



Memorandum

Date: October 1, 2019

To: NCIRE Employees

From: NCIRE Retirement Plan Committee

Subject: Announcement of Changes to Retirement Plans – January 1, 2020

At NCIRE, our employees are our most important asset and the NCIRE's Retirement Plan is intended to provide employees with retirement income options to optimize their readiness for retirement. After an extensive review by our Retirement Plan Committee, NCIRE is updating this benefit to ensure our offering is consistent with the best practice in the industry and in alignment with helping our employees save for retirement.

Effective January 1, 2020 the following changes to our 403b plan and Defined Contribution Plan will be in effect.

- Adding 403b Employer match up to 5% of employee contributions
- Employer funded Defined Contribution Plan will change from 10% to 5% (eligibility requirements still apply)
- Research Scholars will be eligible for the Defined Contribution Plan (eligibility requirements still apply)
- Auto enroll all employees contributing under 5% in 403b plan to before-tax contribution rate of 5% to enable employees to maximize the company's new match.
 - Employees will have 60 days prior to January 1 to opt out or make changes

Human Resources will be hosting informational sessions that will give you opportunities to learn more about these exciting new changes. Sessions will be announced very soon! In the meantime, please refer to the FAQs for more information regarding these changes.

Should you have any questions, please don't hesitate to contact Jennifer.yee@ncire.org at ext. 22232.

NCIRE Retirement Plan Changes – Effective January 1, 2020

FAQ's

Q. What is NCIRE's 403(b) match?

A. NCIRE will match your 403b contribution dollar for dollar (aka 100% match) up to 5%. For example, if you put in 5%, NCIRE will contribute 5%; if you contribute 2%, NCIRE will contribute 2%. If you put in 6%, NCIRE will contribute 5%, because this is our maximum match.

Q. What will happen to the Defined Contribution Plan?

A. The Defined Contribution Plan will still be in effect and this plan is separate from the 403b match. This is the employer funded plan and the contribution will change from 10% to 5%. Research Scholars will now be eligible effective January 1, 2020. The eligibility requirements remain at two years of service and worked 1000 hours each year.

Example of an employee who earns \$60,000 per year and contributes to the 403b plan at varied percentages per pay period who receives the company match and is enrolled in the DC plan.

Gross Bi-Weekly Paycheck	Employee Before Tax Percentage	Employee Contribution Amount	403b Employer Match Contribution Amount	*5% Defined Contribution Plan Employer Amount	Total Contribution
\$2,308.00	1%	\$23.08	\$23.08	\$115.40	\$161.56
\$2,308.00	2%	\$46.16	\$46.16	\$115.40	\$207.72
\$2,308.00	3%	\$69.24	\$69.24	\$115.40	\$253.88
\$2,308.00	4%	\$92.32	\$92.32	\$115.40	\$300.04
\$2,308.00	5%	\$115.40	\$115.40	\$115.40	\$346.20
\$2,308.00	6%	\$138.48	\$115.40	\$115.40	\$369.28
\$2,308.00	10%	\$230.80	\$115.40	\$115.40	\$461.60

**Eligibility requirements of two years of service and worked 1000 hours each year apply.*

Q. When does the company match start?

A. The company match will be effective on January 1, 2020 or pay period 1, pay date January 10, 2020.

Q. When will I be vested in the company's match?

A. You will be vested immediately, which means you will have earned the rights to all the money an employer has contributed on your behalf to the 403b plan.

Q. What if I am already contributing 5% or more to the 403b plan? Do I need to do anything?

A. If you are contributing to the 403b plan at 5% or more, there is nothing you need to do. You will receive the full company match and you will see the first contribution in your Principal Account after the

1st paycheck in January. The company match contributions will be applied to your Principal account after every pay period.

Q. What if I am not contributing or contributing less than 5% to the 403b plan? Do I need to do anything?

A. We want to ensure that everyone can take advantage of our new company match. All eligible employees who are currently not participating in NCIRE's 403b plan at 5%, will be automatically enrolled starting January 1, 2020 at 5% before-tax contribution rate. There is no action needed on your part, unless you would like to either opt out and not receive the company match, or you would like to increase/decrease the contribution rate.

For those who are auto-enrolled on January 1, 2020, you will also have an auto-escalation of 1% every April 1 each year up to 10%.

Q. What does auto escalation mean?

A. It means that your contribution amount will increase by 1% on April 1 of every year until you reach 10%. You can also opt out of this feature by logging into <http://www.principal.com> and select "Manage Contributions" and select "Off" under the Auto Escalation feature.

Q. Can I Opt-out of Auto-Enrollment?

A. Yes, you can opt out of the auto-enrollment by logging into the Principal website at <http://www.principal.com> and select "Manage Contributions" and change the contribution to "0".

Q. How much time will I have to update my contribution before it takes effect in my paycheck?

A. Starting November 1, 2019 thru December 31, 2019 you can opt out or change your contributions. *The deadline to increase/decrease or opt out of the 403b plan is December 31, 2019.*

Q. How do I maximize the full company match?

A. In order to receive the full company match, you should contribute a minimum of 5% every pay period and keep your contributions consistent throughout 26 pay periods of the year. If at anytime you stop your contributions, the match will also stop.

Q. Can I enroll in the 403b Roth instead?

A. Yes, absolutely! You can contribute to the 403b Roth which is the after-tax contributions, meaning you pay taxes on your deferrals now and your contribution will also be entitled to the company match.

Q. I did not opt-out and was enrolled in the 403b plan. Can I get a refund on my paycheck?

A. No, there will be no refunds issued. You can opt-out of the plan before the next pay period. You will receive multiple communications to ensure that you can make changes during the opt out period.

If you have additional questions not covered in this FAQ, please contact Jennifer.yee@ncire.org at ext. 22232.