

# **SURA/JEFFERSON SCIENCE ASSOCIATES 401(k) PLAN**

## **PARTICIPANT NOTICE**

**for**

### **401(k) SAFE HARBOR PLAN, QUALIFIED DEFAULT INVESTMENT ALTERNATIVE, AND AUTOMATIC CONTRIBUTION ARRANGEMENT**

To: All Eligible SURA and JSA Employees

From: SURA

Plan Year: January 1, 2015 – December 31, 2015

Date: December 1, 2014

This notice is intended to inform you of your rights and obligations under the SURA/Jefferson Science Associates 401(k) plan (the “Plan”) and the availability of certain contributions under the Plan for the 2015 Plan Year. We are required to provide you with this notice, which describes the 401(k) safe harbor contribution, qualified default investment alternative, automatic contribution arrangement, and certain related rules in the Plan.

You should keep this notice with your Summary Plan Description for future reference.

#### ***Employer 401(k) Safe Harbor Nonelective Contribution***

The Plan provides a 401(k) safe harbor contribution for the 2015 Plan Year that allows the Plan to automatically satisfy the 401(k) Actual Deferral Percentage nondiscrimination test required by the Internal Revenue Code. Under the 401(k) safe harbor, we will contribute a nonelective contribution to your Plan account equal to 9% of your eligible compensation. You will always be 100% vested in these 401(k) safe harbor contributions.

#### ***Type and Amount of Compensation Subject to Deferral***

Please refer to your Summary Plan Description for details about your compensation that is eligible for contributions under the Plan. Generally, for purposes of your 401(k) deferral contributions and our 401(k) safe harbor contributions to the Plan, compensation includes your annual base salary to you or accrued by you during the calendar year, excluding the following:

- overtime,
- bonuses,
- commissions,
- shift premiums,
- reimbursement or other expense allowances,
- fringe benefits,
- moving expenses,
- deferred compensation
- welfare benefits, and
- compensation paid after your severance of employment

The maximum amount of compensation that the Plan will consider is limited to \$265,000 for 2015.

#### ***Employee 401(k) Deferral Contributions and Automatic Contributions***

As a participant in the Plan, you may elect to defer a portion of your compensation to the Plan on a pre-tax basis (your “401(k) deferral contributions”). We are also offering an automatic enrollment feature for your 401(k) deferral contributions. The automatic enrollment feature will default your 401(k) deferral contributions to 5% of your eligible compensation. If you would like to increase or decrease the amount of your 401(k) deferral contributions, complete a Salary Reduction Agreement. You can change your contribution level at any time during the year by submitting a new Salary Reduction Agreement to Human Resources.

For new participants, if you do not submit a Salary Reduction Agreement, you will be automatically enrolled in the Plan starting with your first paycheck. This means that amounts will be taken from your pay and contributed to the Plan. During 2015, these automatic contributions will be 5% of your eligible compensation each pay period (excluding any pay adjustments during the year). You can choose to contribute more, less, or even nothing, but you must complete a Salary Reduction Agreement to reflect an amount different than 5% of your eligible compensation.

For existing participants, if your election in the previous year was less than 5% of your eligible compensation and you do not complete a new Salary Reduction Agreement, your 401(k) deferral contributions will default to 5% of your eligible compensation beginning with your first paycheck in 2015; nevertheless, you can always change your 401(k) deferral contributions by completing a new Salary Reduction Agreement for that year.

You can always change the amount you contribute to the Plan. If you know now that you do not want to contribute to the Plan (and you haven't already elected not to contribute), you will want to turn in a Salary Reduction Agreement electing zero contributions. That way, you avoid any automatic contributions. You can choose to continue or restart your contributions by turning in a new Salary Reduction Agreement.

Please see your Summary Plan Description for an outline of the Plan's definition of compensation, the eligibility rules, and when changes will be processed. Your elective deferrals are limited to \$18,000 in 2015.

Your decision about whether or not to defer a portion of your eligible compensation to the Plan does not affect your right to receive a 401(k) safe harbor contribution.

You may enter into or revise a Salary Reduction Agreement at any time, subject to the terms of the Plan. The Salary Reduction Agreement is available from your HR representative or the Office of Human Resource Services.

### ***Investing Your Plan Account***

The Plan lets you invest the contributions in your Plan account in a number of different investment funds. The Plan allows you to choose from a diverse set of investment options that include the CREF Variable Annuity Accounts, TIAA Variable Annuity Accounts, and TIAA Traditional Annuity Accounts. A list of the Plan's investment fund options is available from the Office of Human Resource Services. Additional information, including a copy of the prospectus or information statement for each fund may be obtained from TIAA-CREF at 800.842.2776 or at <http://www.tiaa-cref.org/performance/index.html>. You can change how your Plan account is invested among the Plan's offered investment funds by turning in the investment election form to the Office of Human Resource Services or following the instructions to change your investments through your on-line account at [www.tiaa-cref.org](http://www.tiaa-cref.org).

Unless you choose a different investment fund or funds, your Plan account will be automatically invested in the default investment option for the Plan, which is the age-based TIAA-CREF Lifecycle Fund - Institutional Class that corresponds to your estimated date of retirement. The TIAA-CREF Lifecycle Funds provide a ready-made diversified portfolio using TIAA-CREF mutual funds as underlying investments that include both equity and fixed-income instruments. The allocation strategy for the underlying equity, fixed-income and short-term mutual funds is based on the number of years expected to reach the target retirement dates. These funds seek to provide high total returns until the target retirement date. Each fund's goal will be to seek high current income and as a secondary objective, capital appreciation. Each fund's target asset allocation percentages will automatically change over time to become more conservative by gradually reducing the allocation to equity funds and increasing the allocation to fixed-income and short-term funds. If the default investment fund changes at any time in the future, you will be notified.

As of **September 30, 2014**, the total annual fund operating expense associated with the various TIAA-CREF Lifecycle Funds - Institutional Class (Lifecycle Fund 2010, Lifecycle Fund 2015, Lifecycle Fund 2020, Lifecycle Fund 2025, Lifecycle Fund 2030, Lifecycle Fund 2035, Lifecycle Fund 2040, Lifecycle Fund 2045, Lifecycle Fund 2050, and Lifecycle Fund 2055) ranged from 0.63% to .071%.

The average annual total returns for the TIAA-CREF Lifecycle Funds - Institutional Class were:

	<b>YTD Return as of 11/17/2014</b>	<b>AVERAGE ANNUAL TOTAL RETURNS AS OF 10/31/2014</b>				
		<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>Since Inception</b>
Lifecycle Fund 2010	4.12%	6.00%	9.12%	8.97%	5.74%	5.85%
Lifecycle Fund 2015	4.15%	6.41%	9.99%	9.63%	5.90%	6.03%
Lifecycle Fund 2020	4.20%	6.92%	11.12%	10.40%	6.00%	6.13%
Lifecycle Fund 2025	4.23%	7.41%	12.22%	11.13%	6.10%	6.25%
Lifecycle Fund 2030	4.18%	7.82%	13.28%	11.83%	6.13%	6.28%

Lifecycle Fund 2035	4.08%	8.12%	14.22%	12.45%	6.38%	6.54%
Lifecycle Fund 2040	4.05%	8.35%	14.74%	12.72%	6.71%	6.89%
Lifecycle Fund 2045	3.98%	8.45%	14.70%	12.66%	--	4.16%
Lifecycle Fund 2050	3.99%	8.29%	14.73%	12.70%	--	4.13%
Lifecycle Fund 2055	3.99%	8.35%	14.74%	--	--	9.05%
Lifecycle Retirement Income	4.03%	5.43%	8.12%	8.11%		4.69%

Additional information about the TIAA-CREF Lifecycle Funds - Institutional Class are available at <http://www.tiaa-cref.org/prospectuses/index.html> including the investment objectives, 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 Funds - Institutional Class at <http://www.tiaa-cref.org/prospectuses/index.html> or by contacting TIAA-CREF at 800.842.2776.

You have the right to change the investments of your Plan account at any time. If you elect to change the investment of your account from one of the TIAA-CREF Lifecycle Funds - Institutional Class, 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 during any 60-day period. See the fund prospectus at <http://www.tiaa-cref.org/prospectuses/index.html> for more details on restrictions on frequent transfers.

To learn more about the Plan's investment funds and procedures for changing how your Plan account is invested you can review the Plan's Summary Plan Description. Also, you can contact the Plan Administrator.

### ***Vesting and Distribution***

All contributions, including 401(k) deferral contributions and 401(k) safe harbor contributions, are always 100% vested. This means that your deferrals and contributions can not be lost if you leave employment with us. However, the value of your deferrals and contributions is not guaranteed and they could experience market losses.

### ***Withdrawal of Contributions From the Plan***

You generally may not withdraw your 401(k) deferral contributions and our 401(k) safe harbor contributions except upon your termination of employment, death, disability, leave of absence due to service in the military for more than thirty (30) days, or attainment of retirement age. You may also withdraw your 401(k) deferral contributions in the case of a hardship (but not from your investment earnings) if you meet the requirements for a financial hardship. See your Summary Plan Description for the definition of hardship.

Plan loans are also available from your 401(k) deferral contributions. See your Summary Plan Description and our loan program for the rules governing loans.

### ***For Further Information***

Please refer to the Summary Plan Description for a complete explanation of the Plan features. In the event of any discrepancy between this notice and the Plan Document or Summary Plan Description, the Plan Document and Summary Plan Description will govern. Please ask your HR representative if you have any question regarding your rights or obligations under the Plan or if you would like to obtain an additional copy of the Summary Plan Description. You may also contact our third party administrator for additional information at:

TIAA-CREF  
730 Third Avenue  
New York, New York 10017  
1-800-842-2252  
[www.tiaa-cref.org](http://www.tiaa-cref.org)