

FOSTER & WOOD

# Sapphire Health

## ▶ Services 401(k)

Profit Sharing Plan

Summary Guide 2025

# Welcome to the Sapphire Health Services 401(k) Plan

- ▶ Congratulations on taking your first steps towards a secure life when you retire.
- ▶ Sapphire Health Services 401(k) Plan has appointed Foster & Wood as our advisors. Foster & Wood bring over 42 years of combined experience in managing retirement plans.
- ▶ They do not allow commissions or any other conflicts of interest in the plans they manage. You can confidently ask them questions or seek their advice without worrying about “what’s in it for them.”
- ▶ Enrolling in the plan can be completed through [participant.empower-retirement.com](https://participant.empower-retirement.com)  
Instructions are included in this guide.
- ▶ Contact Tim Wood with any questions about investment strategy, enrollment, etc.
  - ▶ Tim Wood | 971-266-3134 | [tim@fosterandwood.com](mailto:tim@fosterandwood.com)
  - ▶ Jeremy Six | 971-366-3513 | [jeremy@fosterandwood.com](mailto:jeremy@fosterandwood.com)

# Plan Highlights – Basic Rules

- ▶ Contribution Maximums
  - ▶ Maximum annual contribution is \$23,500, not to exceed 95% of pay
  - ▶ A catch-up contribution of \$7,500 is available to those over 50 years old
- ▶ Eligibility
  - ▶ Age 21 or over and 3 months of service
  - ▶ Plan entry is 1<sup>st</sup> day of the month following your service requirement
- ▶ Rollovers of previous 401k plan balances are allowed at any time
  - ▶ Don't need to wait for the eligibility listed on the left
  - ▶ Call Foster & Wood if you have questions
- ▶ Loans are available
  - ▶ Under federal rules, the minimum loan balances is \$1,000 and the maximum is \$50,000
  - ▶ Can't exceed 50% of your vested balance

In service distributions are available to employees who are at least 59 ½

# Automatic Enrollment

Automatic Enrollment – Once you are eligible, if you do nothing, you will be automatically enrolled at 2% of your pay (pre-tax) and your savings will be invested for you in a Vanguard Target Date Fund consistent with your age.

Automatic Escalation – Every year your contribution increases by 1% of your pay, on January 1st of the year after you begin saving for your retirement in the Sapphire plan, up to 10% of your pay at which points the escalation stops.

It is your right to request not to be enrolled if you prefer and you have 60 days after a contribution has been made to request a distribution. AFTER THIS PERIOD, ANY INVESTED FUNDS MUST REMAIN IN THE PLAN UNTIL RETIREMENT OR YOU CHANGE EMPLOYERS UNDER FEDERAL LAW.

## Employer Matching

Sapphire will match 20% on the 1<sup>st</sup> 5% you contribute toward your retirement

Employer contributions subject to a six-year vesting schedule

# Vesting – Employer Contributions

Only Applies to money contributed by Sapphire. You are always 100% vested in your own contributions and the plan is completely portable with you

## Years of Service

Year One	0%
Year Two	20%
Year Three	40%
Year Four	60%
Year Five	80%
Year Six	100%

**Your vesting period starts the day you begin employment with Sapphire, NOT when you sign up for the plan.**

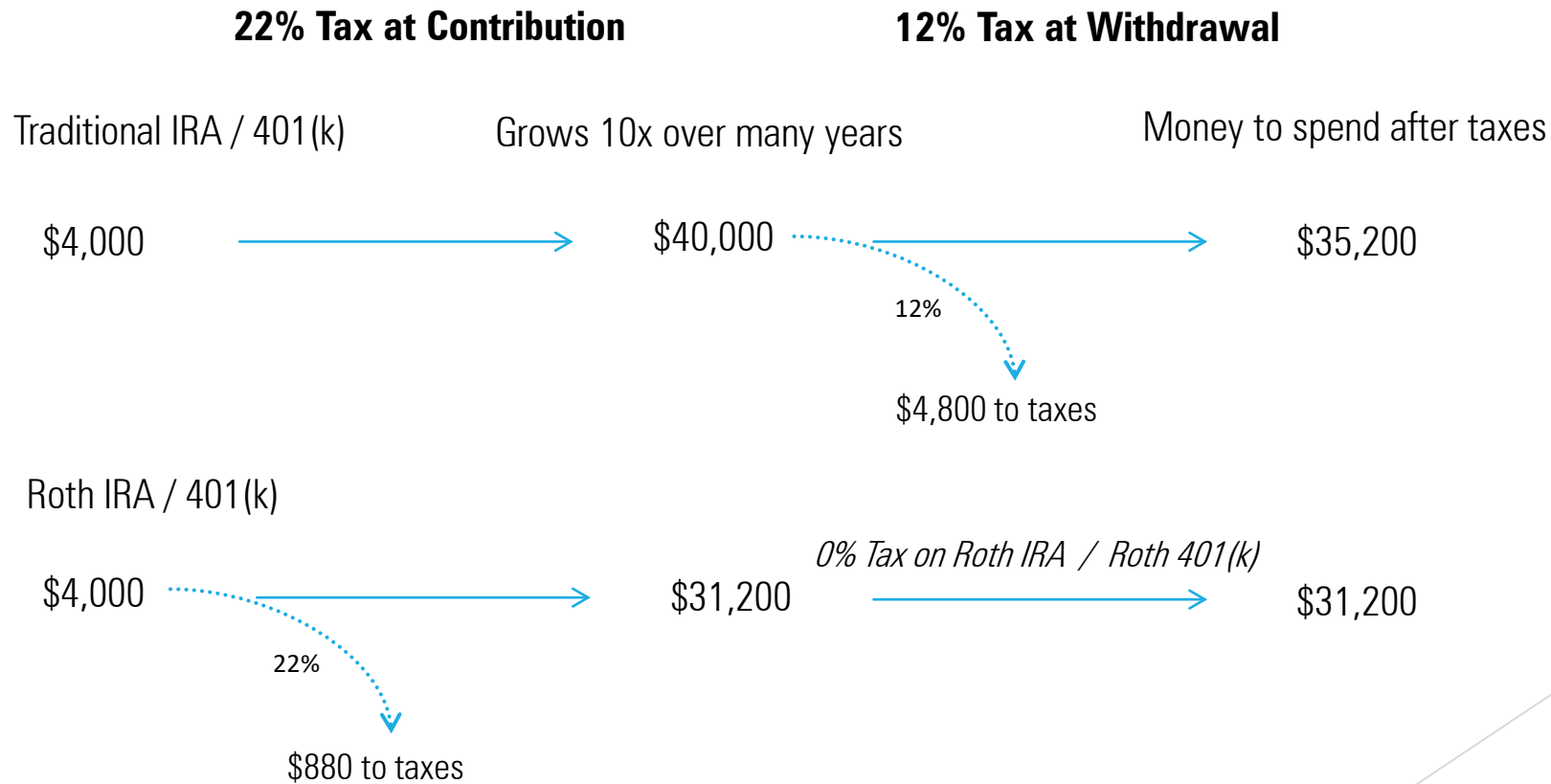
# Plan Highlights – Roth 401(k)

- ▶ Traditional 401(k)
  - ▶ Tax deduction when you contribute
  - ▶ Reduces the tax you pay every pay period
  - ▶ In the future, withdrawals are taxed as income
- ▶ Roth 401(k)
  - ▶ No tax deduction when you contribute
  - ▶ Money comes out tax free
- ▶ Company contributions are never Roth. Matching and Profit Sharing are always counted as Traditional, even if your contributions are Roth contributions
- ▶ You can make traditional contributions, Roth contributions, or a mixture of both, subject to the maximums

# Roth vs. Traditional IRA / 401(k)

Example: Your tax rate now vs. later is the most important consideration

If your tax rate now vs. later is the same, the options are similar



# How Can Auto Features Work for Me?

	Gross Pay	401(k) Contribution	Taxable Income	State & Federal Tax	Net Pay	Sapphire Contribution	Savings @ 5 Years	Savings @ 10 Years	Savings @ 25 Years	Savings @ 30 Years
<b>Wage of \$10.50 Per Hour</b>	840.00	-	840.00	142.80	697.20	-	0	0	0	0
<b>Wage of \$10.50 Per Hour</b>	840.00	16.80	823.20	139.94	683.26	3.36	2,865.00	6,827.00	30,357.00	44,843.00
<b>Difference in Take Home Pay</b>					13.94					
<b>Contribution @ 5%</b>	840.00	42.00	798.00	135.66	662.34	8.40	7,163.00	17,067.00	75,892.00	112,107.00
<b>Contribution @ 7%</b>	840.00	58.80	781.20	132.80	648.40	8.40	9,550.00	22,756.00	101,189.00	149,476.00

*Assumes 8% Federal Tax and 9% State of Oregon.*

*Long term savings calculations assumes 6.5% average annualized return.*

# Can I Save Even More On Taxes?

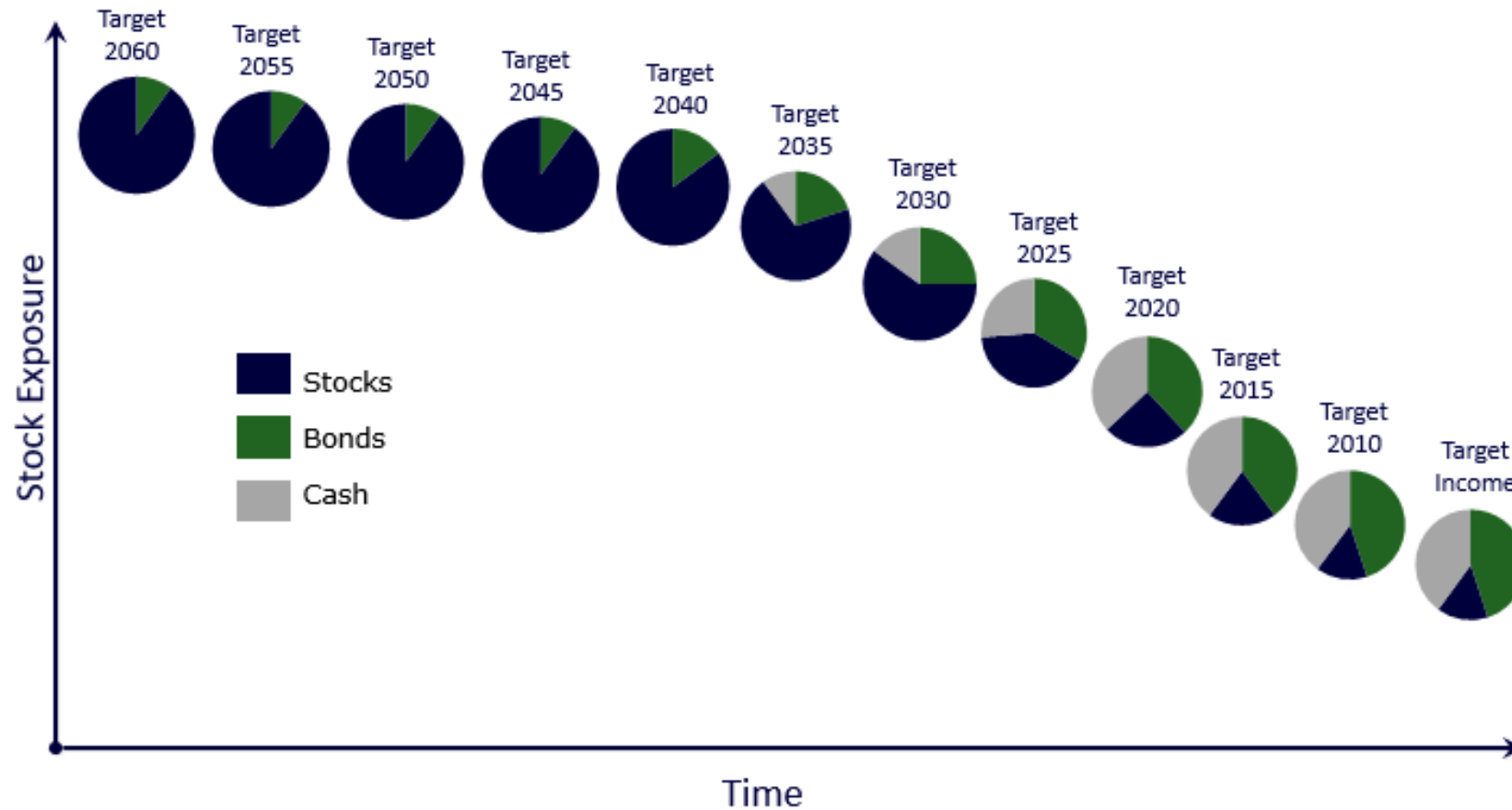
## 2024 Saver's Credit

Credit rate	Married filing jointly	Head of household	All other filers*
50% of your contribution	AGI not more than \$46,000	AGI not more than \$34,500	AGI not more than \$23,000
20% of your contribution	\$46,001 - \$50,000	\$34,501 - \$37,500	\$23,001 - \$25,000
10% of your contribution	\$50,001 - \$76,500	\$37,501 - \$54,750	\$25,001 - \$38,250
0% of your contribution	more than \$76,500	more than \$57,375	more than \$38,250

# What is a QDIA?

- ▶ A Qualified Default Investment Alternative (QDIA) is the default fund for the plan and is only used when an employee does not make an affirmative investment selection. If you end up in the QDIA, you can change it any time.
- ▶ The QDIA for the Sapphire Health Services 401(k) Plan is the Vanguard Target Date Series predicated on your age.
  - ▶ More information can be found Yahoo! Finance or your plan's website.
  - ▶ A QDIA notice will be sent to each of you following this presentation.

# Target Date Funds



**Target date funds become more conservative as you age by reducing your exposure to stock market investments.**

# 2024 Vanguard Target Date Fund Returns

	Ticker	Total Return		Total Annualized Return			
		3 months	YTD	1 year	3 years	5 years	10 years
Vanguard Target Retirement 2020 Fund	VTWNX	1.05	3.91	9.24	0.94	5.15	5.35
Vanguard Target Retirement 2025 Fund	VTTVX	1.26	5.11	11.02	1.51	6.12	6.03
Vanguard Target Retirement 2030 Fund	VTHRX	1.37	6.00	12.39	2.07	6.95	6.58
Vanguard Target Retirement 2035 Fund	VTTHX	1.55	6.87	13.52	2.65	7.77	7.12
Vanguard Target Retirement 2040 Fund	VFORX	1.73	7.68	14.74	3.23	8.59	7.65
Vanguard Target Retirement 2045 Fund	VTIVX	1.90	8.48	15.81	3.78	9.40	8.12
Vanguard Target Retirement 2050 Fund	VFIFX	2.02	9.05	16.63	4.15	9.68	8.26
Vanguard Target Retirement 2055 Fund	VFFVX	2.02	9.03	16.61	4.15	9.67	8.24
Vanguard Target Retirement 2060 Fund	VTTSX	2.03	9.04	16.60	4.16	9.68	8.23
Vanguard Target Retirement 2065 Fund	VLXVX	2.03	9.05	16.63	4.19	9.66	N/A
Vanguard Target Retirement 2070 Fund	VSVNX	2.01	9.03	16.65	N/A	N/A	N/A
Vanguard Target Retirement Income Fund	VTINX	0.89	3.00	7.96	0.46	3.72	3.95

All returns as of 6/30/2024

# Plan Website – First Time Login Set Up

- ▶ sapphire401k.fosterandwood.com will link to
- ▶ participant.empower-retirement.com Please select “Register”

The screenshot shows the top of the Empower Retirement website. On the left is the Empower Retirement logo. To its right is the text "YOUR RETIREMENT PLAN". Further right are two links: "Fund Information" and "Plan Sponsor Center". Below the navigation bar is a large banner. The left side of the banner features a photograph of three doors: a blue door, a white door, and a pink door. The right side of the banner has a blue background with the text "Experienced a job change or retired?" and "We can help. Talk to us about options for your retirement savings. Learn more »". To the right of the banner is a "Participant Login" form. The form includes a "Username" field, a "Password" field with a visibility toggle, a "Login help?" link, a blue "SIGN IN" button, and a green "REGISTER" button.

EMPOWER RETIREMENT | YOUR RETIREMENT PLAN

Fund Information | Plan Sponsor Center

Experienced a job change or retired?  
We can help. Talk to us about options for your retirement savings. [Learn more »](#)

Participant Login

Username

Password

[Login help?](#)

SIGN IN

REGISTER

# Empower Retirement

## Account verification

Enter the information below to verify your account.

I do not have a PIN  I have a PIN  I have a plan enrollment code

SOCIAL SECURITY NUMBER

ZIP / POSTAL CODE

LAST NAME (GENERALLY INCLUDES SUFFIX: E.G., JR, SR, III)

DATE OF BIRTH MM/DD/YYYY

NUMERIC PORTION OF STREET ADDRESS OR P.O. BOX

CONTINUE

## We found you!

Verification codes for enhanced security will be sent to the email address or phone number you provide below.

Provide contact information

PERSONAL EMAIL ADDRESS

PHONE NUMBER

UNITED STATES

Create username and password

USERNAME

PASSWORD

RE-ENTER PASSWORD

REGISTER



WELCOME TO YOUR RETIREMENT DEMO EXPERIENCE

Please enter your Username and Password

Username:

Password:

[Reset Password?](#)

# Empower Retirement

If you don't want to participate, you need to enroll and "Decline Participation."

Quick enrollment - Pre-selected enrollment options

<p>CONTRIBUTION RATE</p> <p><b>6%</b></p> <p><a href="#">app.enrollment.planDetails.companyContrib</a></p> <p>The estimated Before tax deferral amount to be deducted from your paycheck is based on the salary provided times your contribution rate.</p>	<p>COMPANY MATCH</p> <p><b>3%</b></p> <p>Investment matches up to:</p> <ul style="list-style-type: none"><li>• 50% on the first 6%.</li></ul> <p>The estimated match amount is based on your plan terms, subject to eligibility.</p>	<p>INVESTMENT OPTION</p> <p>XYZ Fund</p> <p><a href="#">View Details</a></p> <p>Your plan has chosen a way to help you take the guesswork out of managing your investments with a personalized approach that provides you with a professionally managed account to meet your goals through every stage of your life. <a href="#">Learn more.</a></p>
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By clicking "I Agree, Enroll Now", you confirm you have reviewed and agree to the [Participation Agreement for Online Enrollment.](#)

Customize enrollment - Choose enrollment options

Decline participation

Empower Mobile App:

<https://www.empowerretirementdemo.com/demos/41838/welcome>

# Call or Email Anytime!

- ▶ Website at [fosterandwood.com](http://fosterandwood.com)
- ▶ Tim Wood | 971-266-3134  
[tim@fosterandwood.com](mailto:tim@fosterandwood.com)
  - ▶ Update your retirement plan
  - ▶ Help with your contribution level or Traditional vs. Roth contributions.
  - ▶ Help picking your investment portfolio
  - ▶ Investment Questions
- ▶ Jeremy Six | 971-366-3513  
[jeremy@fosterandwood.com](mailto:jeremy@fosterandwood.com)
  - ▶ General Help
  - ▶ Website assistance





▶ Foster & Wood, Inc.