



Effective Date of Notice: November 1, 2018

Berklee College of Music, Inc. 403(b) Retirement Savings Plan

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Annual Notice of Automatic Contribution Arrangement (ACA) and Automatic Investment of Contributions under the Plan

To help you fund your retirement, unless you chose otherwise, Berklee College of Music, Inc. enrolled you in the Berklee College of Music, Inc. 403(b) Retirement Savings Plan ("Plan"). Please see below for details and answers to common questions. For additional information, you can contact your plan service provider, Transamerica, by visiting your participant website at my.trsretire.com or calling **800-755-5801**.

Q. Does the plan's automatic enrollment feature apply to me?

If you did not make an election by contacting your plan service provider, Transamerica, you were automatically enrolled in the plan. This means 3% of your eligible compensation was deducted from your paychecks before taxes and allocated to the plan's qualified default investment alternative (QDIA), Vanguard Target Retirement Funds, one will be chosen based on your assumed retirement age of 65. Also, if you choose not to contribute to your account, Berklee College of Music, Inc. may still make contributions on your behalf as long as you remain eligible for the plan, but you will be ineligible for additional matching contributions (detailed later in the notice).

You may change your contribution amount and/or your investments, or opt out of the plan entirely, by contacting your plan service provider, Transamerica.

If you wish, you may designate some or all of your contributions as "Roth" after-tax. Roth after-tax and traditional pretax contributions offer different tax treatment. Roth contributions are subject to current federal income tax, however, any Roth related earnings will be tax-free for qualified distributions if you hold the account at least five years and are age 59½ or over at the time you take a distribution.

Q. What if I do nothing?

If you did not make an election by your plan entry date or 90 days after your date of hire, whichever is later, each pay period 3% of your eligible compensation was contributed to your account. Also, your contribution level will increase by 1% each year (unless you choose a different level), until it reaches 6% of your eligible compensation. These increases will occur each year on a date determined by your employer.

Your contributions to the plan are taken out of your eligible compensation and are not subject to federal income tax at that time (as well as most states, check your own state's tax rules). Instead, they are contributed to your plan account and may grow over time with earnings. Your account will be subject to federal income tax and state (check your own state's tax rules) only when withdrawn.

You are in charge of how much you contribute, within annual limits set by the Internal Revenue Service. This limit may be annually adjusted by the IRS. The IRS limits how much you can contribute each year; the current IRS annual limit is \$18,500. The IRS limit for 2019 is \$19,000. If you are (or will be) at least age 50 during the current calendar year, you can make additional "catch-up" contributions (\$6,000) above the regular IRS annual limit for the year. Please note these limits are indexed annually by the IRS. The IRS catchup limit for 2019 is \$6,000.

You can contribute up to 80% of your pay, subject to the maximum amount permitted by law. If you are eligible to receive an employer contribution, the maximum amount of employee compensation that can be considered in calculating employer contributions to the plan is \$275,000 for 2018 (\$280,000 for 2019).

You may save with traditional pretax dollars, after-tax "Roth" dollars, or a combination of both, up to the overall limits noted above.

Q. How will my plan account be invested?

You have the right to direct the investments within your plan account. The way contributions are invested in your account is referred to as your "investment allocation."

You can elect or change how your contributions and existing assets are invested as well as obtain information on the other investment alternatives available under the plan by contacting your plan service provider, Transamerica. Any such election or change by you, whether by making a transfer, or submitting a new investment allocation, will be considered an affirmative investment election.

Berklee College of Music, Inc. has chosen a default investment option, also known as a Qualified Default Investment Alternative (QDIA), which was selected for you in accordance with section 404(c)(5) of ERISA and other legal regulations. Even though you did not make an affirmative investment election, the plan fiduciary is not liable for any losses that result from investing your assets in the QDIA. This relief from liability applies whether or not the plan is intended to be a 404(c) plan. You have the right to transfer your investment in the default investment alternative to any other available investment alternative under the plan by contacting your plan service provider, Transamerica Retirement Solutions. Unless you choose otherwise, your account will be invested in the QDIA, Vanguard Target Retirement Funds, which is a group of single target date funds; one will be chosen based on your assumed retirement age of 65.

Fund Family Name	Year in Which You Turn 65
Vanguard Target Retirement Income Inv	2012 or earlier
Vanguard Target Retirement 2015 Inv	from 2013 to 2017
Vanguard Target Retirement 2020 Inv	from 2018 to 2022
Vanguard Target Retirement 2025 Inv	from 2023 to 2027
Vanguard Target Retirement 2030 Inv	from 2028 to 2032
Vanguard Target Retirement 2035 Inv	from 2033 to 2037
Vanguard Target Retirement 2040 Inv	from 2038 to 2042
Vanguard Target Retirement 2045 Inv	from 2043 to 2047
Vanguard Target Retirement 2050 Inv	from 2048 to 2052
Vanguard Target Retirement 2055 Inv	from 2053 to 2057
Vanguard Target Retirement 2060 Inv	2058 or later

Target Date Funds: *These options generally invest in a mix of stocks, bonds, cash equivalents, and potentially other asset classes, either directly or via underlying investments, and may be subject to all of the risks of these asset classes. The allocations become more conservative over time: the percentage of assets allocated to stocks will decrease while the percentage allocated to bonds will increase as the target date approaches. The higher the allocation is to stocks, the greater the risk. The principal value of the investment option is never guaranteed, including at and after the target date.*

For more information about the plan default investment, additional details and individual fund profiles are available on your plan website at my.trsretire.com.

Q. When will my plan account be vested?

Vesting refers to your "ownership" of your account—the portion to which you are entitled even if you leave the plan. You are always 100% vested in your own contributions plus any earnings on them (including any rollover or transfer contributions you have made).

You are always 100% vested in the Employer Match contributions.

The 403(b) Basic contributions are subject to the following vesting schedule:

Years of Service	Vesting %
Less than 1	0%
1	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

For vesting purposes, the plan defines a year of service using elapsed time. You will receive credit for a year of service regardless of how many hours you work in an employment year.

Q. What amounts may Berklee College of Music, Inc. contribute to my account?

Employer Match

Berklee College of Music, Inc. may make a discretionary matching contribution on your behalf.

Currently the matching contributions are based on the following formula:

- 100% on the first 6% of eligible compensation deferred for full-time faculty and staff or eligible part-time staff members hired on or after January 1, 2012.
- 100% on the first 3% of eligible compensation deferred for full-time faculty and staff hired on or before December 31, 2011.
- 50% on the first 10% of eligible compensation deferred for eligible part-time faculty and staff members hired on or before December 31, 2011.

403(b) Basic

Berklee College of Music, Inc. may make a plan contribution on your behalf based on the following formula: 3% of Compensation to Eligible Employees.

Please refer to your Summary Plan Description for more information on contributions and eligibility provisions included in your plan.

For more information on any registered fund, please call 800-755-5801 for a free summary prospectus (if available) and/or prospectus. You should consider the objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest.

Securities offered by Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, NY 10528. Berklee College of Music, Inc. has selected Transamerica Retirement Solutions (Transamerica) as your retirement plan provider, but there are no other affiliations between Berklee College of Music, Inc. and Transamerica or its affiliate, TISC.

If you have any questions about how the plan works or your rights and obligations under the plan, please call **800-755-5801**. We can also assist in providing you a copy of your Summary Plan Description.

Si necesita aclaraciones en español, llame al número gratuito de Transamerica **1-800-755-5801**, diga "Español" para continuar en su idioma. Después de suministrar su información, inmediatamente diga "Servicio al cliente" y uno de nuestros representantes contestará sus preguntas.

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