

**PAYENTRY FINANCIAL SERVICES INC  
MULTIPLE EMPLOYER 401(K) PLAN-CESL  
ANNUAL NOTICE**

**INTRODUCTION**

This Notice contains information related to the Payentry Financial Services Inc Multiple Employer 401(k) Plan-CESL (the "Plan") for the plan year beginning on 01/01/2019. The plan year is each 12-month period ending on 12/31.

The safe harbor and qualified default investment alternative (QDIA) features apply to the Plan. This Notice gives you important information about these Plan features and how they will affect you. For further information about the Plan, please see your copy of the Plan's Summary Plan Description (SPD). If you need a copy of the SPD, would like a copy of other Plan documents, or if you have any further questions on the information contained in this Notice, please contact the plan administrator at:

Clarity Enrollment Solutions, LLC  
Address: 6400 Flying Cloud Drive, Suite 215, Eden Prairie, MN 55344  
Phone number: 952-567-9703  
Email: gmorrisette@clarityenrollmentsolutions.com

**ELECTIVE DEFERRALS**

Your elective deferrals are amounts that you chose to (or are assumed to have chosen to) have withheld from your paycheck and contributed to the Plan in your name. Please see the section of your SPD titled "Eligibility for Participation" to determine if you are eligible to make elective deferrals and "Contributions to the Plan" for the type of compensation you may defer into the Plan.

**How do I make or change my deferral election?**

You may make or change your deferral election by returning a deferral election form to the plan administrator.

**Once I make a deferral election, how often can I change, stop, or re-start the election?**

You may change or re-start your deferral election once each pay period. You may stop your deferrals at any time.

**If I make a deferral election is the amount withheld from my paychecks taxed?**

You will have the option to decide if the amount you elect to defer into the Plan is taxed or not. If you chose to have your elective deferrals go into the Plan as pre-tax elective deferrals, you will not be taxed until you take the money out of the Plan. If you chose to have your elective deferrals go into the Plan as Roth elective deferrals, you will be taxed on that money when it is taken out of your paycheck, but it will not be taxed again when you take it out of the Plan. The earnings on those Roth elective deferrals may be taken out tax-free if certain conditions are met. Please see the SPD for more information on Roth elective deferrals.

**Are there any limits to how much I can defer into the Plan?**

Your elective deferrals are subject to the following limits:

- Your total amount of deferrals cannot be more than \$19,000 (for 2019).
- If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution," of up to \$6,000 (for 2019).

The plan administrator may establish additional rules you will need to follow when making your deferral election. Your deferral election is only effective for compensation you have not received yet. The plan administrator may also reduce or totally suspend your election if they determine that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

**SAFE HARBOR CONTRIBUTIONS**

The plan administrator intends the Plan to be a safe harbor plan. In a safe harbor plan, if certain requirements are met, the Plan will be deemed to automatically pass certain IRS required non-discrimination testing (ADP, ACP, and top-heavy). One of these requirements is a minimum level of employer contributions to the Plan. The Plan may be amended during the plan year to reduce or suspend the safe harbor contributions. The reduction or suspension will not apply until at least 30 days after you are provided notice of the reduction or suspension.

**Am I eligible to receive safe harbor contributions?**

Once you meet the eligibility requirements below, you will be eligible to receive safe harbor contributions unless you fall into one of the following categories.

- You are an employee covered by a collective bargaining agreement where retirement benefits were the subject of good faith bargaining.
- You are a leased employee.
- You are a non-resident alien with no U.S. sourced income.

**What eligibility requirements do I have to meet to receive safe harbor contributions?**

You will be eligible to receive safe harbor contributions on the first day of the calendar month coincident with or next following the day you meet the following requirements.

- You attain age 21.
- You complete: completion of 60 consecutive days.

**Will ADP safe harbor contributions be made to my account under the Plan?**

Yes, as long as you are eligible to receive safe harbor contributions, ADP safe harbor contributions will be made to your account according to the following formula.

- 100% of your deferrals up to 3% of your compensation; plus
- 50% of your deferrals over 3% but that do not exceed 5% of your compensation.

**Will additional ACP safe harbor matching contributions be made to my account under the Plan?**

Additional discretionary ACP safe harbor matching contributions may be made to your account. These contributions will be made in an amount that will be determined each year.

**Will any additional contributions be made to my account under the Plan?**

Additional contributions may be made to your account under the Plan. Please see the section of your SPD titled "Contributions to the Plan" for information on any further contributions.

**VESTING**

Vesting refers to the amount of money you have in the Plan that you have a non-forfeitable right to receive. You may be required to work a certain amount of time to earn certain contributions to the Plan. Please see your SPD section titled "Vesting" for more information about vesting and how it is calculated.

**Do I need to work a certain amount of time to keep my elective deferrals and ADP safe harbor contributions?**

No, you will always be immediately 100% vested in your elective deferrals and ADP safe harbor contributions.

**Do I need to work a certain amount of time to keep my additional ACP safe harbor matching contributions, non-safe harbor matching contributions and profit sharing contributions?**

Yes, your additional ACP safe harbor matching contributions, non-safe harbor matching contributions and profit sharing contributions will vest as specified below.

- Less than One year of vesting service - 0%
- One year but less than two years of vesting service - 25%
- Two years but less than three years of vesting service - 50%
- Three years but less than four years of vesting service - 75%
- Four or more years of vesting service - 100%

## DISTRIBUTIONS

### **Can I take a distribution of my account balance after my employment terminates?**

Yes, you can take a distribution of your account balance immediately after your employment terminates.

### **Can I take a distribution of my account balance if I am still working when I reach normal retirement age?**

Yes, you can take a distribution of the following fully vested account balances when you reach normal retirement age (age 65) while you are still working: All Accounts.

### **Can I take a distribution of my account balance when I reach age 59.5?**

Yes, you can take a distribution of all of your fully vested account balance when you reach age 59.5.

### **Can I take a distribution of my account balance while still working at any time?**

Yes, you can take a distribution of your rollover contribution account balances at any time.

### **Can I take a distribution of my account balance while still working if I become disabled (as defined in the Plan)?**

Yes, you can take a distribution of your fully vested account balances if you become disabled (as defined in the Plan).

### **Can I take a distribution of my account balance while still working if I incur a hardship?**

Yes, you can take a hardship distribution of your fully vested account balances that are not safe harbor contributions while still working if you incur a hardship.

### **Can I take a loan from the plan?**

Yes, you may be able to take a loan secured by your assets in the plan.

Please see the SPD section titled "Distributions" for further information on your distribution options.

## PLAN INVESTMENTS

### **Can I direct how my account balances will be invested?**

Yes, you can direct how your entire account balance will be invested from among the different investments offered under the Plan.

You may make or change your investment elections by returning an investment election form to the plan administrator.

### **How often can I change my investment election?**

Subject to any additional restrictions placed on investment timing by the actual investment, you may change your investment elections daily.

### **How will my account balances be invested if I do not make an investment election?**

The Plan's default investments are intended to meet the requirements to be a qualified default investment alternative (QDIA).

#### Default Investment Information

Vanguard Target Date Funds

#### Right to Self-Direct

A description of the default investment is available through your participant log in at [www.alerusretirementsolutions.com](http://www.alerusretirementsolutions.com). From there, you can access the fund fact sheet. The fund fact sheet description will contain the investment objectives, risk, and return characteristics, as well as fees and expenses associated with the default investment. Note, if the default investment is a Target Fund, then your assets will be contributed to the Target Fund appropriate for your age.

#### Additional Information

Your Summary Plan Description. For those of you that have not made investment selections; the Plan Trustee will invest your contributions in the Plan's default investment. You have the continuing right to direct the investments of your account in one or more of the other investment choices available to you. You may change your investments at any time at [www.alerusretirementsolutions.com](http://www.alerusretirementsolutions.com) or (800) 795-2697. For further investment questions, please feel free to contact your Plans Financial Advisor.