



## 401(k) NSM Matching Contribution FAQ's

Effective 1/01/2022, National Seating & Mobility (NSM), Inc. will begin making bi-weekly, discretionary company matching contributions to your 401(k) each paycheck, rather than sending as a lump sum after the close of the year. Now your company match funds can accumulate sooner, and earnings can grow faster!

The Human Resources Team has put together the following list of frequently asked questions to help address some common concerns about the match. Please review the list and feel free to email any additional questions to: [hr@nsm-seating.com](mailto:hr@nsm-seating.com) or contact Prudential Retirement at: (877) 778-2100.

### What is the current 401(k) Match formula?

National Seating & Mobility, Inc. will contribute \$0.25 per every \$1.00 the employee contributes, up to 6% of the participant's eligible salary. So, if you contribute at least 6% you will receive the full company match. That's like getting a bonus in your retirement plan!

### What steps do I need to take to move to the new 401(k) Match?

If you're already participating in the 401(k) plan, you'll automatically receive the increased frequency of match. But to make sure you're getting every penny you deserve, make sure you're saving at least 6% of your eligible pay.

If you're currently not contributing to the 401(k), now is the time to take advantage of your plan benefits. To change your contribution rate, call Prudential at 1-877-PRU-2100 (1-877-778-2100) or by logging in at [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement).

### How does the new match structure work if I am frontloading my annual 401(k)?

Some Plan participants miss out on the full employer match throughout the year because they reach the IRS contribution limit for employee contributions before the end of the year. Because employer contributions are made each payday, these individuals don't receive their full employer match because they have to stop making contributions to their Plan/plan account (for that calendar year) once they've reached the IRS limit. To correct this, NSM's 401(k) Plan will introduce a True-Up contribution at the end of the plan year.

### What is a True-Up Contribution?

Generally, a plan participant can reach the IRS contribution limit before the end of the year if they contribute a lot of money/a large percentage of their pay to their account early in the year (aka frontloading) or if they change their contribution rate during the year to a large dollar amount/percentage of their pay.

The true-up is a tool used by plan sponsors to help participants reach their full employer match. Prudential Retirement will calculate any true-up contributions necessary to ensure that all eligible

participants receive the full match, based on eligible wages, if they missed out on any portion of the match due to frontloading or adjusting their contribution rate during the year.

The true-up contribution is discretionary, meaning that employers can choose to make a true-up, although it is never required. NSM has chosen to make this special contribution for the 2022 plan year.

## When can I make changes to my employee contributions?

There is no open enrollment period for NSM's 401(k) Plan, but we'd like to take this time of year to remind you of the 401k plan benefit. You can start, stop, or change your contributions at any time by contacting Prudential by phone or online.

## What is the annual IRS Contribution Limit for 2022?

Eligible employees may contribute from 1 to 100% of eligible pay on a Pre-tax and/or Roth (after-tax) basis. Employees who are at least 50 can take advantage of catch-up contributions. Employee contributions are subject to the annual IRS limits and vest immediately.

2022 IRS Maximums	
Elective Deferrals	\$20,500
Catch-Up Contributions (50+)	\$6,500

To make changes to your contribution rate and/or investment elections, initiate a rollover, and designate your beneficiaries, log on to your Prudential account at: [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement) or

call Customer Service at: (877) 778-2100. NSM's Plan # is: 763125.

To further enhance employees' ability to save for retirement, new hires will be automatically enrolled in the 401(k) Plan at 3%. This pre-tax contribution will be payroll deducted and invested in Prudential's age-based Target Retirement Fund. This contribution will remain in effect until you actively elect to change your contribution percentage or investment election, or until you elect not to contribute to the 401(k) Plan. You will receive additional information regarding the automatic enrollment process.

## Is there a Vesting Schedule?

Employee contributions are always 100% vested immediately. However, any discretionary, employer contributions, as well as the investment earnings and losses, are vested based on years of service under the following 3-year graded vesting schedule:

Vesting Schedule	
Years of Service	Percentage Vested
After 1 Year	33%
After 2 Years	67%
After 3 Years	100%

## Who do I contact for additional questions?

If you have any questions regarding the contribution/contributions we have made to your account, please contact Prudential Retirement at 877-PRU-2100 (877-778-2100). Participant service representatives are available to assist you weekdays from 8 a.m. to 9 p.m. EST. Be sure to have your Personal Identification Number (PIN) available when you call or view your account online, at [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement).