HARVARD UNIVERSITY TAX-DEFERRED ANNUITY PLAN

NOTIFICATION TO ELIGIBLE EMPLOYEES OF ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT

Harvard University sponsors the Harvard University Tax-Deferred Annuity Plan ("TDA Plan"). You are receiving this Notice because you have been automatically enrolled in the TDA Plan. You do not have to take any action in response to this Notice, unless you would like to make changes to your TDA Plan enrollment.

Employee pre-tax contributions

You may elect to have part of your University compensation deferred and contributed to your TDA Plan account on a pre-tax basis. “Pre-tax” means that, for federal and some states’ income tax purposes, your TDA Plan contributions are not reported as wages subject to income tax on your annual Form W-2, and you will not pay income taxes on your contributions or on the income your contributions earn (until your TDA Plan benefits are distributed from your account). Your TDA Plan contributions reduce your current take-home pay. For this purpose, “compensation” includes regular base salary or wages (among other items), and excludes over-time pay (among other items). Consult the Summary Plan Description of the TDA Plan (available on hr.harvard.edu) for a complete explanation of compensation which may be deferred.

Automatic enrollment feature

The TDA Plan includes an automatic enrollment feature for eligible Faculty and Administrative and Professional Staff who have never made an election regarding salary deferrals into the TDA Plan account. Because you are eligible for Auto-Enrollment and did not complete and return a Salary Reduction Agreement before January 1, 2014 (or, if later, within 60 days of your hire date,) the University is automatically withholding a percentage of your pre-tax compensation each payroll period and contributing that amount to your TDA Plan account (the percentage withheld from your compensation starts at 3% and will increase each year under the automatic escalation feature, described below). If you want to continue to be automatically enrolled in the TDA Plan, with your automatic TDA Plan contributions invested in a Vanguard Target Retirement Fund closest to the year you turn age 65, you do not need to take any action.

You may cancel your participation in the TDA Plan automatic enrollment feature or change your contribution amount by calling the Harvard University Retirement Center (HURC) at 1-800-527-1398, Monday through Friday, 8 a.m.-5 p.m., or by going to the HURC website at hr.harvard.edu and selecting “Harvard University Retirement Center” under “Employee Tools” at the bottom of the page. You will then be prompted to sign in with your HUID and PIN. Simply follow the screen prompts to “manage your contributions”, where you can cancel your participation or change your contribution amount.

Automatic escalation feature

Under the automatic escalation feature which is part of TDA Plan auto-enrollment, your pre-tax contribution rate will increase 1 percentage point each January until reaching 10%, or the applicable annual contribution limit, if less. You will receive an annual notice of the upcoming auto-escalation each fall and may cancel this in the future. Please note that if your pre-tax contributions to the TDA Plan have been temporarily suspended after a hardship withdrawal, special rules apply to your automatic contribution rate increase. Contact the HURC for more information.

Qualified Default Investment Alternative ("QDIA")

You have the right to direct the investment of your TDA Plan contributions. If you are automatically enrolled in the TDA Plan and fail to make any investment election, your contributions will be automatically invested, by default, in one QDIA, specifically, the Vanguard Target Retirement Fund closest to the year you turn age 65. If you wish, you may select a different investment from Harvard's investment options by going to the Retirement
Center website.

Keep in mind that all investing is subject to risk, and investing in any Vanguard Target Retirement Fund is subject to the risks of any such Fund’s underlying investments. Each Vanguard Target Retirement Fund is named, or otherwise described, with reference to a particular year (sometimes called the “target year”) that is closest to the year in which an investor in that Fund would reach age 65. Any Vanguard Retirement Date Fund will gradually change its asset allocation over time, shifting to more conservative asset allocations based on its target date. Any investment in a Vanguard Target Retirement Fund is not guaranteed at any time, including on or after the Fund’s target date.

You can obtain updated information on fees and expenses and a more detailed explanation of the Vanguard Target Retirement Funds at www.vanguard.com or by contacting Vanguard at 1-800-523-1188.

**Limited right to withdraw automatic deferrals**

For a limited time, participants who were automatically enrolled in the TDA Plan and do not want to participate, may cancel their participation in the TDA Plan and elect to have the Plan distribute all of their prior automatic deferrals (adjusted for any earning or losses). Participants may make this election by calling the HURC at 1-800-527-1398. Participants must make this election no later than 60 days after the first automatic deferral is taken from their compensation. If participants elect to withdraw their automatic deferrals, then the entire amount will be subject to income taxes, but will not be subject to the 10% premature distribution penalty tax, even if the distribution is received prior to age 59½.

**Vesting**

You are always 100% vested (which means that you are entitled to all of the amounts) in your TDA Plan account.

**Distributions from the Plan**

The TDA Plan is intended to help you to save for your future, including retirement. You are entitled to receive your TDA Plan account balance when you have a severance from employment with the University. While you are still employed by the University, you may receive payments once you reach age 59½, to the extent allowed by the investment options in which your TDA Plan account is invested.

You also may make withdrawals from your TDA Plan account while you are still employed by the University if you experience a financial hardship.

If you die before your TDA Plan distributions begin, the total value of your TDA Plan account will be paid to your beneficiaries.

You should consult the Summary Plan Description for additional information on distributions from the TDA plan.

**Additional information**

**This notice is not a substitute for the Summary Plan Description.** The provisions of the Plan are complex and you should always consult the Summary Plan Description if you have any questions about the Plan. The Summary Plan Description is available on hr.harvard.edu or by calling the HURC at 1-800-527-1398. For information about the TDA and your investment options as well as financial and retirement planning tools from Harvard’s retirement investment companies, please visit the “Total Rewards>Retirement>Investment Options” section of hr.harvard.edu, or call the Retirement Center.