

AutoSave Guide

Concordia Retirement Savings Plan 403(b)



CONCORDIA PLANS

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What is AutoSave?

AutoSave is a feature of the Concordia Retirement Savings Plan 403(b) that enables employers to help their workers prepare for retirement. With AutoSave, you automatically enroll your workers in the CRSP so they can begin saving a portion of their compensation for retirement. No more forms to begin saving, only to stop.

Employers can choose from two options under the AutoSave program:

- **Automatic Enrollment** – You automatically withhold a certain percentage of compensation from a worker's paycheck to defer into the CRSP (i.e., withhold three percent of a workers' includable compensation and remit it to the CRSP).
- **Automatic Enrollment with Automatic Escalation** – You automatically withhold a certain percentage of compensation from a worker's paycheck to defer into the CRSP, and each year you increase the amount up to a certain percentage of compensation (e.g., increase your workers' contribution rate by one percent each year until they are contributing 10% of their includable compensation).

WHO DOES THE AUTOSAVE PROGRAM APPLY TO?

When you have elected to participate in AutoSave, you have the flexibility to choose one or all of the following categories of workers to be included:

- Current eligible workers.
- New hires/future eligible workers.
- Part-time workers (if offered by the employer).

If you elect AutoSave for current workers and new hires, the election applies to all full-time workers (generally, those who work more than 20 hours per week) who are eligible to participate in the CRSP.

If you elect AutoSave for new hires only, the election applies to all full-time workers (generally, those who work more than 20 hours per week) who become eligible to participate in the CRSP after the designated effective date for the AutoSave program.

If your organization offers the CRSP for part-time workers (those who work 20 hours or less a week), you have the opportunity to elect whether your part-time workers will be included in your AutoSave program.

WHAT SHOULD WE CONSIDER BEFORE IMPLEMENTING THE AUTOSAVE PROGRAM?

When choosing to elect automatic enrollment and escalation, you need to consider the following administrative decisions:

- What will you elect for minimum and maximum deferral percentage thresholds?
- Will you elect AutoSave deferrals to be withheld on a pre-tax basis or after-tax Roth basis?
- When do you prefer your automatic enrollment to begin and when will your automatic escalation be effective?
- Will you require workers to opt-out of AutoSave one-time or each year?
- Are you able to complete the annual administrative duties listed on the checklist on page 5?
- If you offer an employer match, can you budget for the anticipated increased employer match contributions due to higher participation rates by workers?

WHEN DO WE COMMUNICATE AUTOSAVE TO OUR WORKERS?

There are three mandatory notices you are required to provide for workers under the AutoSave program. Notices to workers should be distributed to workers in a timely manner and include instructions on how and when a worker can opt-out of AutoSave.

▶ **Notice of Implementation** – If implementing AutoSave for current workers (not required if you adopt AutoSave for new hires only).

▶ **Notice to New Hires** – This notice will inform your new workers they'll be automatically enrolled in the CRSP and/or automatic escalation applies to them, unless they complete a form to opt-out prior to the end of the notice period.

▶ **Annual Notice to All Workers** – This notice will remind workers each year that their employer participates in the AutoSave program.

As the employer, you choose what the opt-out period will be. While the IRS does not offer specific details on how long the opt-out period must be, it should be reasonable (e.g., 30 days from notice) and consistent for all workers. We recommend you update payroll and new hire procedures to reflect these requirements.

Concordia Plans will provide templates of these notices. Notices should be printed on your organization's letterhead.

HOW DO WE GET STARTED?

Once you have your election details approved by your organization's governing body or authorized committee, complete the AutoSave Adoption Agreement form (11042) and return the form to Concordia Plans. Your Account Manager can help walk you through the process of adopting AutoSave and completing the form.

Once we have received the form, the CRSP Team will contact you with additional information and provide sample notices applicable to your elections.

The checklist on page 5 provides you with a list of actions you will need to take to implement AutoSave.

If you are implementing AutoSave for your existing workers, we recommend you schedule a staff meeting to inform your workers. If feasible, your Account Manager or a member of the Education Team may be available to help you explain the process in person or through a webinar. Please contact Concordia Plans if you are interested in a presentation.

Concordia Plan Services
The Lutheran Church—Missouri Synod
PO Box 229007
St. Louis, MO 63122-9007

CONCORDIA PLANS
Toll Free: 888-927-7526
St. Louis: 314-965-7580
Fax: 314-966-1127
Email: info@ConcordiaPlans.org
Website: ConcordiaPlans.org

By executing this Agreement, the Employer adopts the Concordia Retirement Savings Plan (CRSP) for its workers and agrees to comply with the provisions of the CRSP, including the elections made hereunder. In order to adopt the CRSP, an employer must also be a Participating Employer in the Concordia Retirement Plan and Concordia Disability and Survivor Plan, and must complete and retain the required requisite paperwork. Once adopted, an employer remains an adopting employer, even if no worker participates for an extended period of time.

PLEASE PRINT OR TYPE ALL INFORMATION IN BLUE OR BLACK INK

A Employer Information

Employer Name _____
Address _____ City _____ State _____ Zip Code _____
Employer Number _____ Employer Phone Number _____

B CRSP Eligibility of Part-Time Workers

Check here if the employer elects to allow part-time workers to participate in the CRSP in addition to full-time workers.

C AutoSave

To help workers prepare for retirement, employers may elect to implement an Automatic Enrollment Escalation arrangement ("AutoSave") through Section C1 below. Employers are not required to adopt an AutoSave program, but if implemented AutoSave must be applied equally to workers as indicated in Section C1 below.

Before implementing AutoSave, you may wish to reference the CRSP AutoSave Guide for more specific details and considerations.

C1 Automatic Enrollment Election

Under Automatic Enrollment, the employer automatically deducts salary deferrals from a worker's wages unless the worker makes an election not to contribute or to contribute a different amount. The default contribution rate should be a whole-number percentage of compensation and be consistent among all eligible workers.

Please check the box(es) that apply, and complete the necessary elections.

This employer elects to implement Automatic Enrollment in the CRSP.

- Automatic Enrollment will apply to:
 - Existing and newly eligible workers, starting with the first pay date indicated below
 - Newly eligible workers only, starting with the first pay date indicated below
- Note: Applicable worker notices must be dated and sent to eligible workers at least 30 days before this start date.
- The automatic deferral percentage of compensation is: 2% 4% 6% 8% (Month, Year - Example: January 2019)
- The automatic deferral will be withheld for all workers on a(n): Pre-Tax basis Other _____ %
- A worker's affirmative election to opt-out of automatic enrollment: Will not expire After-Tax Roth basis Will expire annually
- AutoSave will apply to: Full-Time Workers Only Full-Time and Part-Time Workers

This employer will not facilitate Automatic Enrollment in the CRSP.

C2 Automatic Escalation Election

Under Automatic Escalation, the employer automatically increases a worker's deferral rate by 1% each year until a preset maximum percentage of compensation (or the IRS maximum deferral amount) is reached. Adoption of Automatic Escalation is not required, but does require consistent implementation of Automatic Enrollment.

Please check the box(es) that apply, and complete the necessary elections.

This employer elects to implement Automatic Escalation in the CRSP in addition to Automatic Enrollment.

- Workers' deferral rate will escalate at a rate of 1% each year, up to _____ % of compensation (Ex. 10%, or the annual contribution limit effect until otherwise elected by the employer).
- A worker's affirmative election to opt-out of Automatic Escalation: Will not expire Will expire annually
- Newly eligible workers to be subject to Automatic Escalation during their first year of eligible service with the employer:
 - Workers who become eligible Will not expire Will expire annually
 - date will not be escalated until the following year. (Example: Six months or less prior to the annual Automatic Escalation)
 - All eligible workers will be subject to the annual Automatic Escalation

This employer will not implement Automatic Escalation in the CRSP.

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Administration FAQ

HOW ARE CONTRIBUTIONS DEFERRED UNDER AUTOSAVE INVESTED?

For new workers, contributions deferred under AutoSave are automatically defaulted into the ProManage PROgram™, our asset allocation investment program. If a worker wants to opt out of the ProManage PROgram and make their own investment selections, please have them contact Fidelity at 800-343-0860.

If an existing worker has already opted out of the ProManage PROgram and elected their own investment mix, funds will be invested based on the worker's elections.

WHAT IF I HAVE A PROBATIONARY PERIOD?

Concordia benefits, including the ability to save in the CRSP, are not available during a probationary period. New hires would be eligible for the AutoSave program after their probationary period ends.

WHAT IF A WORKER WANTS TO BEGIN MAKING CRSP CONTRIBUTIONS BEFORE OUR AUTOSAVE PROGRAM TAKES EFFECT?

If a worker wants to start making CRSP contributions before the opt-out period ends, he/she can complete an AutoSave Salary Deferral Agreement (11368) or make an online deferral election through the member portal at ConcordiaPlans.org/myaccount. When the AutoSave Salary Deferral Agreement is received, the new election should be entered into your organization's payroll to process as soon as administratively possible. In this case, you will want to make sure that your AutoSave program does not override the worker's current election.

WHAT IF A WORKER WANTS TO DEFER AT A RATE OR TAX OPTION THAT'S DIFFERENT THAN OUR AUTOSAVE PROGRAM?

If a worker wants to contribute something different than your AutoSave program arrangement (e.g., more or less than the automatic enrollment rate, after-tax Roth rather than pre-tax contributions) he/she should complete an AutoSave Salary Deferral Agreement (11368) or make

an online deferral election through the member portal at ConcordiaPlans.org/myaccount

When the Salary Deferral Agreement is received, the worker's new election should be entered into your organization's payroll to process as soon as administratively possible.

WHAT IF A WORKER IS ALREADY CONTRIBUTING MORE THAN THE INITIAL AUTOMATIC ENROLLMENT PERCENTAGE OR AUTOMATIC ESCALATION LIMIT?

If a worker is already contributing more than the automatic enrollment or automatic escalation percentage, you should not adjust his/her contributions.

IF WE ELECT AUTOMATIC ESCALATION, WHEN WOULD THE ESCALATION TAKE EFFECT?

The automatic escalation should take place as indicated on your AutoSave adoption form.

IF A WORKER FAILS TO OPT-OUT IN THE REQUIRED TIME FRAME, WHAT HAPPENS TO THE FUNDS ALREADY INVESTED IN THE CRSP?

Any contributions already invested in the CRSP must remain in the worker's designated account until a distributable event occurs.

If the worker still wishes to opt-out going forward, he/she must complete and submit an AutoSave Salary Deferral Agreement (11368) to stop future contributions or make an online deferral election through the member portal at ConcordiaPlans.org/myaccount.

WHAT IF OUR AUTOSAVE PROGRAM IS NOT ADMINISTERED PROPERLY?

Sometimes things don't go as planned, but luckily there are correction procedures in place. Contact Concordia Plans and we can walk through these steps with you if the need arises.



IF YOU HAVE ADDITIONAL QUESTIONS ABOUT ADMINISTERING AUTOSAVE, PLEASE CONTACT THE CRSP TEAM AT 888-927-7526 EXTENSION 6008.



Helpful Administrative Checklists:

ADMINISTRATIVE CHECKLIST WHEN FIRST ADOPTING AUTOSAVE:

- Discuss the AutoSave program with your organization's governing body and obtain approval.
- Complete the AutoSave Adoption Agreement (11042) indicating your elections and return the form to Concordia Plans.
- If you are implementing AutoSave for existing workers, or if you are electing automatic escalation, provide current workers with the required notice a minimum of 30 days in advance of the implementation date (Notice of Implementation).
- Be prepared to distribute upon request the AutoSave Salary Deferral Agreement (11368) which includes the necessary fields to opt-out of AutoSave and/or auto escalation, or if a worker wants to elect a different deferral amount or contribution type.
- Conduct meeting(s) to introduce AutoSave to your workers.
- Implement a process for tracking workers who have opted out of AutoSave and/or auto escalation.
- Implement a process for new workers to ensure they're properly enrolled in AutoSave and a process to provide them with the required notices (Notice to New Hires).
- Verify that the AutoSave program implementation has been administered consistently for all your eligible workers.

ANNUAL ADMINISTRATIVE CHECKLIST FOR AUTOSAVE:

- Send the required annual notice to all workers who are eligible for the AutoSave program. The Annual Notice provides details about the plan and your AutoSave selections (e.g., deferral amount). This needs to be done a minimum of 30 days prior to the start of the new plan year (Annual Notice to All Workers).
- Verify that new workers were provided with the required Notice to New Hires 30 days in advance of their first effective AutoSave payroll and that AutoSave program was administered in a timely manner.
- Verify your process for tracking workers who have opted-out of AutoSave and/or auto escalation.
- Verify your AutoSave program has been administered consistently for all your eligible workers.

ANNUAL CHECKLIST FOR AUTO ESCALATION:

- Be able to check all the boxes for the Annual Administrative Checklist for AutoSave.
- Verify which workers have elected a different contribution amount or have opted-out of the auto escalation feature.
- Include the auto escalation information in your Annual Notice to All Workers with a minimum of 30 days in advance to allow workers the opportunity to opt-out.
- Verify the deferral amounts and make required changes to the payroll and contribution remittance process as necessary.
- Verify your auto escalation is being administered consistently for all your eligible workers.



QUESTIONS?

CALL 888-927-7526 **EMAIL** info@ConcordiaPlans.org

1333 South Kirkwood Road • St. Louis, MO 63122