

2023 Salary Reduction Plan 401(k) Details

Benefits – Staff

Eligibility Criteria

- Employees hired at a budgeted FTE of 50% or greater are eligible for the match as soon as employment begins. Employees who are budgeted at less than 50% FTE or work less than 1000 hours per year are eligible to contribute but are not eligible for a matching contribution.
- Be age 18 or older

Automatic Enrollment

Marshfield Clinic Health System's Salary Reduction Plan 401(k) utilizes an automatic enrollment feature for employees who are 50% FTE or greater and considered benefit eligible. Employees who are less than 50% FTE will not be auto-enrolled. Unless you opt-out of auto enrollment, **you will be automatically enrolled** in our 401(k) plan at a 6% contribution rate approximately 60 days after you begin employment. A 6% contribution rate ensures you will receive the full employer matching contribution provided by Marshfield Clinic Health System. You may opt-out of auto-enrollment prior to the expiration of the 60-day period by contacting **Fidelity Investments** at **1-800-343-0860**. You may also enroll directly using the options listed in the "Options to Directly Enroll" area of this instruction handout. Enrolling directly removes you from the automatic enrollment process.

Options to Directly Enroll

- Enroll online: www.netbenefits.com
- Speak to a **Fidelity Retirement Services Specialist** at **1-800-343-0860** and enroll

Matching Contributions

Marshfield Clinic Health System will help your savings grow by matching your 401(k) contributions if you are budgeted to work 1000 hours per year or greater and are otherwise considered eligible for benefits. If you are not budgeted to work 1000 hours per year and are

not 18 years old, you will not receive a matching contribution. Marshfield Clinic Health System will match up to 50 cents for each dollar you contribute to your 401(k) account on the first 6% of your salary.

Ways to Contribute

- **Traditional (Pre-Tax) 401(k)**
 - Contributions are taken from your pay before income taxes are taken out
 - You can lower the amount of current income taxes you pay each pay period
- **Roth (Post Tax) 401(k)**
 - Contributions are taken from your pay after income taxes are taken out
 - Monies will be tax exempt when you withdraw the monies in retirement, provided several other Roth requirements are met
- **After Tax Deferrals 401(k)**
 - If you elect this option outside the traditional or Roth contributions, then these deferrals are taken from your pay after income taxes
 - This is not a match eligible option within the 401k

Annual Contributions

You may elect up to 100% of your compensation for 401(k) contributions, not to exceed the maximum contribution limit of **\$22,500 in 2023**. If you are age 50 or older during the calendar year you may make an additional **"catch up" contribution of \$7,500 in 2023, for a total of \$30,000**.

Investment Options

You have the flexibility to select from investment options that range from more conservative to more aggressive, making it easy for you to develop a well-diversified investment portfolio. This notice is being provided in order to comply with various governmental disclosure requirements regarding your access to the important documents that govern the operation of the Salary Reduction Plan of Marshfield Clinic Health System (the 401(k) plan) and Marshfield Clinic Health System Retirement Plan.



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2023 Retirement Plan Contributions

Benefits – Staff

Marshfield Clinic Health System's retirement benefits include the Employee's Retirement and 401(k) Plans. As with Section 125 benefits discussed above, the IRS has limitations on maximum retirement plan contributions and the rules are as follows:

Rule #1

Your 401(k) contribution may not exceed \$22,500 in 2023.**

"Catch Ups" for employees age 50 and older will include an additional \$7,500 for 2023. The limit is indexed for inflation thereafter.

Rule #2

Retirement Plan contributions cannot exceed \$66,000* annually. These contributions include the Clinic's retirement and 401(k) contributions, and your own 401(k) contributions.

*Plus Catch Up if eligible.

Rule #3

Retirement Plan contributions cannot exceed 100% of salary. Contributions include your own 401(k) contribution, the Clinic's matching 401(k) contribution and Retirement Plan contribution.

- Participants may elect up to 100% of their compensation for 401(k) contributions. The actual amount deducted will first be adjusted to offset for compliance of Rules #1, #2, and #3, FICA tax, health, dental and any other scheduled payroll deductions.
- **Compensation Limit:** The amount of an employee's compensation that can be considered for 401(k) and the Retirement Plan contribution is \$330,000 for 2023.
- 2023 Social Security Wage Base: \$160,200

Employee's Retirement Plan of Marshfield Clinic Health System (ERP)

Marshfield Clinic Health System fully funds a retirement plan for the benefit of all eligible Marshfield Clinic Health System staff.

Contributions are made annually based on meeting the following criteria: age 18 prior to or as of the last day of the calendar year, worked a minimum of 1000 hours during the calendar year (based on the paychecks received in the calendar year) and actively employed as of the last business day of the calendar year.

An eligible participant will receive a contribution equal to 3% of the participant's compensation, plus an additional contribution equal to 3% of the participant's compensation in excess of the Social Security Wage base. The amount of compensation considered for retirement plan contributions is limited. Marshfield Clinic Health System's compensation limit is reviewed periodically and adjusted at the discretion of the Board of Directors.

All participants are 100% vested in their accounts. Each participant selects how his or her account will be invested. Statements are sent to each plan participant.



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