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403(b) Transition- Frequently Asked Questions

As part of the transition to Piedmont Healthcare's employee benefits program, the Piedmont University Health Systems, Inc 403(b) Retirement Savings Plan through Transamerica will be terminating as of June 30, 2023. Withdrawals and rollovers can be started as early as July 1, 2023. If you wish to rollover your loan balance, you must make your election by July 31, 2023. The final deadline to make a distribution election is September 15, 2023, thereafter the defaults explained in these FAQs will apply if no action is taken. Refer to each section below to learn more about your options.

If you have a question beyond what is found in this FAQ or need additional assistance, we encourage you to contact the Cannon Financial Advisory Team. A full listing of details and contact information can be found online, at www.piedmontaugustaretirement.com.

General Questions

1. What options are available to me?

- **Participate in the group rollover***, allowing your balance at Transamerica to roll into your Piedmont 401(k) account. The deadline to participate in the group rollover is July 31, 2023.
- **Roll your funds into an Individual Retirement Account (IRA), or into another employer's plan.** The deadline for this option is September 15, 2023.
- **Receive a full/partial distribution of your Transamerica balance** (subject to income tax and possible 10% penalty). The deadline for this option is September 15, 2023.

If you are an active Piedmont employee, and are not age 59 ½, you will not be able to initiate a distribution or direct rollover into an IRA or another employer's plan until after **June 30, 2023**.

*Former employees may choose to either elect a distribution or rollover to an IRA/other eligible retirement plan. The option to rollover funds to the Piedmont 401(k) TomorrowPlan is not available if you are not currently employed by Piedmont.

2. Can I leave my money in the plan?

Due to the termination of the 403(b) plan, your account balance **cannot** remain in the Transamerica 403(b) account. **You must make an election to move your balance by September 15, 2023.**

PHC & Me



3. What will happen if I take no action?

If you do not take any action by September 15, 2023, your entire 403(b) Plan balance will be automatically distributed. If your balance is under \$1,000 on the date of distribution, your balance will be paid in a lump sum to you and mailed to the address on file with Transamerica. If your balance is \$1,000 or greater, your balance will be automatically distributed to a Millennium Trust IRA in your name. To contact Transamerica after the distribution, please call 1-800-755-5801.

4. How do I submit my election(s)?

Election forms can be found online at www.piedmontaugustaretirement.com. If you are rolling to an IRA or other Employer plan or if you are taking a distribution, you may initiate these by going to www.TRSRetire.com.

Group Rollover Authorization forms can be submitted several ways:

- **Meet with an advisor:** Advisors will be available on campus Monday – Friday onsite at Piedmont Augusta. Appointments are not needed, but can be arranged by reaching out to Piedmont@CannonFinancialStrategists.com.
- **Submit your elections at any group presentation**
- **Submit Group Rollover Forms in person or by mail, at**
Piedmont Augusta Human Resources
Attn: Cannon Financial Strategists
1402 Walton Way
Augusta, GA 30901

5. Can I still view and make changes in my Transamerica account?

Yes, you may still login to your account at www.TRSRetire.com to view your account and make changes. However, active employees should make changes to your deferral contribution rate through Fidelity at www.Netbenefits.com.

6. Who should I contact if I have additional questions?

If you have questions or need assistance during this time, please reach out to any of the below contacts.

Cannon Financial Strategists, Inc.

Email: Piedmont@CannonFinancialStrategists.com

Fidelity Investments

Phone: 800-343-0860

Transamerica

Phone: 1-800-755-5801

PHC & Me



Informational group meetings addressing the most common questions will be held by Cannon Financial Strategists throughout June and July. To access the group meeting schedule please visit www.piedmontaugustaretirement.com.

You may also schedule a one-on-one meeting with Cannon Financial Strategists or Fidelity to answer any questions you have and to assist you in making your elections.

Electing to Rollover your Balance to the Piedmont Healthcare 401(k) TomorrowPlan

1. Is there a minimum amount that must be rolled over?

No, there is not a minimum required to participate in the Group Rollover.

2. Will Transamerica and/or Fidelity charge any fees for processing the rollover?

No fees will be charged to you for the rollover.

3. If I rollover my balance to the Piedmont 401(k) TomorrowPlan, how will the funds be invested?

Your funds will be invested according to your current investment elections on file with Fidelity. Once the rollover is complete, you may reallocate your funds at any time.

4. How long will it take for my balance to be transferred to Fidelity? Will there be a period of time where the funds are not invested?

The Group rollover will occur in mid-late August 2023.

For direct rollover and cash distributions, Transamerica will generally process requests within 24 to 48 hours (as long as forms are in good order). Checks will be mailed to the address of record or directly to your requested retirement or IRA custodian.

During the short timeframe when the funds are in route to the new administrator, they will not be invested.

5. Can my Transamerica 403(b) Roth contributions be rolled over and remain Roth contributions at Fidelity?

Yes. If you currently have Roth dollars in the plan they will transfer over to Fidelity as Roth and continue to grow tax free.

PHC & Me



Electing to Receive a Cash Distribution

1. If I elect to take a taxable distribution (instead of rolling over my balance), when will I receive the funds?

Your distribution request generally will be processed within 24-48 hours from the date the form is received by Transamerica, and a check will be mailed to you, unless you have elected to have the funds transferred by direct deposit* to your bank account.

*Please note that if you are electing a funds transfer by direct deposit that the name on your bank account must match the name on your Transamerica account. Additionally, you will need to attach documentation to the distribution form (e.g., a voided check, deposit slip, or a letter from your bank). Funds cannot be deposited to a pre-paid credit card.

2. Am I required to have federal and state taxes withheld from my payment?

In most cases, the taxable portion of your cash distribution is subject to a mandatory 20% tax withholding. State tax withholding rules vary by state. If your address of record is within a state that does not permit state tax withholding, no taxes can be withheld. If your address of record is within a state that has mandatory state tax withholding, state taxes must be withheld. If your address of record is within a state that allows an independent election, you may opt out of the withholding. Please consult a tax advisor for guidance.

3. Can I elect to have additional taxes withheld?

The form does not provide a specific field to request this, however should you want to request an additional tax withholding, you can write in instructions.

4. Will I have to pay any processing fees to Transamerica?

No, the standard processing fees will be paid by the plan. You will only have to pay a fee if you elect overnight delivery.

5. Will I be subject to the 10% premature withdrawal penalty?

If you are under age 59 ½, your cash distribution will generally be subject to the 10% penalty on early distributions. However, an exception applies if you are separated from service and in the year in which you separated, you were at least age 55. Please refer to the Special Tax Notice for additional exceptions to this penalty.

Questions Relating to an Outstanding Loan

1. What options do I have on my outstanding loan with Transamerica?

If you have an outstanding loan, you may choose to elect a rollover of the loan balance to Fidelity. The deadline to roll your loan to the Piedmont 401(k) TomorrowPlan is **July 31, 2023**.

PHC & Me



You may also elect to pay the balance in full directly to Transamerica before **September 15, 2023** (or prior to the date you take a distribution or rollover to an IRA or other Employer's plan, if earlier than September 15, 2023). If you take no action, the outstanding balance of the loan will default and be considered a taxable distribution in the 2023 tax year (and may be subject to the 10% early distribution penalty).

2. If I rollover my loan to Fidelity, can the payments be payroll deducted?

No. Your loan payments cannot be payroll deducted. Monthly payments should be made through an automatic ACH arrangement with Fidelity.

3. If I elect to rollover my loan, when should I stop sending my loan payments to Transamerica and begin sending them to Fidelity? Will I owe any back payments?

You should continue to repay your loan to Transamerica through **July 31, 2023**. With the loan transitioning to Fidelity, the balance must be re-amortized before payments can resume.

You will not be required to make any back payments for the period from July 31, 2023 through the date of your first payment due to Fidelity. The missed payments will be spread over the remaining term of the loan, resulting in a monthly payment that is slightly higher than the amount you are currently paying.

4. Can I pay the outstanding loan balance to Transamerica instead of rolling it to Fidelity?

You may elect to pay the outstanding loan balance in full directly to Transamerica prior to September 15, 2023. To get started on this, please call Transamerica at 800-755-5801.

5. Can I rollover my account balance without rolling over my loan?

Yes, however, the outstanding balance of the loan will default and be considered a taxable distribution in the 2023 tax year (and may be subject to the 10% early distribution penalty). There will be no tax withholding on the balance rollover.

6. If my loan is pending default because I am behind on my payments, can it still rollover?

Yes, you can roll your loan balance over as long as it is not in default on the date the group rollover is processed.

7. If I rollover my loan, will there be any changes to the term, interest rate, or payment schedule?

The payment schedule will change from bi-weekly to monthly. The interest rate and term will remain the same; however, the payment amount may increase slightly once the balance is re-amortized.

8. Can I take a distribution without rolling over my loan?

Yes, however, the outstanding balance of the loan will default and be added to the taxable amount of your distribution for purposes of calculating the tax withholding at the time of the distribution.

PHC & Me



9. If I defaulted on a loan under the University Health 403(b) Plan, will I be able to borrow from the Piedmont 401(k) Plan?

Yes, however the Piedmont 401(k) Plan rules dictate that a participant can only have one outstanding loan at a time. This means that if you rollover your loan to the Piedmont 401(k) Plan and then fail to make payments, you will not be permitted to receive another loan from the plan.

Questions Related to Transferring VALIC 403(b) Accounts

1. Will the rollover of my 403(b) with Transamerica include any funds I have in my VALIC account?

No, you must contact VALIC and request a rollover. You can reach out to Cannon for assistance with this paperwork or if you have any questions.

2. How do I know if I have a VALIC account?

You should have been receiving statements from VALIC. If you are unsure, you can contact VALIC at 706-722-4600.