

# WorkSmart 401(k) FAQs

## **Q. How do I sign up for the 401(k)?**

A. Please call WorkSmart Systems at 317.585.7870 or e-mail [401k@worksmartpeo.com](mailto:401k@worksmartpeo.com). We will confirm you've met your employer's eligibility requirements. Upon confirmation of your eligibility, go to [www.worksmartpeo.com/401k](http://www.worksmartpeo.com/401k) and view the 401(k) enrollment information, or call WorkSmart Systems at 317.585.7870 to request a 401(k) packet be mailed to you. For online enrollment go to [www.jhgoenroll.com](http://www.jhgoenroll.com) and use WorkSmart's contract number (23540) and enrollment access number (109497).

## **Q. I met my eligibility requirement previously, but am just now interested in enrolling in the 401(k). Do I need to wait until a certain time to enroll?**

A. Once you've passed your initial entry date, you can enroll at any time.

## **Q. I am a part-time employee. Can I participate in the 401(k)?**

A. Yes. As long as you've met the eligibility requirements established by your employer, you are eligible to participate in all aspects of the Plan. If you have not met the plan's eligibility conditions but have met the new Long-Term Part-Time (LTPT) rules under Secure 2.0, you are allowed to make salary deferrals but not receive any employer contributions. Please refer to the Summary Plan Description for specific information on eligibility requirements and vesting provisions. Under the LTPT Rules, if you have at least 500 hours in 2021, 2022 and 2023 you must be allowed to make salary deferrals in the Plan effective 1/1/2024.

## **Q. I have questions about investing in the 401(k) Plan. Who should I call?**

A. As a WorkSmart Systems employee, you have access to WorkSmart Systems' 401(k) advisors, Shepherd Financial. Shepherd Financial has a dedicated toll-free number specifically for WorkSmart Systems (1.866.WSS.401K; 1.866.977.4015). Shepherd Financial will be happy to speak with you to answer general 401(k) questions or specific questions regarding your account, and can also assist with loans, termination withdrawals and rollovers.

## **Q. How do I register on the John Hancock website after I've enrolled?**

A. Go to [www.jhancockpensions.com](http://www.jhancockpensions.com) and click Register. To complete the registration process, you will need to know WorkSmart's contract number (23540) and verify your personal information. You may register approximately 2 business days after you submit your enrollment information.

## **Q. How do I change my deferral amount?**

A. Once you have registered on the John Hancock website you may change your deferral online by clicking the Manage tab and the Contributions option.

## **Q. What is the maximum deferral?**

A. For 2024, the maximum annual deferral is \$23,000. If you will be 50 years of age or older during 2024, there is a \$7,500 "catch-up" allowed, making the maximum deferral \$30,500 for anyone age 50 or older.

## **Q. How can I change my investments?**

A. Once you have registered on the John Hancock website you may change your investments online by clicking the Manage tab and the Investments option. You can change your allocations up to two times each month.

## **Q. I have a retirement account from a previous job. Can I consolidate my funds?**

A. Please contact WorkSmart Systems at 317-585-7870 or [401k@worksmartpeo.com](mailto:401k@worksmartpeo.com) for assistance. You will also need to contact your previous administrator for information and the form to roll the funds out of their retirement plan.

## **Q. I am an active employee and would like to withdraw all of my funds. Can I do this?**

A. The IRS does not allow an active employee to simply withdraw 401(k) funds. A qualifying distributable event must take place. This plan allows in-service distributions upon attainment of age 59 1/2. If you meet the age requirement you can request a taxable in-service distribution of up to 100% of your account balance. You may continue to contribute to the Plan after an in-service distribution.

## **Q. Can I take a loan against my 401(k)?**

A. Yes. You may request a loan of up to 50% of your vested balance but not exceeding \$50,000. The minimum loan amount is \$1,000.00. There is a \$100 loan fee deducted from your account. You may elect up to five (5) years for the term of the loan. Payments are post-tax deductions from payroll. The interest is two percent (2%) above the Prime Rate, and paid to your account. Loans can be requested through the John Hancock website.

## **Q. How many outstanding loans can I have at one time?**

A. WorkSmart's Loan Policy allows three (3) active loans at any time. If you have defaulted on a loan, you are not eligible for a new loan until the defaulted loan is paid in full. Refinancing of loans is not allowed. Please refer to the Loan Policy for further detail.

## **Q. When will I receive my distribution (loan, termination withdrawal, etc.) from John Hancock?**

A. You can choose either an electronic distribution or a check distribution. If you choose an electronic distribution, you will receive the funds in approximately 5-10 business days. Please note if you choose to have the funds distributed via a wire, John Hancock does not charge a fee for the wire transmission, but your institution may charge a fee. If you choose a check distribution, you will receive the funds in approximately 10-15 business days.

## **Q. I am no longer with WorkSmart Systems, but have a 401(k) loan. What happens now?**

A. Outstanding loan balances are due in full upon termination of employment. To pay the loan off, send WorkSmart Systems a money order for the amount of the payoff within 14 days of termination. If after 14 days payoff is not received, a loan off-set will take place. A loan off-set is a taxable event and if under age 59 1/2 a 10% early withdrawal penalty also applies.

## **Q. I have terminated from WorkSmart Systems and have a 401(k) with John Hancock. What should I do?**

A. You may be able to keep your 401(k) account through WorkSmart Systems, continuing to manage your account via the John Hancock website, or you may choose to take a distribution. You can request a distribution through the John Hancock website by choosing the "Leaving the Company" option, or contact WorkSmart Systems via phone 317.585.7870 or e-mail 401k@worksmartpeo.com.

Please note:

- If you have less than \$1,000 in your 401(k) account, you will need to timely make a distribution election, otherwise you will be forced out in cash with a check mailed to you. The forced distribution is subject to taxes and if under age 59 1/2 a 10% penalty applies.
- If you have a balance between \$1,000-\$7,000, and you don't make a timely distribution election, the funds will be rolled out of the plan into an IRA in your name with Retirement Clearing House.
- If you have a balance exceeding \$7,000, you can choose to keep your funds in the WorkSmart Systems 401(k) Plan. In the event your prior employer leaves WorkSmart Systems or closes its business, you will be required to take a distribution even if your balance exceeds \$7,000.