

Furman University Retirement Plan

Automatic Enrollment and Qualified Default Investment Alternative (QDIA)

Furman University (your employer) is making saving for retirement under our Furman University Retirement Plan (Plan) even easier.

You are receiving this notice to inform you how your contributions under the Plan for Furman University will be invested and how such contributions will continue to be invested if you have not provided complete investment instructions.

If you are a newly eligible full- or part-time employee, you will be automatically enrolled in the Plan starting with your 1st paycheck on or after the 1st day of the month following your 60th day of employment. This means that amounts will be taken from your pay and contributed to the Plan. These automatic contributions will be 3% of your eligible pay each pay period. But, you can choose 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. The notice covers these points:

- Whether the Plan's automatic enrollment feature applies to you,
- What amounts will be automatically taken from your pay and contributed to the Plan,
- How your contributions will be invested,
- How you can change the investment allocation of your contributions,
- Where you can view Plan and investment related information,
- How you can change the amount of your contributions, and
- How you can change your beneficiary designation(s).

Distributions from the Plan 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 online [here](#) or from the Plan Administrator at the address shown at the end of this notice.

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

The Plan's Automatic Enrollment feature applies to full- and part-time employees who are hired on or after May 2, 2016.

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

If you have not cancelled your enrollment or completed TIAA's online Deferral Agreement by your 60th day of employment, beginning with the first day of the following month, 3% of your eligible pay will be taken from your paycheck each pay period and contributed to the Plan. To learn more about the Plan's definition of eligible pay, you can review the Plan's SPD.

Your contributions to the Plan will be taken out of your pay and are not subject to federal income tax at that time. Instead, they will be contributed to your Plan account and may grow over time with earnings. Your Plan account balance 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 pay if you do nothing, but you are in charge of the amount that you contribute. If you decide at some point after day 60 (i.e., after you were enrolled in the Plan) that you wish to opt-out of the Plan, any money already contributed on your behalf will remain in the Plan. Generally, this money will stay in the Plan until you leave your job. Review the Plan's SPD for details.

You may choose not to contribute to the Plan or you may also choose to contribute an amount that better meets your needs. You may also choose to contribute to the Plan on a post-tax (Roth) basis. If you want to contribute more to your Plan account than the Automatic Enrollment percentage, or you wish to contribute to a Roth account, there are calendar year limits set by the IRS on the maximum amount. These limits are described in the Plan's SPD, which is available online [here](#) or from the Plan Administrator at the address shown at the end of this notice. You can change your contributions by completing TIAA's online Deferral Agreement.

3. In addition to the contributions taken out of my pay, what amounts will Furman University contribute to my Plan account?

Besides contributing the amounts taken from your pay, Furman University may make other discretionary contributions to your Plan account. Unless you choose a different investment option or options, these discretionary contributions from Furman University will be invested in the default investment option for the Plan as described below. Review the Plan's SPD for more details on these contributions.

Remember, you can always change the amount you contribute to the Plan by completing TIAA's online Deferral Agreement.

4. How will my contributions be invested?

The Plan lets you invest the contributions in a number of different investment choices. Unless you choose a different investment option or options, your contributions and contributions from Furman University, if any, will be invested in the default investment option for the Plan. The default investment option is the Vanguard Target Retirement – Investor Class Fund with the target date closest to your 65th birthday. If the default investment option changes at any time in the future, you will be notified.

The enclosed Fact Sheet for the Vanguard Target Retirement – Investor Class Fund provides additional information, including the investment objectives and strategy, fund/account performance, risk and return characteristics, and fees and expenses of the funds. You can obtain updated information on fee expenses and a more detailed explanation of the Vanguard Target Retirement – Investor Class Fund at www.tiaa.org/furman or by contacting TIAA at 800-842-2252 weekdays, 8 a.m. to 10 p.m. (ET).

To learn more about the Plan's investment choices, you can visit the Plan website at www.tiaa.org/furman. 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 and Furman University's contributions to the Plan. 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 your job. Even if you are vested in your Plan 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. Generally, you may only withdraw vested money after you leave your job, reach age 59 ½, or become disabled. Also, there is generally an extra 10% tax on distributions before age 59 ½. You can learn more about the extra 10% tax in IRS Publication 575, Pension and Annuity Income. Your beneficiary can get any vested amount remaining in your account when you die.

You also can borrow certain amounts from your vested Plan account, and you 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 contributions from Furman University. Hardship distributions must be for a specified reason – for qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction from or foreclosure on your principal residence, or repairing qualifying damages to your principal residence), qualifying post-secondary education expenses, or qualifying burial or funeral expenses. Before you can take a hardship distribution, you must have taken other permitted withdrawals from the Plan. You can learn more about the Plan's hardship withdrawal and loan rules in the Plan's SPD.

6. How can I change the investment allocation of the contributions that will be made on my behalf by Furman University to another investment choice available under the Plan?

The Plan allows you to choose from a diverse set of investment options. You can elect to direct the investment of your existing balances and future contributions to any of the Plan's available investment options. This includes being able to transfer out of the Plan's default option to another investment option available in the Plan. To change how your account is invested among the Plan's offered investment choices or to obtain list of the Plan's available investment options and a copy of the prospectus or information statement for each investment option, go to www.tiaa.org/furman or contact TIAA at 800-842-2252, weekdays, 8 a.m. to 10 p.m. (ET).

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 Vanguard Target Retirement – Investor Class 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 www.tiaa.org/furman for more details on restrictions on frequent transfers.

7. Can I change the amount of my contributions?

You can always change the amount you contribute to the Plan. If you do not want to contribute to the Plan you will want to stop your contributions by logging into your secure account at <https://my.furman.edu> where you can navigate to your personal page on TIAA's website, and you will be able to elect zero contributions.

If you discontinue automatic contributions by electing zero contributions, Furman University will treat you as having chosen to make no further contributions. However, you can always choose to continue or restart your contributions by following the instructions above.

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

In addition to reviewing how your contributions are invested, you should also review and update your beneficiary designation(s) if it does not reflect how you would want your assets distributed upon your death. Reviewing and changing your beneficiary designation(s) in accordance with Plan rules can be done by logging into your secure account at <https://my.furman.edu> where you can navigate to your personal page on TIAA's website or by contacting TIAA at 800-842-2252, weekdays, 8 a.m. to 10 p.m. (ET).

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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