

**Rains Lucia Stern St. Phalle & Silver, PC, PC 401k Plan  
Annual Automatic Enrollment Notice  
for the Plan Year beginning January 1, 2024**

**To: All Eligible Employees**  
**From: Rains Lucia Stern St. Phalle & Silver, PC**  
**Date: November 30, 2023**

The Rains Lucia Stern St. Phalle & Silver, PC, PC 401k Plan ("the Plan") contains both a safe harbor and an automatic enrollment feature. An automatic enrollment feature lets the plan administrator enroll certain employees in the plan when they affirmatively elect to not participate in the plan. If you are automatically enrolled, automatic deferrals will be deducted from your paycheck, on a pre-tax basis, and deposited on your behalf into the Plan. As a "safe harbor" plan, Rains Lucia Stern St. Phalle & Silver, PC must include a mandatory contribution to satisfy certain nondiscrimination requirements under the Internal Revenue Code.

This notice contains important information on the safe harbor and automatic enrollment features, how they work and your rights and your obligations under the Plan. The IRS requires us to give this notice to Eligible Employees 30 days prior to the beginning of the Plan Year and to new Employees when they first become eligible to participate in the Plan, and to provide an opportunity to immediately make or change your contributions to the Plan.

**How do I enter into a salary deferral agreement?**

Once you have met the eligibility requirements, you may elect to save on a pre-tax basis or after-tax (Roth) basis, up to the maximum amount permitted by the Plan.

You may designate all or a portion of your contributions as Roth Deferrals.

To learn more about salary deferral contributions, review the "Contributions" section of the Plan's Summary Plan Description (SPD).

**How can I change what I am contributing to the Plan?**

You have the right to make or change your deferral election at any time.

In addition, during this annual notice period, you have up to 30 days from the date of this notice to make or change your saving decision by completing a deferral election form.

To learn more about this topic, review the "Participation" section of the Plan's SPD.

**Does the Plan's automatic enrollment feature apply to me?**

If you do not return deferral election form to the Plan Administrator, within 30 days after receiving this notice, the automatic enrollment feature will apply to you and you will be enrolled in the Plan with a contribution starting with your first paycheck after the end of the notice period or your initial date of participation in the Plan, if later.

**What is an automatic enrollment feature?**

Under the automatic enrollment feature, if you do not affirmatively respond to this Notice, you will be automatically enrolled in the Plan. Your eligible pay will be automatically reduced by 3%, and contributed to the Plan as pre-tax deferrals. Once deposited, these contributions are automatically invested in the Target Date Funds.

If you do not wish to contribute or wish to defer a different percentage of your eligible pay to the Plan, you must complete and return a deferral election form to the Plan Administrator within 30 days after receiving this notice. The default percentage under this automatic enrollment feature is effective for the first pay period in the Plan Year in which you become eligible to participate in the Plan, and will continue to apply until a new election form is filed with the Plan Administrator.

In addition, each year, your deferral percentage will increase by 1%, until it reaches 6% of your eligible pay.

Each increase will be effective at the beginning of the Plan Year and applied to your first pay period of that year.

The IRS limits the maximum amounts that you can contribute. You can review these amounts in the "Contributions" section of the Plan's Summary Plan Description (SPD).

**Can I stop contributing after I have been enrolled automatically in the Plan?**

You can stop contributing to the Plan at any time by turning in a deferral election to the Plan Administrator.

**How will my account be invested in the Plan?**

The Plan lets you invest your account in a number of different investment funds.

**Will I be eligible for any other Employer contributions?**

In addition to the safe harbor contribution, you and your Employer may be permitted to make other types of contributions to the Plan. The Plan's SPD describes any other contributions that can be made to the Plan, along with any eligibility and vesting requirements for those contributions.

**When will my account be vested and available to me?**

Vesting means ownership. When you are 100% vested in the Plan, the contributions (together with any investment gains or losses) will always belong to you, and you will not lose them when you are no longer employed.

You will always be 100% vested in your salary deferrals and your ADP safe harbor contributions along with any earnings on these amounts.

In addition, you will become vested in your other Employer contributions based on the following schedule:

**Employer's Non-Elective Account:**

<u>Years of Vesting Service</u>	<u>Percent Vested</u>
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

**Other Employer Matching Accounts:**

<u>Years of Vesting Service</u>	<u>Percent Vested</u>
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

For more information on this topic, you can review the "Vesting" section of the Plan's SPD.

**When can I take my contributions out of the Plan?**

The primary purpose of the Plan is to provide you with retirement benefits. Generally, you may only withdraw your vested money after you are no longer employed or if early withdrawals are allowed under the Plan. You will be required to pay any federal or state income taxes that apply to your distribution. In addition, you may be required to pay an extra 10% penalty tax if you take a distribution before you reach age 59-1/2.

You can request a distribution while you are still employed when you meet the requirements listed below.

You can request an in-service distribution from all contribution sources when you reach age 59 1/2.

You can request an in-service distribution of your matching contributions when the amount has been in the account for 2

years OR you have participated in the plan for at least 5 years.

You can request an in-service distribution of your non-elective contributions when the amount has been in the account for 2 years OR you have participated in the plan for at least 5 years.

In-service distributions will be subject to the following limitations:

- You must be 100% vested in all of your sources.

You can request a hardship distribution from your pre-tax salary deferrals, Roth salary deferrals, ADP safe harbor contributions, qualified non-elective contributions or qualified matching contributions. Please see your SPD for further information on the requirements to take a hardship distribution.

In addition, you may be permitted to request a Participant Loan from the Plan.

You can also take a distribution when you stop working for the employer sponsoring the plan. See your SPD for information on how long you have to wait after termination of employment before you account balance would be distributed.

Your beneficiary will receive any vested amounts remaining in your account when you die.

You can learn more about when you may take money from the Plan in the "Distribution" section of the Plan's SPD. You can also learn more about the extra 10% penalty tax in IRS Publication 575, Pension and Annuity Income.

The IRS requires us to give this notice to each Eligible Employee 30 days prior to the adoption date of this change and provide you with an immediate opportunity to make or change your contributions to the Plan. Please review this notice carefully. If you would like additional information regarding your Plan or this notice, you may contact the Plan Administrator at:

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