Springfield On-Site Reference Notes

International Motors, LLC 401(k) Plan for Represented Employees (Plan 150002-01)

Springfield Plant Closing : 401(k) Updates

Item	What applies for Springfield
Vesting of company contributions	Participants will be 100% vested in all company contributions, including Employer Matching contributions and Employer Retirement (age-weighted) contributions.
Last day rule	Waived. Participants do not have to be actively employed on the last day of the applicable contribution period to receive the employer match or the Employer Retirement (age-weighted) contribution.
Employer contribution deposits	The Employer Match is deposited monthly and the Employer Retirement (age-weighted) contribution, if eligible, is deposited quarterly. The plant closing does not accelerate the timing of either deposit.
Employee contributions	No change. Participants are always 100% vested in their own pre-tax, Roth, catch-up, and rollover contributions and the earnings on them.
Springfield lump sum deferral election	If a participant is eligible for a Springfield lump sum payment, they must complete and return the One-Time Lump Sum Deferral Election form with their signed General Release. The form will be provided along with other benefit documents closer to the closing date.

Common Questions

1. "Do I have to take my money out after I terminate?"

- **Vested balance over $7,000 —** no. They can leave the money in the Plan until Required Minimum Distributions (RMDs) must begin. See below for distribution options.
- **Vested balance of $7,000 or less —** yes. The entire vested account balance must be removed from the Plan. The participant may request a cash distribution or roll the balance to an IRA or another employer's eligible retirement plan that accepts rollovers.
- **If no election is made** for a balance of $7,000 or less, the Plan will make a direct rollover to an Individual Retirement Account with Inspira under the Plan's automatic rollover provision.
- **While the account remains in the Plan,** the balance continues to move with the markets. Participants may change how the existing balance is invested, but they may not make new contributions or take new loans after employment ends.

2. "What are my distribution options?"

- **Lump sum —** 100% of the vested balance in a single payment, paid to the participant or rolled over.
- **Partial lump sum —** less than 100% of the vested balance, paid out or rolled over. Partial lump sums are limited to one per month.
- **Monthly installments —** either a fixed dollar amount paid until the balance reaches zero, or a variable amount paid over a fixed period the participant chooses. The SPD describes post-severance installments as monthly installments.

- **Ordinary income tax** applies to each distribution. Distributions before age 59½ may also be subject to a 10% early withdrawal federal tax penalty. Earnings on Roth contributions are tax free only if the withdrawal is a qualified distribution.

3. "What happens to my outstanding 401(k) loan?"

- **After termination,** each outstanding loan is due immediately unless the participant arranges to continue monthly repayments directly with Empower.
- **The participant can repay** the outstanding balance in full or arrange monthly repayments by personal check, cashier's check, money order, or direct debit from a checking or savings account (ACH).
- **If the participant elects ACH,** a 15-day waiting period may apply while Empower validates the banking information.
- **The participant should contact Empower** before the first missed payment to arrange repayment. The repayment arrangement does not happen automatically.
- **If monthly payments are not made** or later stop, the outstanding loan balance becomes due immediately. If the loan defaults, the defaulted amount is treated as taxable income. A 10% penalty may apply if the participant is under age 59½.
- **If the participant takes a full distribution** without first repaying the outstanding loan balance, the unpaid loan balance will be offset from the account, reported as a taxable distribution, and reported on Form 1099-R the following January.

Plan Highlights — Quick Reference

Employee contributions

- **Pre-tax** contributions reduce taxable pay when contributed and are taxed at distribution.
- **Roth** contributions are made with after-tax dollars. Earnings are tax free on a qualified distribution.
- **Catch-up** contributions are available beginning at age 50. Catch-up contributions require a separate election are not matched.
- **Employee 401(k) contributions** end after employment terminates. Participants may still manage the investment of an existing account balance while it remains in the Plan.
- **No Regular After-Tax**

Employer contributions

- **Employer Matching Contributions** — Springfield match is 25% of the first 6% of eligible pay that the participant elects to defer as pre-tax and/or Roth contributions. Catch-up contributions are not matched.
- **Employer Match deposit timing** — deposited monthly. The plant closing does not accelerate the monthly match deposit.
- **Employer Retirement Contributions (age-weighted)** — no employee contribution is required. The contribution is based on a formula that considers the participant's age. Eligibility based on CBA.
- **Age-weighted deposit timing** — deposited quarterly. The plant closing does not accelerate the quarterly age-weighted deposit.
- **Springfield closing vesting** — for affected Springfield participants, employer contributions will be 100% vested and the last day rule is waived.

Investments and advisory services

- **A full investment lineup** remains available while the participant has an account balance in the Plan. Participants can review options and fees on Empower's website.
- **My Total Retirement** is available through Empower Advisory Services. If a participant is enrolled and keeps an account balance in the Plan after termination, My Total Retirement can continue after termination.
- **Participants should contact Empower** for account-specific questions about investments, advisory services, distributions, or loan repayment.

Contacts

Employees with questions that can't be addressed by Empower should be referred to 401kQuestions@International.com.

Topic	Contact
401(k) account, distributions, loans, investments	Empower: empowermyretirement.com | 844-465-4455 Mon-Fri 7:00 a.m.-9:00 p.m. CT; Sat 8:00 a.m.-4:30 p.m. CT TTY 800-345-1833
One-on-one appointment	empower1x1.empowermytime.com
Plan questions from participants	401kquestions@international.com
Pension and benefits questions	P&C Hub: 1-877-353-5100, 8:00 a.m.-5:00 p.m. CT
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