RICE UNIVERSITY 403(b) TAX-DEFERRED ANNUITY PLAN
NOTICE OF AUTOMATIC ENROLLMENT AND DEFAULT INVESTMENT

Beginning in 2013, Rice University will begin making saving for retirement under the 403(b) Tax-Deferred Annuity Plan (the “TDA”) even easier by offering an automatic enrollment feature for all benefits eligible faculty and staff with a current hire date of January 1, 2013 or thereafter.

This automatic enrollment feature means that Rice will enroll you in the TDA immediately upon your date of employment unless you take action to either:

1. Opt-out of the program, or
2. Make an election to contribute a different amount.

Without any action on your part, you will be automatically enrolled in the TDA immediately upon employment. Rice will reduce your gross salary per pay period by 4% on a pre-tax basis and contribute that amount to a TDA account established on your behalf by TIAA. Your contributions will be invested in the TDA’s default investment fund (see default fund discussion below) until you make your own investment fund elections. Your contributions and any earnings will be subject to federal income tax only when withdrawn. This helpful tax advantage is a reason to save for retirement through the TDA. You are always 100% vested in your contributions and any earnings. Rice does not match the amount you contribute, but instead contributes to the Rice Retirement 401(a) Plan regardless of your TDA contribution once you are eligible to participate in the 401(a) Plan.

If you do not want to contribute 4% of your salary per pay period to the TDA, you must take action. You may elect to contribute more or less, or you may opt-out of the TDA. To contribute more or less at your date of employment, you must complete a 403(b) Salary Reduction Agreement and submit it to Human Resources on or prior to the first date of your employment. To opt out of the TDA as of your first date of employment, you must complete a 403(b) Opt-Out Form and submit it to Human Resources on or prior to the first date of your employment. Any forms submitted thereafter will be effective on the first of the following month. If you do nothing, the automatic 4% contribution election will apply each pay period.

Future Changes
After you have started working at Rice, you may still change the amount that you contribute to the TDA or opt out of future contributions. To do so, submit the appropriate form to Human Resources and any change will be effective on the first of the following month. If you terminate or reduce your contributions, you will not be able to get a refund of contributions made as part of the automatic enrollment feature. All contributions will remain in your TDA account and will be accessible upon termination or retirement or as a qualified in-service withdrawal. We encourage you to annually consider increasing the amount you contribute. The 2015 annual maximum contribution for the 403(b) TDA is $18,000 (or $24,000 if age 50+).

The 403(b) Salary Reduction Agreement and 403(b) Opt-Out Form are available on the Human Resources Forms website: http://people.rice.edu/hr-forms/

Default Investment and Investment Options
If you choose to have a TDA, you have a choice between two investment companies: TIAA and/or Fidelity Investments. Each investment company offers a diverse set of investment options. Go to http://people.rice.edu/benefits-rewards/retirement/403-b/ for more information on the investment companies and the available investment options. If you do not select an investment company, your contributions will be invested in the TDA’s default investment with TIAA.

The TDA’s default investments funds are the Vanguard Institutional Target Retirement Funds. The Vanguard Institutional Target Retirement Funds are separate funds that offer a simpler way for you to invest for retirement. Each fund is a multi-fund portfolio designed for a specific retirement time frame. If your contributions are defaulted to a Vanguard Institutional Target Retirement Fund, they will be invested in the fund that is closest to the year in which you will attain age 65. The fund’s asset allocation will automatically adjust, both now and in the future, relying on Vanguard’s investment strategies and extensive research. Each fund invests in a diversified combination
of underlying Vanguard funds. Through the underlying funds, you have a well-diversified portfolio that potentially offers exposure to small- mid- and large-cap domestic and international stocks as well as bonds and money market instruments. The asset mix gradually and automatically becomes more conservative, reducing the proportion invested in stocks, as you approach and enter retirement. These funds seek to provide capital appreciation and current income consistent with their current asset allocations.

For detailed information regarding the Vanguard Institutional Target Retirement Fund as well as the other investment funds offered by the TDA, please refer to the investment fund disclosure packet that accompanies this notice. The Vanguard Institutional Target Retirement Fund are intended to be “qualified default investment alternatives” as described in Section 404(c)(5) of ERISA.

Please note that by selecting TIAA as the default investment company or the Vanguard Lifecycle Funds as the default investment, Rice is not necessarily recommending that you invest with TIAA or remain invested in a Vanguard Institutional Target Retirement Fund. You may change the investment of your future contributions at any time between the investment companies and among the available investment options (effective the first of the following month). You may also transfer amounts from the Vanguard Institutional Target Retirement Fund to any other investment fund at any time. If you do nothing your future and past contributions will remain invested in a Vanguard Institutional Target Retirement Fund.

Investment changes for future contributions can be made online through http://people.rice.edu/benefits-rewards/retirement/403-b/ which links you directly to the investment company’s website. To reallocate your TDA account between investment companies and among the available investment options, you must call the investment companies or log into their websites using the Rice website or directly as noted below:

**TIAA**
http://www.tiaa.org/rice  
800-842-2776

**Fidelity Investments**
http://netbenefits.fidelity.com  
800-642-7131

If you have questions about this notice, please contact Human Resources at benefits@rice.edu, call (713) 348-2363 or visit our website at http://people.rice.edu/benefits-rewards/.

______________________________________________________________________________ (Sign Here)

I have received the Notice of Automatic Enrollment and Default Investment for the Rice University 403(b) Tax Deferred Annuity Plan (the “Plan”) and Investment Fund Disclosures.