

Retirement Plan Frequently Asked Questions

Spectrum Health Lakeland Integration

What is Spectrum Health's retirement program?

Spectrum Health's retirement program is the Spectrum Health System 403(b) Plan. This plan includes three components: an employee voluntary contribution option, an employer match and a service contribution where Spectrum Health deposits money on your behalf based on your years of service. Prudential will be the plan administrator in 2021.

	Employee voluntary contribution	Employer match contribution*	Service Contribution*	
			Years of Service	Contribution Percentage of Your Base Pay
	Percent of your pay you choose to contribute	50% of your voluntary contribution up to 6% of compensation	1-4	1%
			5-9	2%
			10+	3%
Eligibility requirement	Anyone eligible for the plan can contribute	As soon as team member begins voluntary contribution	At least age 18 and have completed one year of service with 1,000 hours	

*Subject to the IRS compensation limit, \$285,000 (2020). Participants must be employed on the last day of the quarter to be eligible for the employer contributions.

What is the effective date of the 403(b) Plan for Lakeland team members?

January 1, 2021

Will my Lakeland years of service count for eligibility and determination of the service contribution percentage?

Yes, your Lakeland years of service (from your most recent hire date) will count for eligibility to receive the service contribution. This service also counts in determining the percentage of the service contribution made to your account.

If I previously worked for a Spectrum Health entity before joining Lakeland, will that service count?

Since that service was before Lakeland's integration with Spectrum Health, it will not count toward your service contribution for retirement, for PTO purposes or any other seniority-related programs. Your previous Spectrum Health years of service may count towards vesting in the Spectrum Health System 403(b) Plan. Vesting means that in addition to your voluntary contributions, the employer match and service contribution are yours to keep. You are a vested team member after three years of service.

What is the employer match for the 403(b) Plan?

Spectrum Health matches 50% of your contributions up to 6% of your pay for a maximum employer match of 3% of pay. For example, if you contribute 2%, then Spectrum Health will contribute 1%.

When will I be eligible for the 403(b) Plan employer match?

There are no eligibility requirements for the match. As soon as you begin voluntary contributions, calculations for the employer match will start.

Is there a difference between what a full-time and part-time team member receives for the employer match?

The employer match contribution is based on the team member's voluntary contribution and not tied to their full-time or part-time status. It is important to understand that the employer match is a percent of your compensation which directly reflects if you work full-time or part-time. For example, a 4% match for a team member who works full-time vs a team member who works part-time will be different because their compensation is not the same. The maximum compensation limit to place into a 403(b), set by [IRS](#), is \$285,000 for 2020.

When will I receive the employer contributions to my 403(b) Plan?

The service and matching contributions are calculated on a bi-weekly basis and are deposited quarterly to eligible team members' accounts. The amounts are deposited during the month after the quarter ends. For example, quarter one of a calendar year is January through March; team members will see their quarterly contribution in April. You must be employed by Spectrum Health on the last day of the calendar quarter to receive the employer contributions for that quarter.

When will I be 100% vested in the 403(b) Plan service and employer match contributions?

After three years of service, you are 100% vested in the Spectrum Health employer contributions. Your years of service at Lakeland, from your most recent hire date, will count towards vesting. You are always 100% vested in your voluntary contributions.

Is a Roth option offered within the plan?

At this time, Roth contributions are not offered. If it is offered in the future, all plan participants will be informed of this option.

Lakeland Regional Health System Retirement Plan

What will happen to the Lakeland Regional Health System Retirement Plan?

The 401(k) Plan will be terminated at the close of business on December 31, 2020. During 2021, an application for approval of the 401(k) Plan termination will be sent to the IRS. Generally, the IRS approval process can take between 12-18 months.

When IRS approval is received, a communication will be provided to plan participants that explains distribution options, such as, transferring your account balance into another qualified plan (for example, the Spectrum Health System 403(b) Plan), a direct rollover into an IRA or taking a cash distribution.

Can I take a distribution from the Lakeland Regional Health System Retirement Plan before the Plan's termination is approved?

Your funds will remain with Fidelity and you will have access to your funds only if you have a qualified distribution event, such as your termination of Spectrum Health System employment or another qualifying distribution reason. If you are eligible to take a distribution, it's recommended that you seek advice from a financial adviser before making any decisions regarding your retirement benefits.

Please note that if you transfer your employment to another Spectrum Health entity, it will not trigger a qualified distribution of benefits event.

After January 1, 2021, will I be allowed to apply for a hardship withdrawal through this plan?

Yes, in the event of undue financial hardship, you may apply for a hardship withdrawal. Reasons for a hardship will continue to follow Federal guidelines and you are required to provide documentation to support the financial hardship.

After January 1, 2021, can I take a loan from this plan?

No new loans will be allowed.