

401(k) Plan FAQs

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Eligibility

1. Who is eligible for the 401(k) plan?

The 401(k) plan is the best savings vehicle for the majority of our employees. All employees of our for-profit entities and B.C.P., Inc. are eligible. In addition, employees of our non-profit 501(c)3 entities who earned \$125,000 or less in 2019 are eligible to contribute.

- Non-profit 501(c)3 entities include: BAYADA Home Health Care, Inc., BAYADA Home Care, Community Care Center of the Northeast
- For-profit entities include: BAYADA at Inspira (Tri County Home and Hospice Care LLC), BAYADA Physicians Services of Philadelphia (BPS Philadelphia LLC), BAYADA at Bayhealth (BBKSHH LLC), and MUSC Health at Home by BAYADA (SCHHA LLC).

If you are unsure which entity you work for, please check your pay statement or reach out to the BAYADA Benefits team at benefits@bayada.com.

Newly eligible employees will receive communications over the next several weeks providing key information on how to enroll. Employees may enroll online at www.prudential.com/online/retirement and may call Prudential for assistance at 877-778-2100.

2. I met the eligibility requirements under the prior 401(k) plan. How do the plan changes affect me?

If you are already contributing, your contributions will continue and no action is required during the enrollment period. If you are not currently contributing, you may enroll at any time; you do not need to wait until September 7th. Either way, now is a great time to review and update your contribution, investment and beneficiary elections. You may want to increase your contributions or explore some of the resources & tools on the Prudential website.

3. What is the difference between the old 401(k) and the new 401(k) plan?

The enhanced 401(k) plan includes the following changes effective October 1st:

- Elimination of waiting period, hours of service, and age requirement for all employee contributions, which now allows new hires and other employees to contribute to the 401(k) plan right away
- Expanded coverage so that more employees will be eligible to contribute to a retirement savings plan – if your company was previously excluded, you will now have access to a retirement plan

4. **Why can't I enroll in the 403(b) plan?**

There are two reasons why the 401(k) plan is the best plan for you at this time.

A. You work for a BAYADA company that is not eligible to participate in the 403(b) plan. Regulations dictate that only nonprofit and educational institutions with 501(c)3 tax-exempt status may participate in a 403(b) plan. The 403(b) plan can only be offered to nonprofit employees who work for a BAYADA company that has 501(c)3 tax-exempt status. Only three BAYADA companies have this status.

B.) You are not classified this year as a Highly Compensated Employee (which is based on your prior year compensation earned at BAYADA), and therefore the 403(b) plan does not offer any advantage over the 401(k) plan. If you become an HCE in a future year and work for one of the eligible companies, you will be contacted by the Benefits team by the first week of January to move to the 403(b) plan.

5. **Why does the 403(b) plan only benefit employees who earned over \$125K in 2019?**

The 401(k) plan limits the contributions of Highly Compensated Employees (HCEs*) to a 4% maximum contribution while allowing all other employees to contribute to the IRS limit. The 403(b) plan was designed to mirror the 401(k) plan, but due to different regulatory compliance testing rules, the 403(b) plan enables HCEs to contribute up to the IRS limit. As a result, BAYADA has determined to limit 403(b) eligibility to only those employees who actually benefit from the plan change.

* The HCE compensation definition is determined by IRS regulation and is not a not an arbitrary compensation designation. The Internal Revenue Code section 414(q)(1)(B) determines the HCE compensation threshold which may be adjusted annually based on cost of living adjustments. 2020 HCEs are those who earned in excess of \$125K in 2019. 2021 HCEs are those who earn in excess of \$130K in 2020.

6. **What happens if I switch to a different BAYADA company, do I move to the 403(b) plan?**

If you do not meet the compensation limit to be classified as a Highly Compensated Employee, you will remain in the 401(k) plan, regardless of your BAYADA company. If you are classified as a Highly Compensated Employee and you move to BAYADA Home Health Care, LLC, BAYADA Home Care, or Community Care Center of the Northeast, the BAYADA Benefits team at benefits@bayada.com will assist with your transition to the 403(b) plan to ensure that your account is set up and ready for you to select your contribution, investment, and beneficiary elections. If you have a balance in the 401(k) plan, it will remain there unless you meet the requirements for an in-service distribution, hardship withdrawal,

coronavirus-related distribution, or a termination distribution and request that the balance be moved out of the plan.

7. I joined BAYADA in 2020 at a base salary of over \$125K. Which plan would I join?

You would enroll in the 401(k) Plan. Qualification for the 403(b) plan is based on your PRIOR year BAYADA compensation, so you would not meet the income criterion for the 403(b) in 2020. If you earn over \$130K in 2020 and work for one of the qualifying BAYADA companies, you will receive an email by the first week of January, 2021 notifying you that no additional contributions may be made to the 401(k) plan and that to continue saving for retirement, you must enroll in the 403(b) plan.

Enrollment

8. How & when can I sign up?

401(K) enrollment will begin on Monday 9/7/20. Log onto www.prudential.com/online/retirement. Set up your contribution, investment, and beneficiary election by no later than 9/24/20 4PM ET and contributions will begin as of your 10/1/20 paycheck.

9. What happens if I miss the 9/24/20 4PM enrollment deadline?

Don't worry, you haven't missed your chance to save for retirement, but your contributions will not begin on 10/1/20. You can update your elections at any time, although it may take up to 2 pay periods to see deductions begin from your paycheck.

Contributions and Match

10. Does the plan allow for Roth contributions?

Yes, you are allowed to make Roth (after-tax) or pre-tax contributions to the plan. The plan also allows for pre-tax or Roth catch-up contributions for employees who are age 50 or older.

11. How much can I contribute in 2020?

You may elect to contribute from 1%-80% of your pay each pay period. The IRS limit for 2020 is \$19,500. If you have attained age 50, you may make an additional \$6,500 catch up contribution. If you are already contributing to the existing 401(k) plan, your contributions will continue unless you make a change at www.prudential.com/online/retirement, and payroll will stop your withholding once you reach the annual limits. If you earned over \$125,000 in 2019, the plan limits your contributions to a maximum of 4% of your weekly compensation, plus an additional \$6,500 catch-up (for employees age 50+).

12. Are my contributions to the 401(k) plan eligible for matching contributions?

Yes, any employee contributions made to either the BAYADA 401(k) or 403(b) plans after meeting the match eligibility requirements (attainment of age 21, 1 year of service and 1000 hours from original Date of Hire) will be eligible for an employer match in any year for which

BAYADA funds a matching contribution. You must either be employed on the last day of the year or if not, have worked at least 501 hours during the year to be eligible for the match contribution for that year. Contributions made before reaching match eligibility and catch-up contributions are not eligible for employer match.

13. Does BAYADA make a matching contribution?

The employer match is a discretionary contribution, which means that BAYADA may increase, decrease, or eliminate the employer match contribution in any given year.

- The match is based on the contributions you make to the 401(k) plan (or if you are eligible, to the 403(b) plan).
- Employee contributions made before meeting match eligibility will not be matched. Match eligibility: Attainment of age 21, 1 year of service and 1000 hours from original Date of Hire or if not, during a subsequent plan year.
- Age 50+ Catch-up contributions will not be matched.
- If you have met the initial match eligibility requirement, you must be employed on the last day of the year or if not, have worked at least 501 hours during that year for your contributions to be eligible for that year’s matching contribution.
- For years in which a matching contribution is made, the annual match is deposited into your 401(k) account in the year following the year contributions are made.
- BAYADA may match 35% of the first 4% you contributed to the 401(k) or 403(b) plan.

Employer match contributions are subject to the vesting schedule below. Employees must work over 1000 hours in a year to earn a year of vesting service.

Years of Service	Vested Interest
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

14. Does the 401(k) plan allow for loans?

Not at this time.

15. How can I take money out of the plan?

The plan allows for withdrawals under the following circumstances:

- Hardship withdrawals (must meet one of the safe-harbor definitions for hardship)
- Coronavirus-related distributions (must meet criteria for distributions through 12/31/2020)
- In-service withdrawals (must attain age 59.5 to be eligible)
- Termination (after retirement or separation from service)
- Rollover contributions may be withdrawn at any time

- RMD (Required Minimum Distributions) – for terminated employees who have attained age 72 or prior over 5% owners or terminated employees who have already begun taking RMDs in a prior year. ***Due to CARES Act provisions, RMDs are waived for 2020 and will not be issued unless requested by the participant.***
Distributions may be requested via the Prudential Website or by calling Prudential at 877-778-2100.

Rollovers

16. Does the plan allow me to roll over money from another retirement plan or my IRA?

Yes, you may consolidate your retirement accounts from a qualified retirement plan from your prior employer or a Traditional (pre-tax) IRA. Regulations do not permit the rollover of Roth IRAs into the 401(k) plan. Call Prudential's Retirement Plan Consolidation Team at 800-249-2430.

17. Does the plan allow for In-plan Roth Conversion (In-Plan Roth Rollover) whereby pre-tax balances may be converted to after-tax Roth?

No.