

Drexel University Defined Contribution Retirement Plan Annual Automatic Enrollment and Qualified Default Investment Alternative Notice

This notice is to inform you how your contributions under the Drexel University Defined Contribution Retirement Plan are being invested and how they will continue to be invested *if you have not provided investment instructions*. **Please disregard this notice if you have already provided complete investment instructions to your retirement vendor.**

If you have not completed an enrollment and were hired on or after January 1, 2015, you have been automatically enrolled in the Plan with TIAA-CREF at a 2% deferral rate. This means that 2% of your eligible pay each pay period is being taken from your pay on a pre-tax basis and contributed to your account in the Plan. But, you can choose a different amount. You can choose to contribute more, less, or even nothing.

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

- Whether the Plan's automatic enrollment feature applies to you;
- What amounts are automatically taken from your salary and contributed to the Plan;
- What other amounts Drexel is contributing to your Account;
- How your contributions are being invested;
- How you can change the investment allocation of your contributions;
- Where you can view plan and investment related information;
- When your Account will be vested (that is, not forfeited if you leave your job), and when you can withdraw your plan Account balance; and
- How you can change the amount of your contributions; and
- How you can change your beneficiary designation(s)

Distributions from 403(b) plans before age 59 ½, severance from employment, death, or disability may be prohibited, limited, and/or subject to substantial tax penalties. Different restrictions may apply to other types of plans. 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 or online at <http://www.drexel.edu/hr/benefits/compliance/>.

1. Does the Plan's Automatic Enrollment feature apply to me?

The Plan's automatic enrollment feature does not apply to you if you already elected to make contributions to the Plan or to not contribute. If you made an election of how much you want to contribute, your contribution level remains the same. You can always change your contribution level online through DrexelOne, Employees tab, "403(b) Plan management" link. If you have not elected a contribution rate and were hired on or after January 1, 2015, you have already been enrolled in the Plan. This means money is being automatically taken from your salary and contributed to your account. If you do not want to be enrolled, you need to log into the 403(b) Plan management system and select "waive" participation.

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

If you have not enrolled or waived participation, 2% of your eligible salary for each pay period will continue to be taken from your salary and contributed to the Plan. To learn more about the

Plan's definition of eligible salary, you can review the Plan's SPD online at <http://www.drexel.edu/hr/benefits/compliance/>. Your contributions to the Plan are taken out of your salary and are not subject to federal income tax at that time. Instead, they are contributed to your plan Account and may grow over time with earnings. Your account will be subject to federal income tax only when amounts are withdrawn. This helpful tax rule is a reason to save for retirement through Plan contributions.

Contributions will continue to be taken out of your salary if you do nothing. But you are in charge of 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. For example, you may want to get the full amount of the matching contributions by contributing at least 6% of your eligible pay. You can always change your contribution level online through [DrexelOne](#), Employees tab, "403(b) Plan management" link.

If you want to contribute more to your account than the automatic enrollment percentage, there are limits on the maximum amount. These limits are described in the Plan's SPD, which is available online at <http://www.drexel.edu/hr/benefits/compliance/>.

3. In addition to the contributions taken out of my salary, what amount is Drexel contributing to my Account?

Besides contributing the amounts taken from your salary, Drexel is matching that contribution. If you increase your contributions to the plan, Drexel will match that amount, dollar for dollar, up to a maximum of 6% of your eligible per-pay salary. Therefore, to get the most from these matching contributions, you must contribute at least 6% of your eligible pay each pay period. This is more than the 2% automatic contribution rate. Drexel will also provide a contribution based on your age of either 3% (if you are under age 50) or 5% (if you are 50 or older).

4. How are my contributions being invested?

TIAA-CREF has been selected by Drexel as the investment provider for the Automatic Enrollment contributions. The Plan lets you invest the contributions in a number of different investment choices. Unless you choose a different investment option or options, the Auto Enroll contributions will be invested in the default investment option for Drexel which is the Lifecycle Index fund which most closely matches your normal retirement date. If the default investment option changes at any time in the future, you will be notified.

The enclosed Fact Sheet provides additional information including the investment objectives and strategy, fund/account performance, risk and return characteristics, and fees and expenses of the fund. You can obtain updated information on fee expenses and a more detailed explanation of the default fund by contacting TIAA-CREF at (800) 842-2776. To learn more about the Plan's investment choices, you can review the Plan's SPD. Also, you can contact the Plan Administrator using the information at the end of this notice.

5. How can I change the investment allocation of the contributions that will be made on my behalf by Drexel to another investment choice available under the plan?

The Plan allows you to choose from a diverse set of investment options. A list of the Plan's available investment options and a copy of the prospectus or information statement for each investment option may be obtained from TIAA-CREF at 800 842-2776 or at <http://www1.tiaa-cref.org/tcm/drexel/>. 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 the default fund, there are no fees or expenses imposed in connection with that transfer. But certain restrictions may apply if

multiple transfers are made from any one account. See the fund prospectus at <http://www1.tiaa-cref.org/tcm/drexel/> for more details on restrictions on frequent transfers.

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

You will always be fully vested in your contributions to the Plan. You are also fully vested in the employer matching contributions immediately. To be fully vested 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 your job. Even if you are vested in your Account, there are limits on when you may withdraw your funds. In general, for 403(b) plans you may only 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.

You also can borrow certain amounts from your vested Account, and may be able to take out certain vested money if you have a hardship. Hardship distributions are limited to the dollar amount of your contributions. They may not be taken from earnings or matching contributions. Hardship distributions must be for a specified reason—for qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction or foreclosure), qualifying post-secondary education expenses, or qualifying funeral expenses. Before you can take a hardship distribution, you must have taken other permitted withdrawals and loans. **If you take a hardship distribution, you may not contribute to the Plan or other qualifying Drexel plans for 6 months.** You can learn more about the Plan's hardship withdrawal and loan rules in the Plan's SPD.

7. Can I change the amount of my contributions?

You can always change your contribution level online through [DrexelOne](#), Employees tab, "403(b) Plan management" link. If you discontinue automatic contributions, Drexel will treat you as having chosen to make no further contributions. However, you can always choose to continue or restart your contributions online through [DrexelOne](#), Employees tab, "403(b) Plan management" link.

8. How can I change my beneficiary designation(s)?

Beneficiary designations are stored with your vendor. Either access your account online or contact your vendor directly (TIAA-CREF (800) 842-2776, Fidelity (800) 343-0860, Vanguard (800) 523-1188).

9. Who should I call if I have any questions?

If you have any questions about the Plan's investment choices, 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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