

**Lincoln University 403(b) Plan**  
**SAFE HARBOR NOTICE**  
**(Lincoln University Defined Contribution Retirement Plan – Plan 001)**

This legally required Notice is being provided to all employees who participate in the Lincoln University 403(b) Plan formally known as the “Lincoln University Defined Contribution Retirement Plan” (“Plan”) and supplements the information you received in the Summary Plan Description (including any Summary Material Modifications), Retirement Plan Guide, and other information, which information is also available from the Human Resources office and is available on the Human Resources site at [www.lincoln.edu](http://www.lincoln.edu). In particular, this Notice provides a brief summary about the University contributions under the Plan, the contribution election process, vesting and withdrawals. This Notice is required to be distributed annually to all participants of plans which meet certain Internal Revenue Code requirements to be considered a “Safe Harbor” plan. Basically, a “safe harbor plan” provides a required level of contributions and ensures that each eligible employee can receive the full University matching contribution. In the event that you are receiving this Notice in electronic format, you may upon request, to the Lincoln University Office of Human Resources at 484-365-7594, receive a paper copy of this Notice.

**What Type of Contributions May I Contribute to The Plan?** You may elect to make contributions to the Plan known as “Elective Deferrals.” You may elect to reduce your compensation and make a contribution to the Plan on a pre-tax basis. These pre-tax contributions are known as Elective Deferrals. Under the Plan you may, by completing a salary reduction agreement (“Authorization Form”), elect to defer compensation on a pre-tax basis up to the annual IRS limit on Elective Deferrals to defined contribution plans (\$17,000 in 2012). However, if you are age 50 or over, you may defer an additional catch-up amount (up to \$5,500, for a total of \$22,500, in 2012). Under the Plan “compensation” means W-2 wages.

The limits on the maximum amount you can contribute and the items that are considered “compensation” are further described in the Summary Plan Description.

**In addition to the Elective Deferral contributions, taken Out of My Pay, What Contributions Will the University contribute?** Besides the Elective Deferral amounts taken from your pay, Lincoln University will make a Safe Harbor Matching Contribution to your Plan account. In this regard, Lincoln University will match, on a dollar-for-dollar basis, 100% of your Elective Deferrals up to 5% of your compensation. The matching contributions will be made if you make an Elective Deferral (including a catch-up contribution) and will be made only if you choose to contribute to the Plan. Lincoln University’s matching contributions depend on the amount you contribute out of your pay each pay period during the plan year. Remember, you can always change the amount you contribute to the Plan by making a new deferral election by completing the attached Authorization form. In addition, the University is permitted to make an Employer Contribution of up to 5% of your compensation regardless of whether you make an Elective Deferral.

**How Will My Individual Account Be Invested?** The Plan lets you invest your account in a number of different investment funds. Unless you choose a different investment fund or funds, your Plan account will be invested in accounts selected by the Plan.

You may change how your Plan account is invested, among the Plan's offered investment funds, by contacting the TIAA-CREF website at [www.tiaa-cref.org](http://www.tiaa-cref.org) or by telephone at 1-800-842-2776.

**When Will My Plan Account Be Vested And When will it be Available To Me?** You will always be fully vested in your Elective Deferral, Safe Harbor Matching Contributions and Employer Contributions in the Plan. To be fully vested in the Plan contributions 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.

Even if you are vested in your Plan 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. Generally, you may only withdraw vested money after you leave your job, Reach age 59-1/2 (higher age limits may apply for some accounts), or become disabled. In addition, there may be an extra 10% tax on distributions before age 59-1/2. Your beneficiary can get any vested amount remaining in your account when you die.

You may be able to borrow certain amounts from your vested Plan account. The amount of the loan generally may not exceed the lesser of \$50,000 or 1/2 of your vested account balance.

You may be able to take out certain vested money if you have a hardship. Hardship distributions are limited to the dollar amount of your Elective Deferral contributions. They may not be taken from investment earnings, Safe Harbor Contributions, or special non-elective contributions. You may receive a hardship distribution only if the Plan Administrator finds that you have an immediate and heavy financial need where you lack other available resources. Whether you have an immediate and heavy financial need is to be determined based on all relevant facts and circumstances. The need to pay the funeral expenses of a family member would constitute an immediate and heavy financial need and distribution to you for the purchase of a boat or television would not constitute a distribution made because of an immediate and heavy financial need. A financial need may be immediate and heavy even if it was reasonably foreseeable or voluntarily incurred by you.

The following in-service distributions are also permitted:

**Qualified Reservist Distribution.** Effective September 1, 2009, if you were a military reservist called to active duty for a period in excess of 179 days or for an indefinite period, you may receive a distribution from the plan while still employed from amounts attributable to elective deferrals and catch-up contributions (if any). You must make the distribution during the period beginning on the date of your call-up and ending at the close of the active duty period. In addition, you must have been called to active duty after September 11, 2001.

Normal Retirement Age: At any time after reaching your normal retirement age but before actual retirement, you may elect to commence the distribution from your Accounts if you provide the Plan Administrator with a written election to that effect.

Early Retirement: At any time after reaching your early retirement age but before termination, you may elect to commence the distribution from your Accounts if you provide the Plan Administrator with a written election to that effect.

You can learn more about the Plan's in-service withdrawal and loan rules in "in-service Distributions and Loans" section of the Plan's SPD. You can also learn more about the extra 10% tax in IRS Publication 575, Pension, and Annuity Income.

**Can I Change The Amount of My Contributions?** You may elect to start, increase, or reduce your elections to contribute to the Plan pursuant to Plan Administrator procedures. Notwithstanding the foregoing, you may totally suspend your elections at any time.

The Plan Administrator may establish rules regarding the manner in which your elections are made. The rules may also require that certain advance notice be given of any election. Your election regarding elective deferrals is only effective for compensation you will receive in the future. Please contact the individual below for information on making or changing your contributions to the Plan or if you have any questions about 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:

Office of Human Resources  
Lincoln University  
PO Box 179  
1570 Baltimore Pike  
Lincoln University, PA 19352  
Attention: Benefits  
(484) 365-8059