

## 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 may be eligible to be automatically enrolled in the TDA Plan, or may already have been auto-enrolled. 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. (An after-tax Roth option is also available; see the Plan’s Summary Plan Description for details.) “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 pre-tax 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 overtime pay (among other items). Consult the Summary Plan Description of the TDA Plan (available on [harvie.harvard.edu](http://harvie.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, members of the Area Trades Council, HUCTW members hired or on after January 1, 2024, and, effective January 1, 2025, SEIU Local 32BJ–Arboretum employees who have never made an election regarding salary deferrals into the TDA Plan account. **If you are eligible for Auto-Enrollment and did not complete and return a Salary Reduction Agreement within 60 days of your hire date** (or the effective date applicable to you, if different) the University will automatically withhold a percentage of your compensation on a pre-tax each payroll period and contribute 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). **You do not need to take any action if you want to continue to be automatically enrolled in the TDA Plan**, with your automatic pre-tax TDA Plan contributions invested in a Vanguard Target Retirement Fund closest to the year you turn age 65.

You may cancel your participation in the TDA Plan automatic enrollment feature, change your contribution amount, or elect to make Roth after-tax contributions by calling the Harvard University Retirement Center (HURC) at 1-800-527-1398, Monday through Friday, 8 a.m.-5 p.m., by going to the HURC website at [harvie.harvard.edu](http://harvie.harvard.edu) and selecting “Harvard University Retirement Center (HURC)” under “Employee Tools” at the bottom of the page, or by going to [tiaa.org/harvard](http://tiaa.org/harvard) and logging into your TIAA account. Simply follow the screen prompts to cancel your participation, change your contribution amount, or add Roth contributions.

#### 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. If you are auto-enrolled you will receive an annual notice of the upcoming auto-escalation each fall and may cancel this in the future. Contact the HURC at 1-800-527-1398 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 [the available investment options](#) by going to the HURC website at [harvie.harvard.edu](http://harvie.harvard.edu) and selecting “Harvard University Retirement Center (HURC)” under “Employee Tools” at the bottom of any page, calling the HURC at 1-800-527-1398, or online at [ttaa.org/harvard](http://ttaa.org/harvard).

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 information on the Vanguard Target Retirement Funds by going to <https://harvie.harvard.edu/investment-options> or [ttaa.org/harvard](http://ttaa.org/harvard) (click on “Investment Options”) or by calling the Harvard University Retirement Center at 1-800-527-1398. Detailed information on Plan fees may be found by calling the HURC, or by going to [https://www.ttaa.org/public/pdf/obicee/100313\\_Plan\\_Investment\\_Notice.pdf](https://www.ttaa.org/public/pdf/obicee/100313_Plan_Investment_Notice.pdf)

### **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. Please keep your beneficiary designations up-to-date.

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 [harvie.harvard.edu](http://harvie.harvard.edu) or by calling the HURC at 1-800-527-1398.