

## Plan Features of the Atrium Health ADVANTAGE Retirement Account Plan

This overview may answer some of the most common questions about the Atrium Health ADVANTAGE Retirement Account Plan (ADVANTAGE Account). The ADVANTAGE Account is an eligible defined contribution plan within the meaning of Section 457(b) of the federal tax code. For more information about the ADVANTAGE Account, please refer to the Summary Plan Description available from Atrium Health.

### **Description of the ADVANTAGE Account**

The ADVANTAGE Account is a type of tax-deferred savings plan that works similarly to a 401(k) plan. Eligible participants set aside money for retirement on a pre-tax basis through salary deferral agreements. Your deferrals are tax-free and can grow tax-free until the money is withdrawn. The ADVANTAGE Account may be used as an additional pre-tax retirement plan to supplement the Atrium Health 401(k) Retirement Savings Plan (401(k) Plan).

### **Eligibility**

Regular employees who are at least 18 years of age, including PRNs, are eligible to participate in the ADVANTAGE Account.

### **Regular Deferrals**

You may defer any dollar amount of your salary, not to exceed the IRS annual limit, which is \$19,500 for 2021. You may change your deferral amount at any time. Deferral elections received by the end of a calendar month are effective on the first day of the following month.

### **Age 50 catch-up contributions**

Catch-up contributions up to \$6,500 are allowed if you will be age 50 or older by the end of the calendar year and your regular deferrals to the ADVANTAGE Account have reached the IRS annual limit of \$19,500 for 2021.

### **Employer Matching Contributions**

Atrium Health does not match your regular deferrals or catch-up contributions to the ADVANTAGE Account. Therefore, before you consider enrolling in the ADVANTAGE Account, you should be contributing your full match-eligible amount to the 401(k) Plan.

## **Vesting**

Vesting refers to ownership of your balance in your ADVANTAGE Account. You are always 100% vested in the money you contribute to the plan as well as any earnings in your account.

## **Investment Choices**

- You direct your own investment choices.
- If you do not make an investment election, your deferrals will be automatically invested in the ADVANTAGE Account's default investment fund, an age-based target maturity fund in the JPMorgan SmartRetirement series.
- Your investment options generally include the same core funds available in the Atrium Health 401(k) Plan plus the option to open a self-directed brokerage account. The brokerage account allows you the opportunity to invest in virtually any listed security or mutual fund. You may change your investment elections or transfer money between funds at anytime.

## **Distributions**

You may receive a distribution from the ADVANTAGE Account upon any of the following events:

- Retirement
- Termination of employment, regardless of age
- Death
- Financial hardship

## **Advantages of contributing to the ADVANTAGE Account**

Eligible participants may make tax-deferred contributions up to the IRS annual limit in both the ADVANTAGE Account and the 401(k) Plan. For example, a teammate may save a total of \$52,000 in 2021 (\$19,500 in the 401(k) Plan and \$19,500 in the ADVANTAGE Account). A teammate age 50 or older may save an additional \$13,000 in catch-up contributions (\$6,500 in the 401(k) Plan and \$6,500 in the ADVANTAGE Account).

There is no 10% penalty for early withdrawal at retirement or upon termination of employment.