

Exciting Changes to the EdAdvance 403(b) Retirement Plan

EdAdvance is pleased to announce several exciting changes to our 403(b) Retirement Program that will provide enhanced investment options, education, guidance, and plan administration. We are confident you will view these changes positively.

We are pleased to announce that Empower will become the Plan's exclusive investment provider effective July 1, 2023. EdAdvance has also retained the services of John Fitzgerald, VP Retirement Plan Services with USI Consulting Group. John will provide investment guidance to the organization and education services to plan participants. Lastly, we have retained the services of ADMIN Partners, LLC as the Plan's independent third-party administrator to provide plan administration and compliance support.

This *Frequently Asked Questions* communication is designed to answer questions you may have with respect to the changes.

For Employees Currently Contributing to a Current provider in the Plan

I am currently contributing to one of the current investment providers in the Plan. Can I continue to do so?

No. Beginning with the first pay period after July 1, 2023, employees will no longer be able to contribute to these providers, but you can make contributions to Empower. Information sessions are scheduled with John Fitzgerald for the week of June 19th to learn about the new investment options and how to enroll with Empower. More information to follow.

What happens to my current account at one of these investment providers?

Your investment account is still your account. You can leave the funds in that account and all earnings will continue to grow tax free. Under the terms of the Plan, you can also request a contract exchange where you transfer the funds to account with Empower. Whether you decide to leave the funds with your current investment provider or transfer them to Empower is entirely your decision.

What paperwork do I need to complete to establish an Empower account?

You will need to complete enrollment paperwork to establish a 403(b) account with Empower. John Fitzgerald will discuss the enrollment process during the information sessions.

For employees who are not very familiar with 403(b) plans, here is a short FAQ about the features and benefits of the Plan.

403(b) Plan Features and Benefits

What is a 403(b) plan?

The EdAdvance 403(b) Plan is a tax-deferred retirement plan. The Plan allows you to contribute a portion of your compensation on a pre-tax basis or a ROTH after-tax basis to save for your retirement.

Who is eligible to participate in the 403(b) Plan?

All W-2 employees can participate in the Plan by making voluntary, elective deferral contributions. Contributing to a 403(b) Plan helps ensure that you have money to provide for yourself and your family during retirement. Contributing to a 403(b) Plan allows you to save a portion of your compensation on a pre-tax or after-tax basis. All employee contributions are made to the Plan by payroll deduction.

What are some benefits of contributing to a 403(b) Plan?

- ✚ If you choose to make pre-tax deferral contributions to the Plan, they are not taxed until you withdraw the funds. This means you are lowering your taxable income today, and could possibly lower the amount of income tax you pay on those funds at the time of withdraw.
- ✚ Your pretax contributions and earnings grow tax-free until they are withdrawn from the Plan.
- ✚ If you choose to make ROTH after-tax deferral contributions to the Plan, they are taxed now, but earnings grow tax-free. You do not pay income taxes when funds are withdrawn from the Plan.

In addition to the contributions I elect to have taken out of my pay, will my employer contribute to my 403(b) Plan account?

Yes, for eligible employees, EdAdvance will make an employer matching contribution.

Am I eligible for the Employer Matching Contribution?

If you are Age 18 or older, and you are *not enrolled* in the State of Connecticut Teachers Retirement Board, you are eligible to receive an employer matching contribution.

What is the employer matching contribution formula?

For each \$1.00 of pre-tax and/or ROTH after-tax contribution you make to the plan, EDAdvance will match \$0.50 up to six percent (6%).

Is there a vesting period associated with the employer matching contribution?

Yes. After reaching two years of service with EdAdvance, you are 100% vested for the employer

matching contribution.

What do I need to do in order to start contributing to the Plan?

First, you need to determine how much of your compensation you wish to contribute to the 403(b) Plan. Once you decide how much you wish to contribute, you will complete an Account Application designating how much you wish to deduct from your paycheck.

If I start contributing to the Plan, or change my contribution amount, when will it be reflected in my paycheck?

New enrollments will be effective for the first pay period in July. If you wish to change or stop your contribution, the change is effective for the next available payroll period.

How much can I contribute to a 403(b) Plan?

For 2023, the Internal Revenue Service (IRS) contribution limitation is \$22,500. This amount is subject to cost of living adjustments set by the IRS and will increase over time. In addition, the Plan permits employees age 50 or over, to make additional catch-up contributions. For 2023, the age 50 catch-up contribution is \$7,500. Contributions you make to the plan are always fully vested in the Plan.

How do I setup or change a beneficiary for my 403(b) account?

As part of the enrollment process with Empower you will designate your beneficiary(ies).

You can update beneficiary information at any time if you were contributing to one of the other investment providers in the plan.

Do I have access to the funds in my 403(b) account?

Generally, you may only withdraw money after you leave your job, reach age 59-1/2, or become disabled. Also, there is generally an extra 10% tax on distributions before age 59-1/2. Your beneficiary can get any vested amount remaining in your account when you die.

Also, under the terms of the plan, you may be eligible to take a loan from your retirement account. The maximum loan amount is the lesser of:

- ✚ 50% of a participant's vested Account balance as well as any vested account balance in all other plans maintained by your employer or a related entity; or \$50,000.

The minimum loan amount is \$1,000, and the maximum number of Plan loans a participant may have outstanding at one time is two (2). A loan may be taken from Empower, which is repaid by payroll deduction. Or, a loan may be taken from one of the former investment providers associated with the plan, which is repaid through a direct deduction from a checking or savings account you designate.

Who can I speak with if I have additional questions?

By calling the Customer Care Center at 1-800-701-8255 Empower can help you with:

- Website assistance
- Contribution amount changes
- Balance inquiries and investment changes
- Loan and withdrawal quotes and requests
- Rollover assistance

The Empower website www.empowermyretirement.com can help you with:

- Contribution amount changes
- Retirement income projections tool
- Balance inquiries
- Investment changes and performance information
- Loan, withdrawal quotes and requests
- Statement, confirms and document access