

PACIFIC NORTHWEST UNIVERSITY OF HEALTH SCIENCES 403(B) RETIREMENT PLAN

AUTOMATIC ENROLLMENT NOTICE

This is an annual notice regarding the Pacific Northwest University of Health Sciences 403(b) Retirement Plan and only applies to the Plan Year beginning on July 1, 2018.

This notice covers the following points:

- How much you can contribute to the Plan;
- Whether the Plan's automatic enrollment feature applies to you;
- What amounts will be automatically taken from your pay and contributed to the Plan;
- What other amounts the Employer will contribute to the Plan for you; and
- When your Plan account will be vested (that is, not lost when you leave your job), and when you can receive a distribution of your Plan account.

You can find out more information about the Plan in the Plan's Summary Plan Description. You can obtain a copy from the Plan Administrator.

I. Employee deferral contributions

You are allowed to defer a portion of your compensation each year instead of receiving that amount in cash. These amounts are referred to as deferrals and are held in an account for your behalf. When you are permitted to take a distribution from the Plan, you will be entitled to all of your deferrals, as adjusted for any gains or losses. The type of compensation that may be deferred under the Plan is explained in the section of the Summary Plan Description, entitled "What compensation is used to determine my Plan benefits?" (this is in the Article entitled "COMPENSATION AND ACCOUNT BALANCE").

If you are projected to attain age 50 during a calendar year, then you may elect to defer additional amounts (called Age 50 "Catch-Up Deferrals") to the Plan. These are additional amounts that you may defer, up to an annual limit imposed by law, regardless of any other limits imposed by the Plan.

You may make either Regular 403(b) deferrals (pre-tax) or Roth 403(b) deferrals (after-tax). Your election regarding the amount and type of deferrals is irrevocable with respect to any deferrals already withheld from your compensation. If you make Regular 403(b) deferrals, your deferrals are not subject to income tax until distributed from the Plan. If you make Roth 403(b) deferrals, your deferrals are subject to income tax at the time of deferral. The Roth 403(b) deferrals, however, are not taxed when you receive a distribution from the Plan. In addition, if you satisfy certain distribution requirements (see the Section below entitled "Distribution provisions"), then the earnings on the deferrals will not be subject to income tax when distributed from the Plan. Both types of deferrals are subject to Social Security taxes at the time of deferral. Your Employer will deduct the Social Security taxes, and in the case of Roth 403(b) deferrals will deduct income taxes, from your remaining compensation.

Automatic Deferrals. The Plan includes an automatic enrollment feature known as an eligible automatic contribution arrangement ("EACA"). **If you do not complete and return a salary deferral agreement or register online at www.principal.com** (recommended) within 60 days of becoming eligible to participate in the Plan, then the Employer will automatically withhold a portion of your eligible compensation from your pay each payroll period and contribute that amount to the Plan as a regular 403(b) deferral (pre-tax) (the automatic amount is described below). If you wish to defer the Automatic Deferral amount, then you do not need to complete a salary deferral agreement. However, if you do not wish to defer any of your compensation, or you wish to defer an amount of compensation different from the Automatic Deferral amount, then you may make an election to do so. This election is made by submitting a salary deferral agreement to the Administrator, in accordance with the deferral procedures of the Plan, within a reasonable time after receipt of this notice, and before the occurrence of the first Automatic Deferral to which this notice applies. Your election will be effective as soon as the Administrator reasonably can implement your election after receipt.

Automatic Deferral. The following provisions apply:

- **Application to existing Participants.** For those Participants in the Plan as of the automatic deferral effective date, the automatic deferral provisions apply to all Participants except those who have a Salary Reduction Agreement in effect (regardless of their deferral amount) on the automatic deferral provisions effective date.

Automatic deferral provisions. The following provisions apply as to automatic deferrals:

- You may complete a Salary Reduction Agreement or register at www.principal.com (recommended) at any time to select an alternative salary deferral amount or to elect not to defer under the Plan in accordance with the deferral procedures of the Plan.
- The amount to be automatically withheld from your pay each payroll period will be equal to 5% of your compensation, and that amount will continue to be automatically withheld from your pay in succeeding Plan Years unless the Employer amends the Plan or you enter a Salary Reduction Agreement.

Automatic Escalation of Salary Reduction Agreement amount. The Plan includes automatic escalation provisions. Accordingly, if you have not completed a Salary Reduction Agreement specifying the amount to be withheld as an elective deferral from your pay each payroll period, the Employer will automatically increase the amount withheld from your pay as indicated below.

- **Participants affected.** Applies to all participants, except those who have in effect a Salary Reduction Agreement on the Automatic Deferral effective date regardless of the Elective Deferral amount under the Agreement. Put simply, if you have previously opted out of plan participation or have made an affirmative election for your personal deferrals, automatic escalation will not apply to you.
- If affected, the amount withheld from your pay each payroll period will be increased by 1% each Plan Year (July 1) until the amount withheld from your paycheck reaches 10% of your compensation, unless you make a contrary election.
- The increase in the amount automatically withheld from your pay will be effective on the first day of the Plan Year (July 1), beginning with the first Plan Year following the date you file a Salary Reduction Agreement, or, if sooner, the effective date of the automatic escalation provisions.

Limited right to withdraw automatic deferrals. For a limited time, if your Employer automatically enrolled you and you did not want to participate in the Plan, you may elect to have the Plan distribute to you all of your prior automatic deferrals (adjusted for any earning or losses). You may make this election on the form provided to you by the Plan Administrator. You must make this election no later than 90 days after the first automatic deferral is taken from your compensation. If you elect to withdraw your automatic deferrals then the entire amount, will be subject to income taxes, but you will not be subject to the 10% premature distribution penalty tax, even if you receive the distribution prior to age 59 1/2. Also, if you withdraw your prior automatic deferrals, then you will forfeit any matching contributions related to those deferrals. If you take out automatic deferrals, then the Employer will treat you as having chosen to make no further contributions. However, you can choose to continue or restart making contributions by completing a salary reduction agreement.

II. Other Employer Contributions

In addition to the above, other contributions may be made to the Plan. You should review the Article entitled "EMPLOYER CONTRIBUTIONS" for details regarding these other contributions.

III. Vesting

The following is a general explanation of the vesting provisions of the Plan. More details can be found in the Article of the SPD entitled "DISTRIBUTIONS."

100% vested contributions. You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- elective deferrals including Roth elective deferrals and catch-up contributions
- rollover contributions
- safe harbor contributions

Vesting schedules. Your "vested percentage" for certain Employer contributions is based on vesting Years of Service. This means at the time you stop working, your account balance attributable to contributions subject to a vesting schedule is multiplied by your vested percentage. The result, when added to the amounts that are always 100% vested as shown above, is your vested interest in the Plan, which is what you will actually receive from the Plan. You will always, however, be 100% vested if you are employed on or after your Normal Retirement Age or if you terminate employment on account of your death or as a result of becoming disabled

Matching & Nonelective Contributions

Your "vested percentage" in your account attributable to matching and nonelective contributions is determined under the following schedule.

Vesting Schedule	
Matching and Nonelective Contributions	
<u>Years of Service</u>	<u>Percentage</u>
Less than 3	0%
3	100%

IV. Distribution provisions

The Plan and law impose restrictions on when you may receive a distribution from the Plan. Below is general information on when distributions may be made under the Plan. See the SPD for more details, including details on how benefits are paid. Also, at the time you are entitled to receive a distribution, the Administrator will provide you with a notice explaining the rules regarding the taxation of the distribution. Please see the Summary Plan Description for further details.

You might be able to receive a distribution of the vested portion of some or all of your accounts in the Plan when you terminate employment with your Employer. The rules regarding the payment of death benefits to your beneficiary are described in the Article in the Summary Plan Description entitled "DISTRIBUTIONS UPON DEATH."

If you terminate employment and your vested benefit exceeds \$5,000, you will be entitled to a distribution within a reasonable time after your termination. You must consent to this distribution.

If you terminate employment, and the value of your vested benefit does not exceed \$5,000, then a distribution will automatically be paid to you even if you do not consent. Such distribution will be paid to you within a reasonable period of time after your termination of employment.

In-service distributions. You may be entitled to receive an in-service distribution. However, this distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement. This distribution is made at your election subject to possible administrative limitations on the frequency and actual timing of such distributions. You may withdraw amounts from accounts for rollover contributions.

Conditions. Generally you may receive a distribution from certain accounts prior to termination of employment provided you satisfy any of the following conditions:

- you have attained age 59 1/2. Satisfying this condition allows you to receive distributions from all contribution accounts.
- you have attained age 59 1/2. Satisfying this condition allows you to receive distributions from elective deferrals.
- you have attained age 55 and completed 3 years of plan participation or 3 Years of Service. Your Years of Service will be determined using Years of Service for vesting. Satisfying these conditions allows you to receive distributions from elective deferrals.
- you incur a disability (as defined in the Plan). Satisfying this condition allows you to receive distributions from all contribution accounts.

V. Administrative procedures

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Administrator. Your election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it.

You may revoke or make modifications to your salary deferral election in accordance with procedures that the Plan Administrator provides.

In addition to any other election periods provided above, you may make or modify a deferral election at any time.

If you decide to start or change your elective deferral, you must complete the salary reduction agreement and return it to the Plan Administrator or submit your elections by registering at www.principal.com (recommended).

VI. Investments

Right to direct investment/default investment. You have the right to direct the investment of your accounts in any of the investment choices explained in the investment information materials provided to you.

We encourage you to make an investment election to ensure that amounts in the Plan are invested in accordance with your long-term investment and retirement plans.

If you do not make an investment election, your accounts will be invested in a diversified, age-appropriate investment on your behalf. The default investment option for the Plan is currently represented by the American Funds Target Date Series of mutual funds.

VII. Employer's right to terminate Plan

Pursuant to the terms of the Plan, your Employer has the right, at any time, to terminate the Plan. Termination of the Plan will result in the discontinuance of all contributions to the Plan (including the safe harbor 403(b) contribution) with respect to any compensation you receive after the effective date of the termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

VIII. Maximum annual amount that can be contributed

Generally, the law imposes a maximum limit on the amount of contributions (excluding Catch-Up Deferrals) that may be made to your account and any other amounts allocated to any of your accounts during the Plan Year. Dollar Limitations for Deferrals for 2018 are \$18,500 and if you are age 50 or over in 2018 you may defer an extra \$6,000 as Catch-Up.

IX. Changing, stopping, or restarting contributions

If you don't want to contribute to the Plan at this time, or you would like to contribute an amount other than the default percentage specified above, you must take the following actions:

- Obtain an enrollment/change form from your Human Resources Department or log-in to www.principal.com (recommended)
- Make your contribution election on the enrollment/change form or at www.principal.com (recommended). (Select 0% if you choose not to participate.)
- Return the completed enrollment/change form to your Human Resources Department.

You can change the rate of future contributions or stop contributing at any time after the date noted above by completing a new enrollment/change form, or by registering online at www.principal.com (recommended).

If you opt out of the Plan, you can rejoin in the future. To rejoin the Plan after opting out. Obtain an enrollment/change form from your Human Resources Department or visit www.principal.com (recommended).

You can change the way your future contributions are invested at any time, or you can make an exchange from the default investment into any other investment available for your plan by going to the website, www.principal.com, or by calling the toll-free number, 1-800-986-3343. There is no transaction fee for making an exchange into one of the other investment options available in your plan. For more information, contact your Human Resources Department or BBM Financial Services at 1-509-248-7930.

X. Additional information

This notice is not a substitute for the Summary Plan Description. The provisions of the Plan are very complex and you should always look at the Summary Plan Description if you have any questions about the Plan. If, after reading the Summary Plan Description, you still have questions, contact the Plan Administrator.

The name, address and business telephone number of the Plan's Administrator are:

Pacific Northwest University of Health Sciences
Attention: Human Resources Department
111 University Parkway Suite 202
Yakima, Washington 98901
(509) 248-7711



The retirement plan includes an automatic contribution arrangement. Please refer to the notice provided to you by your plan sponsor for details.

My Personal Information (please print with black ink)

Name (Last)	(First)	(MI)	Phone Number
_____	_____	_____	(____) _____ - _____
Street Address			Email Address
_____			_____
City	State	Zip	Country
_____	_____	_____	_____
Social Security Number	Date of Birth	Gender	
_____	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	
Expected Retirement Age	Original Date of Employment	Marital Status	
_____	____/____/____	<input type="checkbox"/> Single <input type="checkbox"/> Married	
If you were rehired, complete these dates:		Date of Termination	Date of Rehire
		____/____/____	____/____/____

NOTE: The email address you submit will be used for services provided by the Principal Financial Group®, unless otherwise elected. We will not provide your email to third parties. For more information, see your privacy policy at principal.com.

Rollover Funds

- YES! Help me roll over retirement savings from a previous employer's retirement plan.** Please call me at (____) _____ - _____ to discuss my options. The best time to call is ____ a.m. ____ p.m. My estimated rollover balance is \$ _____.

To learn about rollover opportunities now, call The Principal at 1-800-547-7754, Monday – Friday, 7 a.m. - 9 p.m. CT.

Complete all **3 STEPS** **1** **2** **3** to enroll in the retirement savings plan, or to make changes to your contribution percentage.

1 My Contributions^A

Enroll me! (pick one)

- I elect to contribute _____% (0% to 100%) or \$ _____ of my current and future pay per pay period before taxes, and/or I elect to contribute _____% (0% to 100%) or \$ _____ after taxes as Roth after-tax elective deferral contributions.
- I am already enrolled, but I want to change my contribution to _____% (0% to 100%) or \$ _____ of my current and future pay per pay period as pre-tax contributions, and/or change my contribution to _____% (0% to 100%) or \$ _____ of my current and future pay per pay period as Roth after-tax elective deferral contributions.
- I choose **not to contribute** to the retirement plan at this time.

^A Elective deferral contributions are limited to the lesser of the plan or IRS Limit for the current calendar year. See plan summary or your employer for limits.

2 My Investment Choices

Please elect **ONE OF THE TWO CHOICES** by checking the box(es) and completing the applicable information for your choice. (If you are already enrolled and want to make changes to how future contributions are directed, visit principal.com or call 1-800-547-7754.)

CHOICE A: RetireView® Populated Models

To elect, log in to your account at principal.com. See the RetireView Populated Models and applicable investment at principal.com.

RetireView is an investment educational service with 20 different models using a variety of different levels of risk and asset classes. Your employer populates the models with the plan's investment options, suggesting a mix of investments that may be right for you based on your comfort level with risk and years to retirement. We know it may sound complicated, so let us break it down.

RetireView has two features that you'll want to know about to help you stay in tune with your investment strategy.

- ▶ **Automatic age adjustment.** As you get closer to retirement, the Populated Models automatically makes adjustments to the investment mix, typically getting more conservative. That's because you likely won't have as much time to regain any losses. You have the flexibility to opt out of this feature, if you prefer.
- ▶ **Rebalancing.** Some investment options may perform better over time and grow faster than others, causing your investment mix to differ from what you originally selected. Rebalancing helps keep your mix of investments in line. That schedule automatically defaults to quarterly rebalancing. You can choose to change your rebalancing frequency to annually or semiannually by logging in to your account at principal.com. RetireView® is an online experience, and you can elect your RetireView® Populated Models by logging in to your account at principal.com. To see how comfortable you are with risk take the Investor Profile Quiz at principal.com/investorprofilequiz. Then, based on the results, you can elect to allocate money according to a RetireView model. Or, if you feel that model doesn't fit you, you can choose one from the other 19 RetireView models that you think aligns more closely with you.

Risk/age tolerance models are created by Morningstar Investment Management LLC. Morningstar begins by analyzing asset classes and constructs long-term expected returns, standard deviations, and correlation coefficients. These form the inputs for the mean variance optimization, a statistical technique. Because forecasting is a critical and pivotal step in the asset allocation process, Morningstar develops proprietary capital market forecasts for each asset using a combination of historical data, current market information and additional analysis. Each forecast becomes an input in portfolio creation.

The risk tolerance models (models) are intended to be used as an additional information source for retirement plan participants making investment allocation decisions. Pursuant to the **Department of Labor Definition of Investment Education 29 C.F.R. §2510.3-21(b)(2)(iv)**, such models (taken alone or in conjunction with this document) do not constitute investment advice for purposes of the Employee Retirement Income Security Act (ERISA), and there is no agreement or understanding between Morningstar and us or any plan or plan fiduciary, or any participant who uses this Service, under which the latter receives information, recommendations or advice concerning investments that are to be used for any investment decisions relating to the plan. Accordingly, neither we nor Morningstar are a fiduciary with respect to your plan sponsor's plan for purposes of this Service, including the features of rebalancing and aging.

Following an asset allocation model does not ensure a profit or protect against a loss. Performance of the individual models may fluctuate and will be influenced by many factors. In applying particular asset allocation models to their individual situations, participants or beneficiaries should consider their other assets, income and investments (e.g., equity in a home, Social Security benefits, IRA investments, savings accounts and interests in other qualified and nonqualified plans) in addition to their interests in the plan.

Morningstar Investment Management LLC is a registered investment adviser and subsidiary of Morningstar, Inc.

Morningstar Investment Management LLC is not an affiliate of any company of the Principal Financial Group.

CHOICE B: Choose your own asset allocation

- I elect the following investment options (enter percentages below.)
(Please refer to the Investment Option Summary for more information.)

Short-Term Fixed Income

My Investment Choices

NLW
CONTRIBUTIONS

Fixed Income Guaranteed Option	_____	%
Fixed Income		
Robert W. Baird & Co. Inc		
Baird Aggregate Bond Institutional Fund	_____	%
Balanced/Asset Allocation		
Capital Research and Mgmt Co		
American Funds Target Date Retirement 2010 R6 Fund	_____	%
American Funds Target Date Retirement 2015 R6 Fund	_____	%
American Funds Target Date Retirement 2020 R6 Fund	_____	%
American Funds Target Date Retirement 2025 R6 Fund	_____	%
American Funds Target Date Retirement 2030 R6 Fund	_____	%
American Funds Target Date Retirement 2035 R6 Fund	_____	%
American Funds Target Date Retirement 2040 R6 Fund	_____	%
American Funds Target Date Retirement 2045 R6 Fund	_____	%
American Funds Target Date Retirement 2050 R6 Fund	_____	%
American Funds Target Date Retirement 2055 R6 Fund	_____	%
American Funds Target Date Retirement 2060 R6 Fund	_____	%
Large U.S. Equity		
BlackRock Advisors, LLC		
BlackRock S&P 500 Index K Fund	_____	%
Dimensional Fund Advisors		
DFA US Large Cap Value I Fund	_____	%
Legg Mason Institutional Funds		
ClearBridge Large Cap Growth IS Fund	_____	%
Neuberger Berman Mgmt. Inc.		
Neuberger Berman Socially Responsive R6 Fund	_____	%
Vanguard Group		
Vanguard Growth & Income Adm Fund	_____	%
Small/Mid U.S. Equity		
BlackRock Advisors, LLC		
BlackRock Small Cap Index K Fund	_____	%
Cohen & Steers Mutual Funds		
Cohen & Steers Real Estate Securities Z Fund	_____	%
Fidelity Management & Research		
Fidelity Mid Cap Index Premium Fund	_____	%
JP Morgan Investment Mgmt Inc.		
JP Morgan Small Cap Core R6 Fund	_____	%
Janus		
Janus Triton N Fund	_____	%
MassMutual		
MassMutual Select Mid Cap Growth Instl Fund	_____	%
Wells Fargo Fund Management		
Wells Fargo Special Mid Cap Value R6 Fund	_____	%
Wells Fargo Special Small Cap Value R6 Fund	_____	%
International Equity		
Ivy Investment Management Co		
Ivy International Core Equity N Fund	_____	%
Other		

My Investment Choices

NEW
CONTRIBUTIONS

BlackRock Advisors, LLC

BlackRock Health Sciences Opportunities K Fund

_____%

Columbia Management Advisors

Columbia Global Technology Growth Y Fund

_____%

Vanguard Group

Vanguard Energy Adm Fund

_____%

TOTAL of all lines:

100 %

Your investment election will be effective when it is received in the Corporate Center of The Principal by the close of market. Forms received after the close of market will be processed on the next open market date. If no investment election is received, or contributions are received prior to your investment election, contributions will be directed according to the plan's default investment alternative(s): **American Funds Target Retirement Fund R6** based on your current age and the plan's normal retirement date.

▶ If you've completed this section, move ahead to **My Signature** 3

3 My Signature

Please sign, then give this completed form to your benefits representative.

This agreement applies to amounts earned until changed by me in writing. I understand my plan sponsor may reduce my contributions only when required to meet certain plan limits. I will review all statements regularly and report any discrepancy to The Principal immediately.

Signature

Date

X _____

_____/_____/_____

Be sure you have completed all 3 STEPS. 1 2 3