



## Health Carousel

### What is a 401(k)?

A 401(k) is a savings and investing plan offered by employers that gives employees a tax break on money they set aside for retirement.

### How do I enroll?

You can enroll in our 401k through ADP Workforce Now **AFTER** you receive your first paycheck by choosing "Myself" "Benefits" "Retirement Savings." You can also enroll through the ADP mobile application.

Enrollments typically take at least 1 pay period before they are fully processed. Contributions begin once enrollments are processed. There is no passcode needed to enroll.

### How much should I contribute?

You can contribute from 1% to 90% of your pre-tax salary. You can also contribute on an after-tax basis through Roth 401(k) contributions. You may make changes to your contribution amount at any time by logging in to the "Retirement Savings" section in ADP. Please note that changes can take a pay cycle or two to become effective.

### What is the difference between a Pre-Tax and a Roth 401(k)?

Pre-tax 401(k) lowers your taxable income. It allows you to pay less in taxes now and take more income home. You are not required to pay taxes on your savings and earnings until you start making withdrawals.

Roth 401(k) taxes contributions now instead of when you retire. Your contributions and earnings grow tax-free, which means you pay no taxes when you make a withdrawal if certain conditions are met.

### Why did my balance decrease?

401(k)s are subject to market gains and unfortunately market losses. If the market is not performing well and has decreases, this may be reflected in your balance.

### Does Health Carousel match my contributions?

Health Carousel matches 50% up to the first 6% of your eligible compensation.

Net Pay	401k % Contribution	401k Contribution Amount	Employer Match (50% of 1 <sup>st</sup> 6%)	Total 401k Contribution
\$1,000.00	6%	\$60.00	\$30.00	\$90.00
\$1,000.00	10%	\$100.00	\$30.00	\$130.00
\$1,000.00	5%	\$50.00	\$25.00	\$75.00

The employer match is contributed on a pre-tax basis, regardless if you contribute to a pre-tax 401(k) or a Roth 401(k). The match is based on your total contribution, not separate pre-tax and Roth contributions.



### What is the vesting schedule for the employer match?

Your employee contributions are always 100% yours (subject to market gains and losses). The employer match does have a vesting (ownership) schedule:

Vesting Schedule				
Years of Service	1	2	3	4
Employer % Vested	25%	50%	75%	100%

### When can I take money out of my account?

You may do a withdrawal out of your account when you reach the age of 59 ½, or you may do a rollover or hardship withdrawal. Special rules exist for each type of withdrawal. You may be subject to a 10% penalty in addition to federal and state taxes if you withdraw money before the age of 59 ½.

The plan also allows for you to borrow from your savings (a fee may apply). You may have 1 outstanding loan at a time with a minimum borrowing amount of \$500.00.

See the ADP website for more information on loans and withdrawals or call them at 866-695-7526.

### Can I rollover funds from my old 401(k) into my Health Carousel 401(k)?

Rollovers are accepted into our 401(k) plans. Contact [hcbenefits@healthcarousel.com](mailto:hcbenefits@healthcarousel.com) for the current rollover form and instructions on where to send it.