Care that makes a lifetime.

Augusta Healthcare 403(b) Plan and
Augusta Healthcare Retirement Savings 401(k) Plan

Plan Highlights

Retirement is about being able to do what you want when you're ready to stop working. Whether you plan on traveling, taking up a new hobby or spending more time with your family, it's a time we all look forward to. And your Augusta Healthcare 403(b) Plan and Augusta Healthcare Retirement Savings 401(k) Plan are both great ways for you to save—to help make these retirement dreams come true.

This brochure is intended to highlight key differences in the plans.

Eligibility and enrollment

403(b) Plan

You may immediately enroll in this plan. You may also:

- Determine how much to contribute
- Choose your investments from a broad range of asset classes

This plan also features automatic enrollment, which means if you do not decline participation within 30 days, you will be automatically enrolled at a deferral rate of 1% of your eligible pay. Automatic enrollees who do not choose an investment allocation have their deferrals invested in the default fund—an age-appropriate target-date fund.

The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of the target-date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income-type investments. The principal value of an investment in a target-date fund is not guaranteed at any time, including the target date.

401(k) Plan

The employer match is based on any employee contributions to the 403(b) Plan made by part-time or full-time employees. Employee contributions are not allowed into the 401(k) Plan.

Vesting

"Vesting" refers to your ownership of the money in your account.

- You are always 100% vested in the 403(b) Plan.
- After three years of service, you will be vested in any employer contributions to the 401(k) Plan.

Contributions

403(b) Plan

- You may contribute between 1% and 75% of your annual eligible pay before taxes are deducted, up to IRS limits.
- You are immediately 100% vested in your contributions.
- You may change your contribution amount at any time. You may roll over money to your account, in any amount, from another similar retirement plan. Refer to the Summary Plan Description (SPD) for more information.

Contribution Accelerator—an easy way to raise your contribution amount over time is through your plan's optional Contribution Accelerator feature. Here's how it works:

- You are automatically enrolled in this feature unless you opt out.
- Your contribution amount will increase by 1% annually, up to a maximum of 75% of your pay.
- You can opt out of this feature at any time.

Roth Contributions—Your retirement plan allows you to make Roth contributions to your account. Roth contributions combine the savings and investment features of a traditional pre-tax retirement program with the tax-free distribution features of the Roth IRA. If you meet certain requirements down the road, the Roth money you withdraw at retirement—and its investment earnings—won't be taxable. When deciding if you should make Roth contributions, consider these scenarios:

- If your tax rate will be higher in retirement than it is today, making designated Roth contributions may make sense for you.
- If your tax rate will be lower in retirement than in your working years, you may benefit more from making pre-tax contributions and deferring your tax obligation until retirement.
- With tax rates in retirement being uncertain, you may choose to diversify your taxation by making both pre-tax and Roth contributions to your retirement plan.

Accessing your money

You may be able to access money in your retirement plan account through a loan, in-service withdrawal or hardship withdrawal.

Loans

- One loan at a time is available from each plan.
- You may borrow up to 50% of your vested account balance at any time.
- There is a $75 application fee.
- For the 403(b) Plan, the interest rate is the Prime rate +1%. For the 401(k) Plan, the interest rate is 5.5% (interest is paid to your account).
- The minimum loan is $1,000; the maximum loan is $50,000 (minus the largest outstanding balance in the previous 12 months).
- The repayment period is zero to five years for a General Purpose loan; zero to 15 years for a Primary Residence loan. Repayment is through payroll deduction.
- If the loan is not paid back in full, tax consequences will apply.

Any outstanding loan balance not paid back under plan rules after termination of employment becomes taxable in the year of default. Under the Tax Cuts and Jobs Act, for defaults related to termination of employment after 2017, the individual has until the due date of that year's return (including extensions) to roll over the outstanding loan amount to an IRA or qualified employer plan.

In-service withdrawals

While employed, you may make age 59½ in-service withdrawals within plan restrictions. Please refer to your SPD for the specific sources allowed.

Hardship withdrawals**

You must meet one of these requirements:

- Purchase or construction of a principal residence
- Payment of higher education expenses (post-secondary education)
- Major medical expenses
- Preventing eviction from or foreclosure on a principal residence
- Payment of funeral or burial expenses
- Repair of damage to a primary residence that qualifies for a casualty deduction

Once you take a hardship withdrawal, you will not be able to make contributions to the Augusta Healthcare 403(b) Plan for six months.

**Hardship withdrawals: The taxable portion of a withdrawal is taxed as ordinary income and will be subject to an additional early distribution penalty tax if you receive the withdrawal before age 59½. The total amount of the withdrawal may not be more than the amount required to meet your immediate financial need; however, you may have the option to "gross up" the amount you receive to cover taxes. You may want to consult with a tax professional before taking a withdrawal from the plan.

Retiring or leaving your employer

You will need to decide what to do with your vested account balance when one of these events occurs:

- Your employment with Augusta Health ends.
- You retire from Augusta Health at the normal retirement age of 65.
- You become permanently disabled.
- Your death—your beneficiary is entitled to your account balance when you die; he or she is responsible for all federal income tax imposed. Distribution upon death may also be subject to federal and state inheritance and estate taxes.

In addition, distributions before age 59½ may be subject to an additional early withdrawal penalty tax.

Required Minimum Distributions (RMDs) are required to begin no later than April 1 following the end of the year in which you retire.

Keeping it in the plan

At the time benefits are payable, your vested account balance will determine how your account is handled. Refer to the following schedule:

Your vested account balance	Impact to your money
Less than $1,000	Paid in a lump sum, regardless of prior selections*
Greater than $1,000	Your money will continue to grow tax-deferred in your account

*Standard 20% withheld.

Directly rolling it over—You can choose to move or "roll" money over into a qualified retirement plan or a traditional individual retirement account (IRA). You may wish to discuss this matter with your tax advisor.

Having an account balance paid in the form of an annuity (403(b) only)—An annuity pays you a regular income, usually monthly. This option spreads the tax burden over a period of years.

Lump sum—You may take a full lump-sum distribution. A 20% federal income tax may be applied. If you have not reached age 59½, you may be subject to a 10% early withdrawal penalty.

Investment options

The Augusta Health plans offer a variety of investments to choose from, in a broad range of asset classes. You can decide how you want your account invested, and you may move money between investments at any time.

Self-directed brokerage*

This optional program allows you to invest in individual stocks and bonds and/or an expanded selection of mutual funds through your retirement account. Trading individual securities adds a potentially higher level of risk to your account, so you should consider this option carefully. Also, a minimum account balance is required for brokerage accounts, and additional fees apply.

Beneficiaries

A beneficiary is someone who will receive the money remaining in your plan account after you die. Under federal law, your beneficiary is determined under the provisions of the plan, not your will.

Tools and resources

Online or over the phone, you have access to a wide variety of account management tools and educational resources from Empower to help you plan for retirement:

Participant Services (866) 467-7756

www.empower.com

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12/2019