

# MEDICAL EDUCATION AND RESEARCH INSTITUTE EMPLOYEES' 401(K) PROFIT SHARING PLAN

## ANNUAL NOTICE

### **INTRODUCTION**

This Notice contains information related to the Medical Education and Research Institute Employees' 401(k) Profit Sharing Plan (the "Plan") for the plan year beginning on January 1, 2017. The plan year is each 12-month period ending on December 31.

The safe harbor and automatic enrollment features apply to the Plan. This Notice gives you important information about these Plan features and how they will affect you. For further information about the Plan, please see your copy of the Plan's summary plan description (SPD). If you need a copy of the SPD, would like a copy of other Plan documents, or if you have any further questions on the information contained in this Notice, please contact the plan administrator at:

Medical Education and Research Institute  
Address: 44 South Cleveland Street, Memphis, TN 38104  
Phone number: 901-722-8001  
Fax number: 901-722-9009

### **AUTOMATIC ENROLLMENT**

The eligible automatic contribution arrangement (EACA) provisions apply to the Plan. This type of automatic enrollment allows the plan administrator to enroll certain employees in the Plan who have not previously elected to participate in the Plan.

#### **Do the Plan's automatic enrollment features apply to me if I have already made a deferral election?**

No, if you have already made a deferral election that amount will continue to be withheld from each of your paychecks until you make a new election.

#### **What happens if I do not make a deferral election by the end of the 30 day period following the date the form is received?**

If you are eligible to make elective deferrals and you do not make a deferral election by the end of the 30 day period following the date the form is received, the plan administrator will begin deducting automatic deferrals from each of your paychecks and will submit those amounts to the Plan (automatic deferrals) on your behalf. An automatic deferral amount of three (3) percent of your compensation will be withheld from each of your paychecks. The automatic deferral amount will be contributed as a pre-tax elective deferral to the Plan.

If you do not wish to have automatic deferrals withheld from each of your paychecks or if you want to change the amount withheld, you must make a deferral election. If automatic deferrals have already started, you may make a deferral election to change the amount being withheld or to stop the deferrals entirely.

#### **If automatic deferrals are withheld from my paycheck can I take that money out of the Plan right away?**

Yes, you may request that your automatic deferrals and any earnings on those deferrals be distributed to you as long as you make the request in writing within 90 days of when the automatic deferrals were first

withheld from your paycheck. Any matching contributions associated with the automatic deferrals that you take from the Plan by the deadline will be forfeited. After that deadline has passed you will only be able to take the automatic deferrals out of the Plan when elective deferrals can be distributed.

## **ELECTIVE DEFERRALS**

Your elective deferrals are amounts that you chose to (or are assumed to have chosen to) have withheld from your paycheck and contributed to the Plan in your name. Please see the section of your SPD titled "Eligibility for Participation" to determine if you are eligible to make elective deferrals and "Contributions to the Plan" for the type of compensation you may defer into the Plan.

### **How do I make or change my deferral election?**

You may make or change your deferral election by returning a deferral election form to the plan administrator.

### **Once I make a deferral election, how often can I change, stop, or re-start the election?**

You may change or re-start your deferral election as of each calendar quarter. You may stop your deferrals at any time.

### **If I make a deferral election is the amount withheld from my paychecks taxed?**

No, the amount you elect to defer into the Plan is not taxed until you take the money out of the Plan.

### **Are there any limits to how much I can defer into the Plan?**

Your elective deferrals are subject to the following limits:

- Your total amount of deferrals cannot be more than \$18,000 (for 2017).
- If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution," of up to \$6,000 (for 2017).

The plan administrator may establish additional rules you will need to follow when making your deferral election. Your deferral election is only effective for compensation you have not received yet. The plan administrator may also reduce or totally suspend your election if they determine that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

## **SAFE HARBOR CONTRIBUTIONS**

The plan administrator intends the Plan to be a safe harbor plan. In a safe harbor plan, if certain requirements are met, the Plan will be deemed to automatically pass certain IRS required non-discrimination testing (ADP, ACP, and top-heavy). One of these requirements is a minimum level of employer contributions to the Plan. The Plan may be amended during the plan year to reduce or suspend the safe harbor contributions. The reduction or suspension will not apply until at least 30 days after you are provided notice of the reduction or suspension.

### **Am I eligible to receive safe harbor contributions?**

Once you meet the eligibility requirements below, you will be eligible to receive safe harbor contributions unless you fall into one of the following categories.

- You are an employee covered by a collective bargaining agreement where retirement benefits were the subject of good faith bargaining.

- You are a leased employee.
- You are a non-resident alien with no U.S. sourced income.

**What eligibility requirements do I have to meet to receive safe harbor contributions?**

You will be eligible to receive safe harbor contributions on the first day of each plan quarter coincident with or next following the day you meet the following requirements.

- You obtain age 21.
- You complete 1000 hours of service in a 12 month period.

**Will ADP safe harbor contributions be made to my account under the Plan?**

Yes, as long as you are eligible to receive safe harbor contributions, ADP safe harbor contributions equal to 100% of your deferrals up to 5% of your compensation will be made to your account.

**Will additional ACP safe harbor matching contributions be made to my account under the Plan?**

Additional discretionary ACP safe harbor matching contributions may be made to your account. These contributions will be made in an amount that will be determined each year.

**Will any additional contributions be made to my account under the Plan?**

Additional contributions may be made to your account under the Plan. Please see the section of your SPD titled "Contributions to the Plan" for information on any further contributions.

**VESTING**

Vesting refers to the amount of money you have in the Plan that you have a non-forfeitable right to receive. You may be required to work a certain amount of time to earn certain contributions to the Plan. Please see your SPD section titled "Vesting" for more information about vesting and how it is calculated.

**Do I need to work a certain amount of time to keep my elective deferrals, ADP safe harbor contributions, additional ACP safe harbor matching contributions and non-safe harbor matching contributions?**

No, you will always be immediately 100% vested in your elective deferrals, ADP safe harbor contributions, additional ACP safe harbor matching contributions and non-safe harbor matching contributions.

**DISTRIBUTIONS**

**Can I take a distribution of my account balance after my employment terminates?**

Yes, you can take a distribution of your account balance immediately after your employment terminates.

**Can I take a distribution of my account balance when I reach age 59 1/2?**

Yes, you can take a distribution of all of your fully vested account balance when you reach age 59 1/2.

**Can I take a distribution of my account balance while still working at any time?**

Yes, you can take a distribution of your rollover contribution account balances at any time.

**Can I take a distribution of my account balance while still working if I incur a hardship?**

Yes, you can take a hardship distribution of the following fully vested account balances while still working if you incur a hardship:

- elective deferrals

**Can I take a loan from the plan?**

Yes, you may be able to take a loan secured by your assets in the plan.

Please see the SPD section titled "Distributions" for further information on your distribution options.

**PLAN INVESTMENTS****Can I direct how my account balances will be invested?**

Yes, you can direct how your entire account balance will be invested from among the different investments offered under the Plan.

You may make or change your investment elections by going to the following web site: [www.planlogin.com](http://www.planlogin.com)

**How often can I change my investment election?**

Subject to any additional restrictions placed on investment timing by the actual investment, you may change your investment elections daily.

**How will my account balances be invested if I do not make an investment election?**

If you do not make an investment election your account balances will be placed in investments selected by the plan administrator.