

METHODIST HEALTH SYSTEM 401(k) PLAN

NOTICE OF AUTO ENROLLMENT AND RIGHTS AND OBLIGATIONS OF SAFE HARBOR 401(k) PLAN

TO: All Eligible Employees of the Methodist Health System 401(k) Plan

FROM: Plan Administrator – Administrative Committee of the Methodist Health System 401(k) Plan

DATE: October 2023

The Methodist Health System 401(k) Plan (the “Plan”) is a retirement plan intended to satisfy the “safe harbor” contribution and vesting requirements under Sections 401(k) and 401(m) of the Internal Revenue Code (the “Code”). This safe harbor notice (the “Notice”) is being provided to you to inform you of your rights and obligations under the Plan. By law, this Notice must be provided to you within a reasonable period before the beginning of each Plan Year. Unless expressly defined herein, all capitalized terms used in this Notice shall have the same meaning as in the Plan document.

This is an annual Notice and only applies to the Plan year beginning on January 1, 2024. This Notice covers:

- How much you can contribute to the Plan.
- What safe harbor contributions and any other amounts your Employer will contribute to the Plan for you.
- When your Plan account will be vested, and when you can receive a distribution.

You can find out more information about the Plan in the Plan’s Summary Plan Description (“SPD”). You can obtain a copy of the SPD from the Plan Administrator. If there are discrepancies between the information presented in this Notice and the Plan document or SPD, the terms of the Plan will govern.

Salary Reduction Contributions

All active Employees of Participating Employers are eligible to participate in the Plan and make Salary Reduction Contributions beginning on the date the Employee begins employment with a Participating Employer, regardless of age or Years of Service.

Salary Reduction Contributions are made at the Participant’s election, or pursuant to the automatic enrollment arrangement discussed below, as a periodic deduction from the Participant’s salary or wages. For this purpose, all compensation that is payable to the Participant is subject to the salary reduction election, including bonuses, overtime pay, and certain elective contributions that are not includible in gross income, such as contributions made to a cafeteria plan or deferred compensation plan.

Salary Reduction Contributions can be made as Pre-Tax Elective Deferrals, meaning that the amount contributed, and any earnings thereon, will not be subject to income tax until actually distributed from the Plan. The amount of the Salary Reduction Contributions will, however, be subject to Social Security taxes when deferred. If elected, all or any portion of the Salary Reduction Contributions can be made as Roth Elective Deferrals. Roth Elective Deferrals will be includable in the Participant's income when deferred, but the Roth Elective Deferrals and the earnings thereon are totally excludable from the Participant's gross income when a qualified distribution from the account attributable to Roth Elective Deferrals is made.

The amount of a Participant's Salary Reduction Contributions (or deemed Salary Reduction Contributions under the automatic contribution arrangement described below), whether Pre-Tax Elective Deferrals or Roth Elective Deferrals, are subject to an annual dollar limit. If the participant will be 50 years old on or before December 31, 2024, then the participant may elect to make an additional catch-up Salary Reduction Contribution to the Plan, subject to applicable annual dollar limits.

Qualified Automatic Contribution Arrangement ("QACA")

The Plan includes an automatic enrollment feature known as a Qualified Automatic Contribution Arrangement ("QACA"). Under the Plan's QACA provisions, if you do not elect to make Salary Reduction Contributions, your Employer will automatically withhold a portion of your eligible Compensation from your pay each pay period and contribute that amount to the Plan as a Salary Reduction Contribution. The automatic Salary Reduction Contributions will be made as Pre-Tax Elective Deferrals.

If you do not affirmatively elect to defer a percentage of your Compensation to the Plan, the initial automatic deferral amount is three percent (3%) of your Compensation for each pay period on or after your date of hire. Unless you affirmatively change your election, this automatic deferral amount will automatically increase by one percent (1%) each Plan Year for the next seven (7) years, until your Salary Reduction Contribution amount is ten percent (10%) of your Compensation. This automatic increase will occur annually on the payroll period beginning on or after each May 1 if you do not change your election before that date.

Notwithstanding the foregoing, you have the right to elect to have the automatic Salary Reduction Contributions distributed to you, along with any applicable gains or losses on such contributions to the date of the distribution, by filing a written election to withdraw such contributions with the Plan Administrator within ninety (90) days after the date of the first automatic Salary Reduction Contribution.

If you wish to defer the automatic amount, you do not need to make a Salary Reduction Contribution election. If you wish to elect a different deferral amount or do not wish to defer any of your Compensation, you must make an affirmative election.

Changing, Stopping, or Restarting Salary Reduction Contributions

Your Salary Reduction Contributions are limited to 100% of your Compensation and any applicable annual federal dollar limitations.

To make an affirmative salary reduction election, or to modify or revoke your current salary reduction election, you must take the following actions:

- log on to www.netbenefits.com/atwork; or
- contact the Fidelity Retirement Service Center at 1-800-343-0860.

Your salary reduction election will be effective as soon as administratively feasible after it is received and processed, but in no event earlier than the first payroll period following the date on which it is made. Once made, your election will remain in effect until you modify or revoke it. You may make a salary reduction election at any time.

You must elect both the percentage of your Compensation that you wish to defer and the investment fund(s) in which you want these amounts to be invested under the Plan. If you do not affirmatively elect specific investment funds, your Plan contributions will be automatically invested in the Plan's default investment option. A separate notice will be sent to you with more information about the Plan's qualified default investment alternative ("QDIA") under applicable Department of Labor regulations.

Safe Harbor Matching Contributions

To maintain the Plan's "safe harbor" status, your Employer will make a Safe Harbor Matching Contribution for each Plan Year that is equal to 100% of your Salary Reduction Contributions (including any automatic Salary Reduction Contributions under the Plan's QACA feature) on up to six percent (6%) of your Compensation during the Plan Year. Once eligible to make Salary Reduction Contributions to the Plan, you are not required to perform any minimum amount of service or be employed on the last day of the Plan Year to receive the Safe Harbor Matching Contribution for that year.

For purposes of calculating the Safe Harbor Matching Contribution, your Compensation and Salary Reduction Contributions will be determined on a Plan Year basis. Any Safe Harbor Matching Contributions your Employer makes will be in addition to any other Employer contributions made under the Plan.

The Plan may be amended during the Plan Year to reduce or suspend required Safe Harbor Matching Contributions. If the Plan is so amended, the reduction or suspension of the Safe Harbor Matching Contribution will not apply until at least thirty (30) days after all eligible Employees are provided adequate notice of such reduction or suspension.

Other Employer Contributions

You may be eligible to receive additional Employer contributions, including Base Contributions and Grandfathered Base Contributions, under the Plan. You may be eligible for an Employer Base Contribution in a Plan Year if (1) you are credited with at least 1,000

Hours of Eligibility Service for such Plan Year and are in active employment with an Employer on the last day of such Plan Year; or (2) you incurred a Termination of Employment in such Plan Year after attaining age fifty-five (55). The Base Contribution is equal to a specified percentage of your Compensation for the Plan Year. The specified percentage is based on your Years of Accrual Service. Participants who, as of December 31, 2023, have completed at least twenty-one (21) Years of Accrual Service may also be eligible for an additional Grandfathered Base Contribution.

Additional information about the Employer contributions made to the Plan is available in the SPD.

Vesting

You are always 100% vested in your Salary Reduction Contributions. You will become vested in the Safe Harbor Matching Contributions, Base Contributions, and Grandfathered Base Contributions pursuant to the following schedule:

<u>Completed Years of Service</u>	<u>Vested and Nonforfeitable Percentage</u>
Less than 2	0%
2 or more	100%

Withdrawals and Distributions

Your vested Plan account may be distributed in the following circumstances:

- If you terminate your employment with the Employer;
- After you reach age 59½;
- After your death, to your designated beneficiary or beneficiaries;
- If you become disabled;
- If the Employer terminates the Plan without establishing another defined contribution Plan.

In the event of a “financial hardship” (as defined in the Plan), you may withdraw your own Salary Reduction Contributions, including any earnings thereon. The amount of the distribution is limited to the amount needed to alleviate the financial hardship. For more information on withdrawing contributions on account of hardship, please refer to the Plan’s SPD.

The Plan permits distributions to be in the form of a single lump sum cash payment or annual installment payments over a period certain not to exceed the Participant’s life expectancy or the life expectancy of the Participant and the Participant’s designated beneficiary.

Employer's Right to Terminate Plan

Pursuant to the terms of the Plan, the Employer has the right, at any time, to terminate the Plan. Termination of the Plan will result in the discontinuance of all contributions to the Plan (including the Safe Harbor Matching Contributions) with respect to any Compensation you receive after the effective date of the termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

Questions and Additional Information

If you have any questions regarding this Notice or your rights and obligations under the Plan, please contact the Plan Administrator in care of the Methodist Health System Benefits Department, at (402) 354-2280, or 825 S 169th Street, Omaha, NE 68118.

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