

# FAQs for Bridgton Employees

## 401(k) to 403(b)

It has been announced that the Bridgton 401(k) Plan through Lincoln Financial will be terminated after the payroll deductions of July 7, 2011. The final employer match into the Lincoln plan will also occur on the July 7<sup>th</sup> paycheck.

Beginning with the July 21, 2011 paychecks, the employee contributions and the employer matching funds will be directed to the Nationwide 403(b) plan. This presents some unique situations and requires consideration from each employee.

A quick overview of the plans shows:

	<u>Current, 401(k) Plan</u>	<u>403(b) Plan effective 7/21/11</u>
Who can contribute	All employees	All employees
Employer match	All employees	All FT and RPT employees
Matching level	1:1 match up to 2.5%	same
Vesting	20% per year Beginning after 1 year	20% per year Beginning date of hire
Investments thru	Lincoln Financial	Nationwide
Max Employee contributions		
- Under age 50	\$16,500	same
- Age 50+	\$22,000	same
Rep on site	Terri Gulliver	Hal Guy/Jeff Tracey
Waiver forms available?	Not needed	Yes, must be signed if waiving plan

As we have done in the past, a group of Frequently Asked Questions (FAQs) follows. Please take the time to review your options. Contact names and info will appear at the end of this information.

1. QUESTION: When do I need to complete the Nationwide forms?  
ANSWER: You should complete either a Nationwide Enrollment form or a Waiver form by June 30, 2011.
  
2. QUESTION: What happens if I don't complete any forms?  
ANSWER: If you don't turn in any forms by June 30th, you will be defaulted to the following:
  - Enrolled in the Nationwide 403(b)
  - Set for a 2.5% deduction
  - If you are FT/RPT, you will receive the 2.5% employer match
  - Your funds will be invested in your Target Date fund (determined by what year you will turn age 65)
  - Your beneficiary will be determined by the plan document

3. QUESTION: Where can I find the enrollment, waiver or transfer forms?  
ANSWER: Forms can be found under the *Forms & Documents* tab of [www.cmmfhealthydecisions.com](http://www.cmmfhealthydecisions.com). If easier, you may waive participation, increase, decrease or stop your contributions by emailing the Human Resources Department. You may change your level of contribution as often as you wish.
4. QUESTION: If I sign a waiver form and decide later to participate, will there be a waiting period before I qualify for the employer match?  
ANSWER: You may choose to join at a later time and no, there will not be a waiting period for the matching funds. As long as you are FT/RPT, you will immediately be eligible for the match.
5. QUESTION: What if my status changes between FT/RPT and per diem?  
ANSWER: While your status is either FT or RPT, you will be eligible for the matching employer funds. While your status is per diem, you will not be eligible for the match. Your contributions may continue regardless of your status.
6. QUESTION: If I enroll now, may I choose to stop contributing in the future?  
ANSWER: You may cancel your deduction in the future. The employer matching contributions will most likely end at that time as well.
7. QUESTION: If I am enrolled, may I change my contribution rate in the future?  
ANSWER: Yes, you may change your contribution level anytime by contacting the Human Resources Department.
8. QUESTION: What are the limits to what I can contribute?  
ANSWER: The IRS annually sets the maximum limit that can be contributed. In 2011, the employee limits are \$16,500 for those under age 50 and \$22,000 for those 50 and older. The employer match is over and above your contribution limit.
9. QUESTION: Why are we leaving the Lincoln product and Terri Gulliver?  
ANSWER: A full analysis was done comparing the fund selections and the related expenses. The Nationwide agreement provided slightly lower fees than the Lincoln plan. If, in the future, we go out for bid again, we intend to include Lincoln in the process.
10. QUESTION: What happens to my Lincoln account?  
ANSWER: You will need to do one of the following:
  - Roll the money to Nationwide
  - Roll the money to a Lincoln IRA
  - Roll the money to an independent IRA (local bank or investment company)
  - Withdraw the money (subject to possible taxes and penalties)
  - Leave as is and it will default into a Lincoln IRA
11. QUESTION: How do I roll the Lincoln money to Nationwide? How will the funds be invested?  
ANSWER: Contact Hal Guy or Jeff Tracey for an explanation and the paperwork
12. QUESTION: How do I roll the money to a Lincoln IRA?  
ANSWER: Speak to Terri Gulliver for assistance in completing this paperwork

13. QUESTION: How do I roll the money to an IRA?

ANSWER: Obtain the withdrawal form from HR and work with your new contact (bank or investment company) for assistance in completing the transfer. Hal Guy and Jeffrey Tracey are also able to assist in setting up an IRA.

14. QUESTION: How do I withdraw the money?

ANSWER: Obtain the withdrawal form from HR, complete and mail the form to Lincoln. Please understand there will be tax consequences and possibly penalties if you withdraw your 401(k) funds. You should seek the advice of a tax counselor before withdrawing your funds.

15. QUESTION: When will my 401(k) default to a Lincoln IRA?

ANSWER: If you take no action by the end of October 2011, **your** account will automatically be rolled to a Lincoln IRA. Please speak to Terri Gulliver for more information.

16. QUESTION: I currently have a Loan with Lincoln. How will that be handled with Nationwide?

ANSWER: Nationwide will convert the loan to its system following the July 7<sup>th</sup> paychecks

17. QUESTION: I am paying with coupons my Lincoln loan. Will it remain that way?

ANSWER: Under Nationwide, the loan repayments will be taken out by payroll deduction. You will be contacted individually with how this transition will affect you.

Contact info:

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