

NOVA SOUTHEASTERN UNIVERSITY 401(K) PLAN

SAFE HARBOR NOTIFICATION TO ELIGIBLE EMPLOYEES  
(Includes Automatic Contribution Arrangement)

This is an annual notice and only applies to the Plan Year beginning on January 1, 2012.

This notice covers the following points:

- 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 (SPD). You can obtain a copy of the SPD from the Plan Administrator.

**I. Employee deferral contributions**

You are allowed to defer a portion of your compensation to the Plan. These amounts are referred to as deferrals and are held in an account for you. 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").

You may elect to defer a percentage of your compensation each year instead of receiving that amount in cash. However, your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The dollar limit may increase each year for cost-of-living adjustments. The Administrator will notify you of the maximum percentage you may defer. The amount you elect to defer, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you. However, the amount you defer is counted as compensation for Social Security taxes.

If you are at least age 50 or will attain age 50 during a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") 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.

**Limited Automatic deferrals as of January 1, 2012.** The Plan includes an automatic enrollment feature known as an Automatic Contribution Arrangement ("ACA"). Under the ACA provisions of the Plan, **if you do not complete and return a salary deferral agreement**, 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 salary deferral (the automatic deferral amount is described below) IF you were a participant in the §430(b) Plan as of December 31, 2011, and had made an election to defer a percentage of your eligible compensation. Therefore, if you wish to defer the automatic deferral amount, then you do not need to complete a salary deferral agreement. However, you may choose a different amount (including zero). You may make this election by submitting a salary deferral agreement to the Plan Administrator in accordance with the deferral procedures of the Plan.

If you were not a participant in the §403(b) Plan as of December 31, 2011, or if you were eligible but had not elected to defer compensation you will affirmatively need to make an election as described in the above paragraph.

**Automatic deferral amount.** The automatic deferral amount is the same elective deferral amounts as in place on 12/31/11 for §403(b) plan participants unless you elect to change your deferral amount.

**II. Employer Safe Harbor Contribution Election**

To help you make an informed decision on the level of your own salary deferral contributions, if any, your Employer must inform you about the contributions it will make to the Plan. Your Employer has elected to make the following contribution:

**Safe Harbor Matching Contribution.** In order to maintain "safe harbor" status, your Employer will make a safe harbor matching contribution equal to 100% of your salary deferrals that do not exceed 4% of your compensation. This safe harbor matching contribution is 100% vested.

For purposes of calculating the safe harbor matching contribution, your compensation and deferrals will be determined on a payroll period basis.

**III. Other Employer Contributions**

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

**IV. 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 "VESTING."

**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:

- salary deferrals including catch-up contributions
- rollover contributions
- safe harbor contributions

**Vesting schedules.** Your "vested percentage" for certain Employer contributions (other than safe harbor contributions that are 100% vested) 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.

**Employer Contributions**

Your "vested percentage" in your account attributable to Employer contributions is determined under the following schedule. You will always, however, be 100% vested if you are employed on or after your Early or Normal Retirement Age or if you die or become disabled.

Years of Service	Vesting Schedule Employer Contributions	
	Percentage	
Less than 3	0%	
3	100%	

**V. 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 Plan Administrator will provide you with a notice explaining the rules regarding the taxation of the distribution.

You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. However, if the value of your vested account balance does not exceed \$5,000, then a distribution will be made to you regardless of whether you consent to receive it.

You may also withdraw money from the Plan from certain accounts if you have reached age 59 1/2 or if you have an immediate or heavy financial need. However, there are various rules and requirements that you must meet before any withdrawal is permitted. See the Article in the SPD entitled "DISTRIBUTIONS PRIOR TO TERMINATION" for more details.

**VI. Administrative procedures**

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Administrator. You may elect to defer your salary as of your entry date or on any payroll date. Such election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it.

You are permitted to revoke your salary deferral election any time during the Plan Year. You may make any other modification as of each payroll period or in accordance with any other procedure that your Employer provides. Any modification will become effective as soon as administratively feasible after received by the Administrator.

In addition to any other election periods provided above, you may make or modify a salary deferral election during the 30-day period immediately preceding the Plan Year for which this notice is being provided.

If you decide to stop any automatic election that is in effect, or to subsequently start or change your salary deferral, you must complete the salary deferral agreement and return it to the Plan Administrator.

**VII. Investments**

**Right to direct investment/default investment.** You have the right to direct the investment of your "directed 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.

The Limited Automatic Deferrals described in **I**, above, will be allocated to the same investment funds that you had selected and that were in place on December 31, 2011, unless and until you affirmatively change your investment selection.

**VIII. 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 401(k) 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.

**IX. 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.

You may contact the Plan Administrator at:

Contact: Nova Southeastern University, Inc.

Address: 3301 College Avenue

Fort Lauderdale, Florida 33314

Telephone: 954-262-5272