

# Gastro Health, LLC

## Retirement Plan Fact Sheet 2023

### Partner Physicians



#### Resources

<b>John Hancock, U.S.A.</b> <i>Record Keeper/Custodian</i>	<b>KB Pensions</b> <i>Third Party Advisors</i>
<b>Merrill Lynch</b> <i>Wealth Management Firm</i>	

#### Retirement Plans Offered

##### 401(k) Retirement Plan:

- Offered to ALL employees/physicians after eligibility requirements are met
  - Participant must be 19 years or older and have completed one year of service (working at least 1,000 hours in a 12-month period)
- Pre-tax contributions are deducted from your annual compensation and are reflected on your W2.
- Each participant may elect investments of their own from a pre-selected menu of investment fund options.
- Plan allows for maximum contributions, pursuant to IRS limits; 2023 limits shown below:

##### Contribution Limits:

Regular contribution	\$22,500
Catch-up contribution (a)	\$ 7,500
Total salary deferral limit	\$30,000

(a) Additional contribution allowed for anyone age 50 or older during the calendar year

- There is no 401k contribution company match, employer contributions made by Gastro Health, LLC for eligible employees will be in the form of a safe harbor contribution and/or profit-sharing contribution.

##### Safe Harbor Contribution:

- Safe harbor is an employer contribution provided by Gastro Health, LLC under the plan for any eligible participant that is not considered "highly compensated". The formula for this contribution is 3% of the participant's gross W2 compensation.
  - A **highly compensated employee (HCE)** is defined as anyone who owns more than 5% of the interest in the business at any time during the year or the preceding year OR received compensation from the business of over \$150,000 (2023)
- This contribution is immediately 100% vested and is provided for eligible participants even if no employee salary deferral (401k) contributions are made.

##### Profit Sharing Contribution:

- This is a discretionary contribution under the plan, for any eligible participant, which is calculated based on age and compensation. 2023 contribution limits are reflected in the table below:

Contribution limits:	
Highly Compensated Partners	
Maximum employer contributions	\$43,500.00
Non-Highly Compensated Partners	
Profit Sharing discretionary contribution	Varies between 0% - 4%

- Profit Sharing contributions, made by the company, are subject to the plan's 2-year graded vesting schedule (shown below):

2-Year Graded Vesting Schedule	
Vesting %	Years of Service
50%	1 year
100%	2 years

- If an active participant reaches the plan's normal retirement age (later of age 65 or the 5<sup>th</sup> year of participation), that participant becomes 100% vested in his/her entire plan account automatically.

##### General Information:

- There are contribution limits for 401k, safe harbor and profit-sharing plans under IRS code that considers both employee and employer contributions. For 2023, the overall limit is \$66,000 for participants under age 50, or \$73,500 for participants age 50 and over.
- Hire dates from the acquired entity are grandfathered in to the Gastro Health plan
- Gastro Health's plan **does not** allow for self-directed brokerage accounts
- The Gastro Health plan **does not** allow for loans, though there are other withdrawal options: (Note: Tax withholding and early withdrawal penalties may apply. No taxes or penalties apply to rollovers.)
  - In-service withdrawal of non-rollover assets** (Participants age 59 ½ or older)
  - In-service withdrawal of rollover assets**
  - Hardship Withdrawal**
- All employer contributions are determined and funded on a **quarterly basis**.
- Physician partner contributions to their profit-sharing plan come out of their 70% compensation split allocated to partners.