

## ***NorthStar Retirement Account: Your Resources for Help & Planning***

Dear NorthStar Team,

We understand that there are many outstanding questions surrounding the recent conversion of the NorthStar Anesthesia 401(k) Plan to Transamerica. Our goal is to provide a top-notch retirement plan experience, and we recognize that this transition fell short of that for many of you.

To that end, your NorthStar Benefits team, in partnership with our retirement plan service providers, has taken a number of steps to ensure that your experience moving forward is greatly improved. **We hope that this message provides you with a better understanding of who to contact and what you can expect and familiarizes you with our new providers.** We've also included FAQs about Voluntary After-Tax Contributions and Roth In-Plan Conversions along with FAQs about the Lincoln Financial Stable Value Fund.

Also, starting today when you contact Transamerica, all NorthStar teammate calls will be handled by a group of specially trained representatives that are familiar with the intricacies of our retirement plan. This advanced call center group will be able to address your questions and help facilitate any transactions that you wish to accomplish. **To ensure that you are connected directly to this group, please be sure to enter your personal identifying information at the prompt when you call Transamerica at 800-401-8726.**

### **Meet Our New Retirement Plan Service Providers**

You now have access to multiple new resources available when it comes to assisting with your retirement and financial planning needs.

- **Transamerica** is our retirement plan provider and is the entity you should go to **for all retirement plan transactional needs**. Please reach out to Transamerica at <http://www.transamerica.com/portal/NorthStar> or via phone at 800-401-8726 if you wish to enroll in the plan, make changes to your investment line-up, change your beneficiary, request a distribution, or simply increase your savings amount.
- **NPPG** is another entity working with Transamerica on processing transactions for our plan. You may see them referenced on plan paperwork and forms as our Plan Administrator. If you have submitted either a distribution or Roth in-plan conversion form and would like to check on the status, you may call the Transamerica call center at 800-401-8726.
- **Creative Planning Retirement Services** provides Financial Wellness consulting for all NorthStar teammates. Mark Murray is our Creative Planning Financial Wellness Consultant and can help you with any questions you have regarding individual financial situations or personal financial decisions, such as: *How much should I save? What do I do with my old 401(k)? When can I retire? How can I better manage debt?*

Use the chart below for additional information on which party to contact depending on your question or need.

<p>Creative Planning Financial Wellness Consultant Mark Murray mark.murray@creativeplanning.com or scan this QR code to set up an appointment</p> 	Questions about how much or where to invest
	Questions about how much to save to meet retirement needs
	What do I do with my old 401(k)?
	Question about credit cards or debt management
	How to set up and manage to a budget?
	Questions about the After-tax account
	When can I retire?
	I am changing job or status, what do I do now?
	I'm retiring in a few years, what should I do?
	College Funding discussions
	Roth vs. Pre-tax 401(k) questions
	Need general financial help
<p>Transamerica transamerica.com/portal/NorthStar or call 800-401-8726</p>	I want to change my salary deferral
	I know what investments I want to change, and I need to affect a transaction
	I want to convert money in my plan to Roth
	I want to take or pay off a loan
	I need to set up or change my beneficiary
	I want to enroll in plan
	I want to rollover money into my 401(k)
	I need to take money out of the plan
<p>NorthStar's Benefits Team email: benefits@northstaranesthesia.com</p>	I need to check my balance
	<p>For internal assistance with 401(k) vendors or question on who to contact</p> <p>Calina Farris, Benefits Administrator Luke Westervelt, Benefits Administrator DeAnn White, Benefits Administrator Alisha Stagg, Benefits Manager</p>

## Voluntary After-tax & Roth In-Plan Conversion

The NorthStar Anesthesia Plan allows you to elect contribution amounts on a pre-tax, Roth or on a voluntary after-tax basis. Pre-tax contributions are deducted from your eligible pay and lower your taxable income when made. Any earnings accrue tax-deferred, and you pay taxes when the funds (both contributions and earnings) are withdrawn from the plan. By contrast, Roth contributions are deducted from your eligible pay after taxes are taken. Any earnings on Roth contributions accrue tax-free and you pay no taxes when you withdraw Roth contributions and earnings, provided you are at least age 59 ½ or disabled, and your withdrawal is made at least five (5) years after your first Roth contribution.

Voluntary after-tax contributions are also deducted after taxes have been taken; however, you do need to pay taxes on any of the earnings attributed to the voluntary after-tax contributions.

### Frequently Asked Questions (FAQ)

#### How can I limit the tax liability on Voluntary After-tax Contribution earnings?

You may complete a Roth In-Plan Conversion of your voluntary after-tax contributions. You can consult with your tax advisor to determine if this strategy is right for you.

#### How does a Roth In-Plan Conversion work?

A Roth In-Plan Conversion allows you to elect to convert any or all of your pre-tax or voluntary after-tax assets to Roth assets. This strategy may help you manage your tax liability in the future.

#### Why might you be interested in a Roth In-Plan Conversion?

A Roth In-Plan Conversion may be of interest if you:

- Expect your tax rate to be higher in the future.
- Are interested in diversifying your tax liability in retirement.
- Plan to keep the money invested for at least five years after the conversion before taking a withdrawal.

#### When is this service going to become available?

The service is available now and can be accomplished by completing the attached Roth In-Plan Conversion Form

#### Where do I obtain a copy of this form

In addition to being attached to this communication, you can also get copies of this form either by contacting Transamerica at 800-401-8726 or in the future by downloading a copy from the NorthStar Internal SharePoint site

#### Once I have the new form, what do I do with it?

Once you have completed the form, follow the instructions on the form emailing the form to [clientservices@pfslink-e.com](mailto:clientservices@pfslink-e.com) or by faxing the form to 561-547-4800 to the Plan Administrator, NPPG. NPPG will review the form for accuracy and completeness. Once the review is complete Transamerica will process the conversion.

#### How often can I convert pre-tax or voluntary after-tax savings to Roth?

While most retirement plans limit the ability to do a Roth In-Plan Conversions to once per year, within the NorthStar plan you will be able to perform a Roth In-Plan Conversion once per quarter. Any forms received in good order prior to the dates of March 1<sup>st</sup>, June 1<sup>st</sup>, September 1<sup>st</sup>, or December 1<sup>st</sup> will be processed by the end of that corresponding month.

#### How are taxes handled for a Roth In-Plan Conversion?

Since a Roth In-Plan Conversion converts either pre-tax assets or after-tax contributions into Roth assets, you must pay income taxes on the pre-tax contributions and any associated earnings from either pre-tax or voluntary

after-tax that you convert to Roth. Income taxes are not withheld at the time of conversion. You could incur a sizeable state and federal income tax bill for the year of the Roth In-Plan Conversion, so we strongly recommend that you talk to your financial or tax advisor first, and make sure you have other funds available to pay your taxes.

**Is there a limit on how much I can convert?**

There is no limit to how much you can convert.

**Can I change my mind after I make a Roth In-Plan Conversion?**

No. Once the funds have been converted the transaction cannot be reversed. Roth In-Plan Conversions are irrevocable.

**Must my spouse consent to my Roth In-Plan Conversion?**

No. A Roth In-Plan Conversion is not treated as a distribution requiring your spouse's consent.

**Can I make withdrawals of my converted Roth amounts?**

Once contributions are converted, you can withdraw those converted funds when you are eligible to do so under the terms of the plan--generally following attainment of age 59½, severance from employment, disability, or death. There is a five-year holding period required for tax-free withdrawal of Roth 401(k) earnings from retirement plans. The five-year period begins with the beginning of the year in which you first conduct a Roth In-Plan Conversion, or in which you make your first Roth 401(k) salary deferral contributions, if earlier.

**When might my converted Roth amounts be subject to tax when withdrawn?**

If you are under the age 59½, the 10% early distribution penalty tax is waived at the time of conversion. However, if you withdraw any of the converted amount within five years of the conversion and you are still under age 59½ at the time of the withdrawal, you will owe the 10% early distribution penalty that was waived at the time of the conversion – unless an exception, such as disability, applies. The five-year holding period, which is applied separately to each Roth In-Plan Conversion, begins on the first day of the calendar year in which you elect a Roth In-Plan Conversion. This five-year period is independent of the five-year period discussed above for the tax-free distributions of earnings.

**How can I obtain more information about Roth In-Plan Conversions?**

- Online: Visit [transamerica.com/portal/northstar](https://transamerica.com/portal/northstar) and *Log in*.
- Phone: Call Transamerica at 800-401-8726

## Lincoln Financial Stable Value Fund

One of the investments that was previously made available to you within the NorthStar Anesthesia plan was the Lincoln Stable Value fund. A Stable Value fund is a conservative fund investment option, one that is focused on the preservation of capital. That means it retains the value of your cash, no matter what the stock and bond markets are doing. The return that you receive from a Stable Value fund is often more than what you would get in other short term fixed income investments, however one of the tradeoffs to receive this higher return is that the plan must notify the Stable Value fund manager 12 months in advance of any plan wide transfers. If you invested in the Stable Value option in our prior plan with Lincoln Financial, you may already know that Lincoln exercised their contractual right to hold that money for 12 months. That period ends on November 11, 2023. In the meantime, Lincoln Financial has assured us that the funds you hold are benefit responsive. This means is that if you are eligible for a distribution, the Lincoln Stable Value will be able to be included with any funds you have at Transamerica to allow for a full distribution to be processed. This also means that if you choose, you can move your Lincoln Stable Value money to your core funds with Transamerica at any time. For a distribution, you will use the normal distribution request form, attached to this message, found on the Transamerica website or obtained by calling Transamerica at 800-401-8726, in conjunction with the transfer form. The form for transferring your Lincoln Stable Value balance to your core funds at Transamerica is available and attached to this FAQ document. You will follow the instructions on the form and forward it to our Plan Administrator, NPPG, who will review for completeness and accuracy before working with Transamerica to secure the funds from Lincoln Financial.

### Frequently Asked Questions (FAQ)

#### **Am I required to move out of the Lincoln Stable Value fund?**

Not at this time. You can choose to remain in the Lincoln Stable Value fund until the notification period ends; however, on November 11, 2023, any assets remaining in the Lincoln Stable Value fund will be transferred to Transamerica and will be invested within the Transamerica Stable Value fund.

#### **Can I have my salary deferred or move money into the Lincoln Stable Value fund?**

No, you cannot add any money to the Lincoln Stable Value fund, only those funds that were invested in the Lincoln Stable Value fund prior to our move to Transamerica are allowed to remain until November 11, 2023.

#### **Is there a comparable investment to the Lincoln Stable Value fund within Transamerica**

Yes, we now have access to the Transamerica Stable Value fund as the plan's conservative stable option. Should you want help and would like to speak to someone about choosing your investments please reach out to our Financial Wellness consultant Mark Murray, [mark.murray@creativeplanning.com](mailto:mark.murray@creativeplanning.com)

#### **Can I move money out of the Lincoln Stable Value fund?**

Yes, while the plan must follow the notification period, you as an individual investor can move your funds at any time.

- If you wish to move money out of the Lincoln Stable Value fund and invest in any other fund within our plan at Transamerica, please complete the Stable Value transfer form and follow the instructions to submit to our plan administrator, NPPG.
- If you are eligible for a distribution and you wish to distribute or rollover the funds out of the Lincoln Stable Value fund, contact the Transamerica call center to initiate that process or go online to request a distribution.

**How can I see my balance in the Lincoln Stable Value fund?**

Transamerica is receiving balance updates from Lincoln at the start of each quarter, this balance is shown to you on your Transamerica statement and viewable when you log onto the Transamerica website. It will be displayed as Lincoln Value Stable Fund and the amount reflected will be of the last quarterly valuation.

**Where do I obtain a copy of this form**

In addition to being attached to this communication, you can also get copies of this form either by contacting Transamerica at 800-401-8726 or by downloading a copy from the NorthStar Internal SharePoint site.

**I have the new form, now what do I do with it?**

Once you have completed the form, follow the instructions on the form emailing it to [clientservices@pfslink-e.com](mailto:clientservices@pfslink-e.com) or by faxing it to 561-547-4800 to the Plan Administrator, NPPG. NPPG will review the form for accuracy and completeness. Once the review is complete, Transamerica will contact Lincoln and initiate your transfer, distribution, or rollover.

**If I transfer money out of my Lincoln Stable Value fund and into Transamerica, where will it be invested?**

Any transfers received from Lincoln will be invested in the same allocation as your current salary deferrals.

**How can I obtain more information about my Stable Value Fund?**

- Online: Visit [Transamerica.com/portal/northstar](https://Transamerica.com/portal/northstar) and *Log in*.
- Phone: Call Transamerica at 800-401-8726