Qualified Default Investment Alternative (QDIA) with Automatic Enrollment
Annual Notice

Mercer University Defined Contribution Retirement Plan and Tax-Deferred Annuity Plan
Annual Automatic Enrollment and Qualified Default Investment Alternative Annual Notice

Mercer University is making saving for retirement under our 403(b) Plan even easier. We offer an automatic enrollment feature, for employee and employer.

You are receiving this notice to inform you how your contributions under the plan are being invested and how they will continue to be invested if you have not provided complete investment instructions. Please disregard this notice if you have already completed and submitted a Salary Deferral Agreement and/or have provided complete investment instructions.

You have been automatically enrolled in the Plan if you have met the eligibility requirements to receive an Employer contribution. If you completed and submitted a Salary Deferral Agreement, you have been automatically enrolled in the Plan starting with your first paycheck on or after the date specified on the Salary Deferral Agreement. This means that amounts are being taken from your pay and contributed to the Plan. For pay during 2015/2016, these automatic contributions are the specified % of your eligible pay each pay period or dollar amount indicated on your Salary Deferral Agreement. 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 and employer contributions. The notice covers these points:

• Whether the Plan’s automatic enrollment feature applies to you;
• What amounts are being automatically taken from your salary and contributed to the Plan;
• What other amounts your employer 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.

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 (completed and submitted a Salary Deferral Agreement to the Plan Administrator) 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 by completing and submitting a
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.

Your Roth 403(b) contributions to the Plan are taken out of your salary on an after-tax basis. When you withdraw Roth accumulations from your retirement plan, you won’t pay taxes on any earnings, as long as you’re at least age 59½ (or disabled) and your withdrawal is made at least five years after making your first Roth contribution. Withdrawals of Roth contributions, as opposed to the earnings thereon, are not subject to Federal income taxes since you have already paid the taxes on the 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. You can change your contributions by completing and submitting a new Salary Deferral Agreement the Plan Administrator at the address listed at the end of this notice.

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 shown at the end of this notice.

2. **In addition to the contributions taken out of my salary, what amount is Mercer University contributing to my Account?**

   If you have been employed for 2 years and meet the eligibility requirements, Mercer University is making a contribution to the Plan on your behalf. Contributions are based on your Years of Service as outlined below:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Mercer University Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 2 - less than or equal to 7 Years</td>
<td>6% of your salary</td>
</tr>
<tr>
<td>Greater than 7</td>
<td>10% of your salary</td>
</tr>
</tbody>
</table>

   Remember, you can always change the amount you contribute to the Plan by completing and submitting a new Salary Deferral Agreement to the Plan Administrator at the address shown at the end of this notice.

3. **How are my contributions being invested?**

   TIAA-CREF has been selected by Mercer University as the investment provider for the Employer and Employee 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 the Mercer University Defined Contribution and Tax Deferred Annuity Plan, which is the TIAA-CREF Lifecycle Fund. If the default investment option changes at any time in the future, you will be notified.

   The enclosed Fact Sheet for the TIAA-CREF Lifecycle 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 TIAA-CREF Lifecycle Fund at [www.tiaa-cref.org/mercer](http://www.tiaa-cref.org/mercer) or by contacting TIAA-CREF at **800 842-2252**.
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 contact information at the end of this notice.

4. **How can I change the investment allocation of the contributions that will be made on my behalf by Mercer University 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 800 842-2252 or at www.tiaa-cref.org/mercer.

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 TIAA-CREF Lifecycle 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-cref.org/mercer for more details on restrictions on frequent transfers.

You can change how the contributions are invested among the Plan’s offered investment options, by contacting TIAA-CREF at 800 842-2252 or accessing your account online at tiaa-cref.org.

5. **Where can I view plan and investment related information?**

To view current performance and other plan- and investment-related information, go to www.tiaa-cref.org/mercer.

If you have questions or would like a paper copy of the notices, please call TIAA-CREF at 800 842-2252.

6. **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 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. For more information about years of service, 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, for 403(b) or 401(k) 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—such as qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction from or foreclosure on your principal residence), 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 and loans from qualifying Institution plans. If you take a hardship distribution, you may not contribute to the Plan or other qualifying Mercer University plans for 6 months.

You can learn more about the Plan’s hardship withdrawal and loan rules in the Plan’s SPD. You can also learn more about the extra 10% tax on early withdrawals before age 59 ½ in IRS Publication 575, Pension and Annuity Income.

7. **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 will want to turn in a Salary Deferral Agreement electing zero contributions (0%).

You can always choose to continue or restart your contributions by completing and submitting a new salary reduction form to the Plan Administrator.

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 made by logging into your secure account at tiaa-cref.org or by contacting TIAA-CREF at 800-842-2252.

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:

Benefits & Payroll
Mercer University
1501 Mercer University Drive
Macon, GA  31207
478-301-2787
hall_gm@mercer.edu