

The 401(a) Retirement Plan Enrollment & Eligibility

The mission of the YMCA Retirement Fund is to partner with YMCAs to help those who serve others build a foundation for financial security in retirement.

The Fund sponsors the 401(a) Retirement Plan, which is a defined contribution, money purchase church pension plan that elected into certain provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Q. Do all Y employees have to be enrolled in the 401(a) Retirement Plan?

A. Yes. As a condition of employment, individuals employed at Ys that participate in the 401(a) Retirement Plan must be enrolled as soon as they are eligible. Only new employees, hired for the first time by a Y after age 60, who are working for a Y that requires employees to make contributions, may elect to waive participation. If the employee chooses to waive, they must complete a *Waiver of Participation*.

Q. Can an employee waive enrolling in the 401(a) Retirement Plan because of financial hardship?

A. No, an employee cannot waive enrollment because of financial hardship.

Q. When are employees eligible to be enrolled in the 401(a) Retirement Plan, and when do they vest in their Plan balance?

A. There are two options that YMCAs can select from regarding 401(a) Retirement Plan eligibility and vesting. Please see the chart below.

| | TWO-YEAR ELIGIBILITY (2-2) | ONE-YEAR ELIGIBILITY (1-3) |
|----------------|---|---|
| AGE | <ul style="list-style-type: none"> You must be at least 21 years of age. | <ul style="list-style-type: none"> You must be at least 21 years of age. |
| SERVICE | <ul style="list-style-type: none"> You must complete 1,000 hours of service in each of any two (2) 12-month periods beginning with your date of hire or anniversary date. The two periods do not have to be consecutive. | <ul style="list-style-type: none"> You must complete 1,000 hours of service in one (1) 12-month period beginning with your date of hire or anniversary date. |
| VESTING | <ul style="list-style-type: none"> You are immediately vested in contributions and interest credited upon enrollment. | <ul style="list-style-type: none"> You must complete 36 months of employment at a participating Y to become vested in contributions and interest credited to the YMCA Account within the 401(a) Retirement Plan. Any employee contributions and interest credited to the Personal Account are immediately vested, regardless of length of employment. |

Q. Should part-time employees be enrolled in the 401(a) Retirement Plan?

- A.** Yes, a part-time employee is eligible if he or she satisfies the eligibility requirements. Once enrolled, employees continue to participate even if they work less than 1,000 hours in subsequent years.

Q. What if an employee moves from one Y to another, or works at multiple Ys?

- A.** Ys must take into account all of the employee's prior and concurrent service at participating Ys when establishing eligibility to be enrolled in the 401(a) Retirement Plan.

If there is no break in Y employment, or a minimal break in Y employment (less than 12 months), employees who have completed the service and age requirements will be enrolled on the first day of the month following their original anniversary date, even if by that time they are employed by a participating Y other than the one that first hired them. (If their original anniversary date has already passed when they begin employment with the new Y, they will be immediately enrolled.) *See the next question for time restraints if there is a significant break in Y employment.*

Moving from a "1-3" Y to a "2-2" Y:

Nick, age 36, was hired by Any State Y (a "1-3" Y) on July 15, 2025. He worked 1,000 hours in the 12-month period beginning on July 15, 2025, and he was enrolled in the 401(a) Retirement Plan on August 1, 2026. Any State Y made contributions to Nick's YMCA Account in the 401(a) Retirement Plan until November 15, 2026, when he left employment at Any State Y. That same month, he started working for Anytown Y (a "2-2" Y). Because he had already been enrolled in the 401(a) Retirement Plan at Any State Y, he is immediately re-enrolled in the Plan at his new job at Anytown Y and eligible to receive contributions to his YMCA Account by Anytown Y, even though he did not yet meet Anytown Y's eligibility service requirements. Nick is expected to complete 24 months of vesting service (Anytown Y's vesting requirement) and vest in the contributions in his YMCA Account on July 1, 2027.

Moving from a "2-2" Y to a "1-3" Y:

Gary, age 50, was hired on May 15, 2024, at Anytown Y (a "2-2" Y). He worked 1,000 hours in the 12-month period beginning on May 15, 2024. From May 15, 2025, to August 31, 2025, he worked 500 hours before leaving his Y. On January 1, 2026, he was hired by Any State Y (a "1-3" Y) and his new Y employer immediately enrolled him on January 1, 2026, and began making contributions to his YMCA Account, because he already satisfied the eligibility requirements. However, he will not vest in his YMCA Account balance until he has completed 36 months of vesting service. Since Gary's break in employment from Anytown Y to Any State Y was less than one year, Gary receives vesting service credit for the break period. If Gary continues employment with Any State Y, Gary will become vested in his YMCA Account on May 1, 2027.

Moving from a "2-2" Y to Another "2-2" Y:

Lydia, age 39, was hired on July 1, 2024, at Anytown Y (a "2-2" Y). She worked 1,000 hours in the 12-month period beginning on July 1, 2024. From July 1, 2025, to May 31, 2026, she completed another 1,000 hours before leaving Anytown Y. On September 1, 2026, she was hired by another participating "2-2" Y. Because Lydia's break in participating Y employment was less than one year and Lydia had met the eligibility and age requirements already, her new Y employer enrolled her immediately in the 401(a) Retirement Plan (her anniversary date had already passed) and Lydia was immediately vested in any contributions her Y makes to her YMCA Account as well as any interest earned on those contributions.

Q. What if an employee leaves one Y, and years later is employed by the same or another Y?

- A.** For employees who were previously enrolled in the 401(a) Retirement Plan and vested in employer contributions, the rule is easy: they resume participation immediately upon their return regardless of how long they have been gone. For employees who were previously enrolled but not vested in employer contributions, the rules vary. The employee resumes participation immediately if they were away less than six years. If they were away more than six years, they will be treated as a new hire, and prior service will not count towards eligibility.

Employees who have a Personal Account and/or an Additional Y Account are always vested in them, regardless of who made the contributions originally. Therefore, employees who worked for a Y that made contributions to their Personal Account on their behalf or to an Additional Y Account must resume participation immediately upon their return, regardless of the length of their period of severance from Y employment.

If you need assistance in making this determination, please contact the Fund.

For employees who were never enrolled in the 401(a) Retirement Plan, enrollment depends on two factors: a) how long the employee was away, and b) the extent to which the employee met eligibility prior to leaving the Y.

- If an employee was away longer than six years, they will be treated as a new hire and prior service will not count towards eligibility.

- If an employee returns to a participating Y within six years, any previous 12-month periods wherein the employee completed 1,000 hours of service will count towards eligibility.

See below for two examples:

Moving from a “1-3” Y to Another Y After 6+ Years of Separation:

Mia, age 28, was hired on August 1, 2025, at Any State Y (a “1-3” Y). She worked 1,000 hours in the 12-month period beginning on August 1, 2025 and was enrolled in the 401(a) Retirement Plan on August 1, 2026. From August 1, 2026, to May 31, 2027, she received contributions to her YMCA Account from Any State Y until she left employment. Her YMCA Account balance is unvested because she did not satisfy the 36-month vesting service requirement before leaving, so her balance will remain at Y Retirement. Mia pursued career goals outside of the Y for 10 years before returning to Main Street Y on August 1, 2037. Because there was a gap in participating Y employment of more than 6 years, Mia’s original YMCA Account was forfeited because she never completed the vesting service requirement. Further, she must satisfy Main Street Y’s eligibility requirements to be re-enrolled in the 401(a) Retirement Plan. (Please note: If Mia satisfied the vesting service requirement prior to leaving Any State Y’s employment, she would be immediately re-enrolled in the 401(a) Retirement Plan when she joined Main Street Y.)

Moving from a “2-2” Y to Another Y After 6+ Years of Separation:

Samuel, age 38, was hired on August 1, 2025, at Anytown Y (a “2-2” Y). He worked 1,000 hours in the two (2) 12-month periods beginning on August 1, 2025, and August 1, 2026, and was enrolled in the 401(a) Retirement Plan on August 1, 2027. From August 1, 2027, to May 31, 2028, he received contributions to his YMCA Account from Anytown Y until he left employment. Because he worked for a “2-2” Y, he was immediately vested in the contributions and interest earned in his YMCA Account. He had more than \$5,000 in his YMCA Account when he decided to leave the Anytown Y and pursue other career goals outside of the Y for 10 years, so he was able to leave his YMCA Account with Y Retirement, where it continued to earn interest. On August 1, 2038, he returned to work at the Anytown Y and because he had vested retirement savings in the YMCA Account, he was immediately re-enrolled in the 401(a) Retirement Plan, and the Anytown Y immediately began making contributions again to his YMCA Account.

Q. What if an employee believes that they achieved eligibility but was not enrolled by their Y?

- A.** The employee should immediately approach the Local Plan Administrator at their Y and ask them to recheck their eligibility calculations. The employee may also call the YMCA Retirement Fund. If the matter is not resolved to the employee’s satisfaction, the employee can make a written request for a review of the matter in accordance with the claims procedures in the *Summary Plan Description Booklet* for the 401(a) Retirement Plan.