2018 Annual Notice of Right to Participate in 403(b) Plan

To: All Employees of Baylor University

From: Human Resources

Date: November 2, 2017

Re: Notice of Your Right to Participate in the Baylor University Retirement Income Plan

In compliance with the 403(b) regulations, we are pleased to notify you of the availability of a 403(b) plan in which voluntary pre-tax and after-tax salary reduction contributions can be made.

Employees are permitted to make changes to their voluntary retirement contributions using the Salary Reduction Agreement. The requested voluntary retirement contributions changes will take effect on the next pay date.

Generally, salary reduction contributions can be made in an amount up to the lesser of 100% of your includible compensation, or $18,500 (in 2018, as indexed) to all elective deferral plans in which you participate. Additionally, the plan permits the following catch-up contributions to be made by eligible employees:

- Up to $6,000 for employees that are age 50 or older in the current tax year (in 2018, as indexed);

- Up to $3,000 † for employees that have worked 15 or more years of church-related service by the end of the current tax year (provided you have not contributed on average $5,000 or more for each prior year of service and provided the additional amounts used under the increased limit have not reached $15,000 or more).

† Please complete the 403(b) Catch-up Worksheet, which can be found in the Forms section inside the SmartBen system, to determine your eligibility.

Consult with your legal or tax advisor before participating in the 403(b) plan. Baylor University does not provide tax or legal advice.