

401(k) Transition Frequently Asked Questions

What is changing with Hilltop's 401(k) plan?

A few changes have been made to our plan:

- **New 401(k) Provider:** We will be moving from Voya to The Standard, a provider that offers enhanced services and improved online access.
- **Automatic Enrollment:** Eligible employees who are not already participating in the retirement plan, or are enrolled with a contribution less than 3%, will be automatically enrolled at a 3% contribution rate starting on your first paycheck in January. This means that once the changes go into effect, 3% of your eligible earnings will be contributed to your 401(k) plan unless you choose to opt out or change your contribution rate.
- **Automatic Contribution Increase:** To help you steadily grow your retirement savings, we're introducing an automatic increase in your employee contribution rate. For those who are automatically enrolled and do not make changes, your contribution will automatically increase by 1% each year until it reaches 10%. *You will always have the flexibility to adjust your contribution rate or opt out of the automatic increase at any time.*
- **New Vesting Schedule:** We have implemented a new vesting schedule to the Hilltop match.
 - 0-1 year = 0% vested
 - 1-2 years = 50% vested
 - Over 2 years = 100% vested
- Hilltop will continue to match up to 4% of your contributions.

What do I need to do during this change?

- **Current Participants:** If you are already enrolled in the 401(k) plan, at 3% or more, this change will not affect your current contributions unless you wish to adjust them. We will provide more information on how to get into your new, The Standard, account closer to the beginning of the year.
- **New Participants:** If you are not currently participating in the retirement plan, you will automatically be enrolled on the first of the month after meeting the eligibility requirements, which include being at least 21 years old and completing three months of service with Hilltop. You will receive additional information on how to manage your account, adjust your contributions, or opt out, if necessary, in the upcoming weeks.

Why did Hilltop start auto enroll?

Our company has implemented auto-enrollment in the 401(k) plan because we care deeply about your financial future and want to help you build long-term financial security. Here's why we believe this is an important step:

- **We're Removing Barriers**

Signing up for a 401(k) plan can sometimes feel overwhelming or easy to put off. Auto-enrollment simplifies this process by eliminating common roadblocks, making it easy to start saving without additional steps.

- **New Legislation Encourages Better Savings Habits**

Under the SECURE 2.0 Act, auto-enrollment has become a best practice in retirement plans nationwide. This legislation aligns with our goals of helping employees prioritize saving for retirement by making participation effortless.

By implementing auto-enrollment, we're making it easier than ever for you to take advantage of the company's 401(k) plan and start investing in your future today. You have the option to adjust your contributions or opt out.

Why did Hilltop change the vesting schedule?

- With Hilltop generously matching up to 4%, we want to make sure we are investing in employees that are invested in Hilltop.
- We are committed to supporting your long-term financial well-being. The new vesting schedule, which includes 0% vesting for the first year, 50% for years 1-2, and 100% after two years, is designed to benefit you as follows:
 - **Building Your Future**

This schedule ensures that you have a growing stake in your retirement savings the longer you're with us. After two years, you'll be fully vested in the contributions we've made on your behalf, helping to secure a more substantial retirement.
 - **Encouraging Long-Term Success**

We believe in investing in you as an individual and want to encourage a long-term partnership. The vesting schedule gives you an additional reason to continue building your career here, ensuring your retirement savings grow the longer you stay.
 - **Alignment with Industry Best Practices**

Many companies adopt a similar vesting schedule as it strikes the right balance between investing in employees and supporting long-term company growth. It is a proven way to ensure both you and the company benefit from your continued success here.

Is the new vesting schedule based on longevity of Hilltop employment or longevity of 401k contributions?

- The new vesting schedule is based on your date of hire, not the date of your first 401(k) contribution. This means your vesting timeline is determined by how long you've been

employed with the company, regardless of when contributions are made to your 401(k) account.

I have been here for less than two years but have been contributing to a 401k already through Hilltop, what does that mean for my vesting?

Your 401(k) account will have two separate Safe Harbor Match "buckets" of funds:

1. **Pre-transition contributions:** The employer Safe Harbor match contributed before the switch is 100% vested, meaning it's entirely yours.
2. **Post-transition contributions:** The employer Safe Harbor match contributed after the switch follows the new vesting schedule:
 - 0% vested for the first year.
 - 50% vested after one year of service.
 - 100% vested after two years of service.

If I am already contributing over the 3% will I still be auto enrolled in the auto increase?

- No, but you will have the option to sign up for auto-increase if you would like to.

If I have a Roth at 2%, what does my automatic enrollment look like?

- You will be auto enrolled in the pre-tax 401k at 3% and 0% Roth.
- You can go in and change that to Roth at any time after initial enrollment.

What if I have 2% in a Roth and 2% in a pre-tax 401k? What will my enrollment look like?

- Your plan will not change, you will be transferred over with the same elections because the total is over 3%.

Is there a maximum amount that I can contribute?

- Yes, this amount is set by the IRS each year and varies by plan type and age.
- 2025 Elective Contribution Limits:
 - Under age 50: \$23,500
 - Age 50-59: \$31,000

- Age 60-63: \$34,750
- Age 64 and above: \$31,000

What if I do not want to be signed up for a retirement plan right now?

- If you click on the link below, there is an option to opt out, or to lower the contribution amount.

For more information, or to set up and access your personal The Standard account, click here:

<https://sites.standard.com/retirement/hilltop-health-services-corp>