

**GUAM-MICRONESIA MISSION OF SEVENTH-DAY ADVENTISTS RETIREMENT PLAN**  
**2026 Automatic Enrollment/Automatic Escalation Notice**

The Guam-Micronesia Mission of Seventh-day Adventists Retirement Plan ("Plan") makes saving for retirement even easier by offering an automatic enrollment feature for all newly hired eligible employees. You are automatically enrolled in the Plan starting with your first paycheck after you satisfy the Plan's eligibility requirements (attainment of age 20 and completion of the earlier of (i) three months of service for which you complete at least 83 hours of service in each month, or (ii) one year of service), at which time Empower, the Plan's record keeper, will create an account for you. This means that 3% will be taken from your eligible compensation each pay period and contributed to the Plan as a pre-tax salary reduction contribution. You can choose to contribute on a Roth basis, or contribute more, less, or even nothing at any time by signing into your Plan account on the Empower website and electing a Roth contribution or a different contribution percentage (including a 0% contribution). Unless you are a Guam Clinic employee, your employer generally will make dollar-for-dollar matching contributions on amounts you contribute, up to 3% of your eligible compensation.

The Plan also has an automatic escalation feature. All Plan participants who are not making salary reduction contributions of at least 15% on July 1, 2026 will automatically have their salary reduction contribution increased by 1% at that time. Thereafter, each July 1 your salary reduction percentage will increase by an additional 1% unless your contribution percentage reaches 15%. This automatic escalation feature will not change your salary reduction contribution level if you already participate at a 15% (or greater percentage) level. You can change your contribution level at any time on Empower's website. Any employer matching contributions will be based on your new contribution level.

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

The Plan's automatic enrollment feature applies to all newly hired eligible employees. This means 3% of your eligible compensation for each pay period will be contributed to the Plan as a pre-tax salary reduction contribution, starting with your first paycheck after you satisfy the Plan's eligibility requirements and continuing through the end of June. Every July 1, your contribution level will increase by 1% (see question 2 below for more information on the automatic escalation feature), until your salary reduction contribution reaches 15% of your eligible compensation. To learn more about the Plan's definition of eligible compensation, you can review the Plan's summary plan description. Your salary reduction contributions to the Plan are taken out of your compensation on a pre-tax basis and are not subject to U.S. or Guam/CNMI income tax at that time. Instead, they are contributed to your Plan account and will change over time based on any market gains or losses. Your account will be subject to U.S. or Guam/CNMI income tax only when withdrawn. This helpful tax deferral rule is a reason to save for retirement through Plan contributions. You are in charge of the amount that you contribute. You may decide to do nothing and contribute 3%, or you may choose to contribute an amount that better meets your needs. You may also choose to contribute on a Roth (after-tax) basis. You must notify Empower if you want to opt out of the Plan's automatic enrollment feature and receive a refund of any salary reduction contributions made within the first 90 days of Plan participation (see question 6 for more information on opting out and receiving a refund). You can change your contribution level at any time on the Empower website. Be aware that there are limits on the maximum amount you may contribute to your account. You may want to contact Empower or your tax advisor to find out how these limits affect you. The limits are described in the Plan's summary plan description.

## **2. Does the Plan's automatic escalation feature apply to me?**

If you are not contributing at a 15% level on July 1, 2026, your salary reduction contributions will automatically increase by 1% at that time. Every July 1 thereafter, your contribution level will increase another 1% (unless you choose a different level or notify Empower each year that you want to opt out of the Plan's automatic escalation feature), until your salary reduction contributions reach 15% of your eligible compensation. You can elect to make a different percentage contribution to the Plan or to not contribute on Empower's website. Each year, Empower will send a communication reminding you of the upcoming automatic escalation. If you do not want your salary reduction contributions increased for the year, you must follow the instructions from Empower on how to opt out of the automatic escalation feature.

## **3. In addition to the contributions taken out of my compensation, what amounts will my employer contribute to my Plan account?**

Your employer may make contributions to your Plan account. Unless you are a Guam Clinic employee, your employer generally will match, on a dollar-for-dollar basis, the first 3% of eligible compensation you contribute each pay period. Your employer generally will also make an additional basic contribution of 3% or 5% of your compensation. Your employer determines which employees are eligible for matching or basic contributions – if you have questions about whether you are eligible to receive employer matching or basic contributions, please contact your employer.

## **4. How will my Plan account be invested?**

The Plan lets you invest your account in a number of different investment funds. Unless you choose a different investment fund or funds, your Plan account will be invested in the target date default fund based on your assumed retirement age. You can change how your Plan account is invested among the Plan's offered investment funds on the Empower website.

Information about the Plan's investment funds and procedures for changing how your Plan account is invested can be found on the Empower website.

## **5. When will my Plan account be vested and available to me?**

You are always fully vested in your salary reduction, Roth, and rollover contributions to the Plan. You will also always be fully vested in the amount in your account merged into this Plan from the 401(k) plan. Any employer contributions (both matching and basic) will vest according to the following 5-year graded vesting schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

In addition, your Plan account will fully vest upon your death, disability, or attainment of age 65. Even when you are fully vested in your entire Plan account, there are limits on when you may withdraw your funds. These limits may be important to you in deciding how much, if any, to contribute to the Plan. Generally, you may only withdraw money after you leave your job, reach age 59½, or become disabled. Also, there is generally an extra 10% tax on distributions before age 59½. Any amount remaining in your Plan account upon your death will be paid to your designated beneficiary. You also can borrow certain amounts from your Plan account and may be able to withdraw your salary reduction and rollover contributions if you have a hardship. Hardship distributions are limited to the dollar amount of your salary reduction and rollover contributions and may not be taken from matching or basic contributions. Hardship distributions must be for a specified reason – for qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction from or foreclosure on your principal residence, or repairing qualifying damages to your principal residence), qualifying post-secondary education expenses, or qualifying burial or funeral expenses. Before you can take a hardship distribution, you must have taken other permitted withdrawals from qualifying employer plans, unless doing so would be counterproductive. You can learn more about the Plan's hardship withdrawal and loan rules in the Plan's summary plan description. You can also learn more about the extra 10% early distribution tax in IRS Publication 575, Pension and Annuity Income.

## **6. Can I change the amount of my contributions?**

Yes. You can always change the amount you contribute to the Plan at any time on the Empower website. If you know that you do not want to contribute to the Plan, you must notify Empower that you wish to opt out of the Plan's automatic enrollment and escalation features. You must notify Empower each year that you want to opt out of the Plan's automatic escalation feature.

If you are a new hire and do not wish to have automatic enrollment contributions taken from your compensation, you must decrease your contributions to zero on the Empower website. During the 90 days after automatic contributions are first taken from your pay, you can also withdraw the prior automatic contributions by contacting Empower. (Note: this withdrawal right is not available for the annual 1% automatic escalation amounts.) If you withdraw your automatic contributions, you lose any employer matching contributions associated with the automatic contributions. Also, your withdrawal will be subject to U.S. or Guam/CNMI income tax (but not the extra 10% tax that normally applies to early distributions) and reported on a Form 1099-R at the end of the year. If you decrease salary reduction contributions to zero, no further contributions will be taken from your compensation until the next annual automatic escalation period occurs. You can always choose to continue or restart your contributions on the Empower website.

If you would like a copy of the Plan's summary plan description or other Plan documents, please visit the Adventist Retirement website at [www.adventistretirement.org](http://www.adventistretirement.org)

If you wish to start, stop or change your contributions to the Plan, or want information on the Plan's investment fund options, please sign into your Plan account on Empower's website: [www.empowermyretirement.com](http://www.empowermyretirement.com)

If you have questions about how the Plan works or your rights and obligations under the Plan, please contact Adventist Retirement or your employer:

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