

University of Wisconsin Medical Foundation, Inc. Employees 401(k)/Profit Sharing Plan



You have an important decision to make regarding your retirement savings in the University of Wisconsin Medical Foundation, Inc. Employees 401(k)/Profit Sharing Plan (the Plan) when separating employment. The information below contains your distribution options from the Plan. ***In the next two to three weeks you will receive a distribution kit in the mail from Fidelity providing more information and available resources so you can make an informed decision regarding your retirement assets.***

What are my options for my vested 401(k) balance?

The forms of distribution payments permitted by the Plan are explained below.

1. Take your money from the account

A single payment is an immediate distribution of your vested account balance. A single payment can be made directly to you or as a direct rollover.

A **direct payment** means your vested account is paid directly to you. In general, 20% will be withheld for federal income taxes, although your final income tax owed will depend on your marginal tax bracket. A tax penalty of 10% may also apply if you are under age 59 ½.

A **direct rollover** means your vested account is paid directly to another qualified retirement plan or to an Individual Retirement Account (IRA). No taxes will be withheld from the rollover. If you elect a direct rollover, you will not pay taxes on your distribution until you withdraw the money from that retirement plan or IRA.

Please note: If you are over age 59½ and are 100% vested, you are eligible to receive a Profit Sharing contribution for this year. If you are interested in rolling money out of the plan, you may want to consider doing so after you receive the contribution (in February or March of next year) so that you do not have to complete the paperwork twice.

2. Leave your Money in the Account

If your account balance is greater than \$1,000, you may leave your money in the plan. You will not receive a distribution unless you request one. You do not have to return any paperwork or notify anyone of your decision.

If your balance is less than \$1,000, your vested account balance may be distributed to you without your consent. You may request a direct rollover or a direct payment. If you do not request one of these options within 60 days following your separation from service, your balance will automatically be sent to you by check, less applicable tax withholding.

How do I know if I'm vested?

You are always 100% vested in your own contributions as well as any earnings on them. UWMF contributions and any earnings thereon, vest according to the following schedule:

- 0% up to 3 years of continuous service
- 100% after 3 years of continuous service
- You will be credited with a year of service if you work 1,000 hours within a calendar year.

UWMF sends hours information to Fidelity every couple weeks. Questions regarding vesting can be directed to Fidelity at 800-343-0860.

What about my Profit Sharing contributions?

If you are 100% vested, your Profit Sharing contributions are yours to keep. If you are 0% vested, this money will be forfeited. However, if you resume employment with UWMF within 5 years, this money may be returned to your account.

What if I have a loan?

If you currently have a loan outstanding, you have two options:

1. Do nothing (keep making payments)

Your loan payment amount will continue to come out of the savings or checking account it currently is. If you wish to pay off your loan, you will need to call Fidelity Customer Service at (800) 343-0860 and speak with a Fidelity Customer Service Representative.

2. Take a distribution without paying off your loan

Your outstanding loan balance will become taxable income to you in the current year. Contact a tax professional for further information regarding the tax implications of distributions.

What if I still have questions?

If you have questions or would like additional information, you may contact Fidelity at 800-343-0860 or login to your account online by going to www.fidelity.com/atwork. Customer Service Representatives can assist you with all of your plan questions: loans, hardship withdrawals, rollovers, distributions, investment elections, etc. Contact a Retirement Service Representative 7am-11pm Central Standard Time Monday through Friday.

To schedule a one on one appointment with Bob Intoccia or Elise Waligora, UWMF's Retirement Planners, please call: 800-642-7131 or go online at: www.getguidance.fidelity.com.

Other questions regarding your end of employment and the impact on benefits and insurance should be directed to hr@uwhealth.org or 608-263-6500.