

Changes are Coming... *And It's All Good*

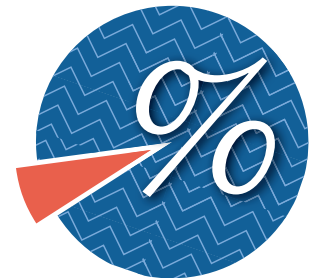
A NOTICE TO EMPLOYEES FROM NAD RETIREMENT

You want to live comfortably once you're no longer punching a time clock. And we here in Retirement are doing all we can to help you write your retirement paycheck!

That's why we're making the following changes – all of which you need to know about:

➔ First up is a *new Empower website*. We're very excited about the enhanced tools and features that this site will offer you. You can begin taking advantage of them when the site becomes available to you on September 27, 2017.

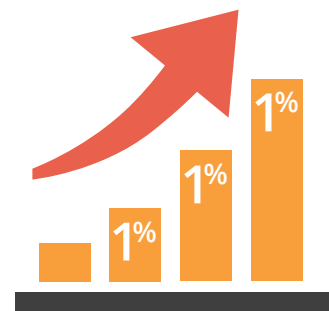
➔ Next is a change that may sound like a math exercise—because, well, it is. But it's a simple one. You'll recall that when you were hired you signed a Salary Reduction Agreement (SRA) that indicated a dollar or percentage amount of your paycheck that you wanted to go into your Retirement account at Empower (our current Third Party Administrator). **As of September 14, 2017, we want to receive only percentages—no more dollar amounts.** And your employer will be converting the dollar amounts now in the books into percentages, too.



For example, some of you may have indicated you wanted 3% for your Elective Deferral amount and \$50 for your Roth IRA. That \$50 Roth election must now be converted to a percentage. We said it will be simple — and that's because your employer will do it for you. But you can assist them by making them aware of any questions you have.

➔ Finally, there are some key things to know as we go forward:

➔ Every July, beginning July 1, 2018, **your contribution percentage will automatically increase by 1%** on a yearly basis up to 7%. This will coincide with your yearly COLA increase for those who receive it in July. When an employee's contribution reaches 7%, the automated increase will stop. That doesn't mean you can't continue to increase it, but it will no longer be done automatically.



If at any time, you want to change that percentage amount you simply go to your Empower website and indicate the percentage amount you *do* want. Empower will send NAD Retirement a report of that change and we will notify your employer. So – no more SRA's!

- ➔ If you work for more than one department or employer, please understand that any changes you make regarding one contribution percentage will apply to all of the employers.
- ➔ Beginning July 1, 2018, if you have never elected to contribute any of your own money, or you have indicated you did not wish to participate at all, please be aware that an **Auto-Escalation amount of 1%** will be made for you. If you still do not wish to participate — or want to change the percentage amount — please go to your Empower website to make that adjustment.

1%

There's one more thing, and we'll use an example to explain it. Suppose you work full time for NAD and part time for Potomac ABC. **Go onto the website** and you will notice only one employer shows at a time — and it's the employer that most recently sent a payroll file to Empower. So even though NAD is your full-time employer, it may be Potomac ABC that you see on the site. If in fact Potomac ABC is showing, and you change your percentage from 3% to 4%, it will also change NAD to 4% (and vice versa).



If you are a bit confused by any of this, please see your employer. They will be happy to assist you.

*From all of us at NAD Retirement,
thank you for helping us help you!*