the end of this notice. For more information on how the 401(a) Plan, please contact the Plan Administrator using the contact information at the end of this notice.

4. How will my contributions be invested?

TIAA-CREF has been selected by the University of Dayton as the investment provider for Auto Enroll contributions. The Plan lets you invest the contributions in a number of different investment choices. Unless you choose a different investment fund or funds, the Auto Enroll contributions will be invested in the default investment option for the University of Dayton Tax Deferred Annuity Plan, which is the age-based TIAA-CREF Lifecycle Fund that corresponds to your estimated date of retirement (age 65). The TIAA-CREF Lifecycle Funds provide a ready-made diversified portfolio using TIAA-CREF mutual funds as underlying investments that include both equity and fixed-income instruments. The allocation strategy for the underlying equity and fixed-income funds is based on the number of years expected to reach the target retirement dates. Each fund's target asset allocation percentages automatically changes over time to become more conservative by gradually reducing the allocation to equity funds and increasing the allocation to fixed-income funds as you get closer and closer to age 65. If the default investment fund changes at any time in the future, you will be notified.

You can obtain updated information on investment objection, risk and return characteristics, and fee and expenses of the TIAA-CREF Lifecycle Funds at www.tiaa-cref.org/udayton or by contacting TIAA-CREF at **800 842-2776**.

You have the right to change the allocation of your investments at any time. If you elect to change the allocation of your account from one of the Lifecycle Funds, there are no fees or expenses imposed in connection with the transfer. But certain restrictions may apply if multiple transfers are made from any one account during any 60-day period. See the fund prospectus at www.tiaa-cref.org/udayton for more details on restrictions on frequent transfers.

The Plan allows you to choose from a diverse set of investment options. A list of the Plan's available funds and a copy of the prospectus or information statement for each fund may be obtained from TIAA-CREF at **800 842-2776** or at www.tiaa-cref.org/udayton. You can change how the contributions are invested among the Plan's offered investment funds, by contacting TIAA-CREF at **800 842-2776** or accessing your account online at **tiaa-cref.org**.

To learn more about the Plan's investment choices and procedures for changing how the contributions are invested you can review the Plan's SPD. Also, you can contact the Plan Administrator using the contact information at the end of this notice.

5. When will my Account be vested and available to me?

You will always be fully vested in your contributions to the Plan. You will also be fully vested in UD's matching contributions when you complete four years of service. To be fully vested in Plan contributions means that the contributions (together with any investment gain or loss) will always belong to you, and you will not lose them when you leave UD. For more information about vesting, you can review the Plan's SPD, which can be obtained from the Plan Administrator at the address listed at the end of this notice.

Even if you are vested in your Account, there are limits on when you may withdraw your funds. These limits may be important to you in deciding how much, if any, to contribute to the Plan. In general, 403(b) plans only allow you to withdraw vested money after you leave your job, reach age 59½, or become disabled. Also, there is a 10% federal tax penalty on distributions before age 59½. For more information about withdrawal options available in our 403(b) Plan, you can review the Plan's SPD, which can be obtained from the Plan Administrator at the address listed at the end of this notice.

6. Can I change the amount of my contributions?

You can change the amount you contribute to the Plan. If you do not want to contribute to the Plan, you must complete a salary reduction agreement form electing zero contributions (0%).

If you discontinue automatic contributions, The University of Dayton will treat you as having chosen to make no further contributions. However, you can always choose to continue or restart your contributions by completing and submitting a new salary reduction agreement form to the Plan Administrator.

If you have any questions about how the Plan works or your rights and obligations under the Plan, or if you would like a copy of the Plan's SPD or other Plan documents, please contact the Plan Administrator at:

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