

Guide to Leaving and Retiring from Y Employment

This document provides information on what you can and cannot do with your YMCA Retirement Fund account balances when you leave employment or retire from the YMCA. If you have any questions about your account balances with Y Retirement, please contact our Pension Representatives at 800-RET-YMCA (800-738-9622), Monday through Friday, 9:00 a.m. to 5:00 p.m. ET.

As you read this document, please keep the following information in mind.

Account balances referenced below must be **vested** in order to take any potential action.

1. All account balances within the 403(b) Savings Plan are always vested and available as outlined below.

2. Vesting may vary within the 401(a) Retirement Plan.

Generally speaking, if you have a Personal Account, After-Tax Account, Rollover Account (pre 3/1/03), and/or YMCA Account (Legacy) within the 401(a) Retirement Plan, the contributions and interest credited to those accounts are vested and available as outlined below.

The YMCA Account in your 401(a) Retirement Plan may or may not be vested depending on whether you satisfied the vesting service requirement before leaving employment with the YMCA. To see if your YMCA Account balance in the 401(a) Retirement Plan is vested, please view the Statement of Current Balances in your online account portal at www.yretirement.org.

- If your balance is **vested**, then it will be available to you as outlined below.
- If your balance is **unvested**, you can also view how many more months of employment at a participating YMCA you need to complete in order to satisfy the vesting service requirement. If you do not return to participating YMCA employment within 6 years, your unvested balance will be forfeited.
 - If you choose to return to employment **more than 6 years later**, you will need to satisfy the eligibility requirements at your subsequent participating YMCA employer in order to be enrolled again in the 401(a) Retirement Plan.
 - If you choose to return to employment at a participating Y **within 6 years**, you will be immediately re-enrolled in the 401(a) Retirement Plan, and can continue accruing months of vesting service toward your existing YMCA Account balance.

General Questions

Q. Can my retirement savings stay at Y Retirement after I leave YMCA employment?

A. That depends on the amount(s) that you have in a Plan on the date that you leave YMCA employment, as shown in this chart:

403(b) SAVINGS PLAN

BALANCE	TREATMENT OF BALANCE
\$50 or Less	Cashout check mailed to you following termination notice
\$50.01 to \$5,000	Promptly withdraw/rollover balance or Fund rolls it over to IRA/Roth IRA*
More than \$5,000	May remain at the Fund

**If you also have a vested 401(a) Retirement Plan balance greater than \$5,000, then your 403(b) Savings Plan balance of \$50.01 to \$5,000 may remain at the Fund.*

401(a) RETIREMENT PLAN

BALANCE	TREATMENT OF VESTED BALANCE	TREATMENT OF UNVESTED BALANCE
\$50 or Less	Cashout check mailed to you following termination notice	Will forfeit 6 years after you leave YMCA employment if you do not return to employment with a participating YMCA before then.
\$50.01 to \$5,000	Promptly withdraw/rollover balance or Fund rolls it over to IRA/Roth IRA	
More than \$5,000	May remain at the Fund	

Contact Y Retirement via Live Chat at www.yretirement.org, or at 800-RET-YMCA (800-738-9622), M-F (9:00am-5:00pm ET)

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Q. If my retirement savings stays at Y Retirement, when must I begin taking distributions?

A. Except for a Roth Account or a Roth Rollover Account, you must either start an annuity or take a withdrawal of a certain amount calculated under the pension rules, referred to as a Required Minimum Distribution (RMD), once you reach age 70½ (if you were born before July 1, 1949), age 72 (if you were born on or after July 1, 1949 and before January 1, 1951), or after age 73 (if you were born on or after January 1, 1951 and before January 1, 1960). An RMD may not be rolled over to an eligible retirement plan or IRA.

Q. Can I continue to contribute after I leave YMCA employment?

A. No, neither you nor the YMCA can make further contributions to your balances in the Plan(s) after your last YMCA paycheck, including rolling retirement savings into the 403(b) Savings Plan. However, your accounts will continue to earn interest.

Q. What happens if I go to work for another participating YMCA?

A. As long as you were enrolled in the 401(a) Retirement Plan, and you return to Y employment within a certain amount of time (typically within 6 years), you will be immediately re-enrolled in the 401(a) Retirement Plan at your new participating YMCA. If you wish to start or continue contributions in the 403(b) Savings Plan during your re-employment, you will need to complete a new *YMCA Retirement Fund 403(b) Savings Plan Enrollment Form and Wage Reduction Agreement*.

Q. What accounts can I withdraw or roll over to another qualified employer plan or IRA when I leave YMCA employment?

A. Please refer to the table below to see which accounts in either the 401(a) Retirement Plan or 403(b) Savings Plan may be available for withdrawal or rollover. Keep in mind that Required Minimum Distributions cannot be rolled over. Any balances that cannot be withdrawn or rolled over will be converted into an annuity in retirement. You can read more about annuities further in this document.

403(b) SAVINGS PLAN (All accounts are 100% vested)

ACCOUNT TYPE	YOUR AGE	YOUR BALANCE
Tax-Deferred Account	Any Age	Any balance
Rollover Account (rollovers made on or after 3/1/03)	Any Age	Any balance
Roth Account	Any Age	Any balance
Roth Rollover Account	Any Age	Any balance

401(a) RETIREMENT PLAN

ACCOUNT TYPE	YOUR AGE	YOUR BALANCE
Personal Account	Any Age	Any balance
After-Tax Account	Any Age	Any balance
Rollover Account (pre-3/1/03)	Any Age	Any balance
YMCA Account	Under 55	Vested Balance of \$5,000 or less
	55 or older on or after July 1, 2022	Vested Balance of \$100,000 or less
	55 or older on or before June 30, 2022	Any vested balance
YMCA Account (Legacy)	Any Age	\$25,000 or less at the time you terminated Y employment
	55 or older on or after July 1, 2022	\$100,000 or less when you request the withdrawal, provided you do not have a YMCA Account as well
	55 or older on or before June 30, 2022	Any vested balance
YMCA Account and YMCA Account (Legacy)	55 or older on or after July 1, 2022	The vested sum of both accounts is \$100,000 or less
	55 or older on or before June 30, 2022	Any vested balance

June 2025

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Q. How do I request a withdrawal or rollover?

A. To request a withdrawal, log in to your account at www.yretirement.org and select “Withdrawal/Rollover Request” from the Account Services menu on the left side of the page. To securely upload your completed form/documents, go to the Document Uploader. After you submit your request, it will take at least 14 business days (not including mailing time) to receive your check. If you are taking a Required Minimum Distribution, you must contact Y Retirement.

Q. Can I take a partial withdrawal?

A. You may take a partial withdrawal from your vested accounts in the 401(a) Retirement Plan or 403(b) Savings Plan if:

- You meet the requirements for taking a full withdrawal per the chart above, AND
- You have a vested balance of \$10,000 or more in the Plan, AND
- The withdrawal is at least \$5,000, AND
- The withdrawal does not result in your vested balance dropping to \$5,000 or below.

Only one partial withdrawal per Plan is allowed in a three-month period, and you may take up to four partial withdrawals from the same Plan in a 12-month period. There is no cost for the first and second withdrawal, however, a \$50 processing fee will be charged for the third and fourth withdrawal within a 12-month period.

Q. Will I pay taxes if I take my retirement savings out?

A. If you roll over your distribution to an eligible retirement plan or IRA, you will not pay taxes until you take a distribution from that retirement account. If you don't roll over your distribution, the taxable portion of the distribution will be taxed as ordinary income in the year you receive it. Y Retirement is required to withhold 20% of the taxable portion towards your federal income taxes. If you are under age 59½, an additional 10% penalty for early withdrawal may apply at the time that you file your federal taxes for the year of withdrawal. Qualified distributions from your Roth Account or Roth Rollover Account or Roth rollovers from a Roth Account or Roth Rollover Account are not taxable.

Q. What if I have taken a loan from my 403(b) Savings Plan account(s) and have not paid it back in full?

A. If payment in full is not received timely by Y Retirement, your 403(b) Savings Plan account(s) will be reduced (offset) on the default date to satisfy the payoff amount. An offset is considered a taxable distribution. A “qualified plan loan offset” that occurs as a result of the termination of your Y employment can be rolled over to another eligible retirement plan by your federal tax filing deadline for the calendar year that your Y employment terminated.

Retiring from YMCA Employment

Q. Can Y Retirement convert my accounts into an annuity?

A. Generally speaking, yes, Y Retirement can convert your accounts into an annuity, which is a stream of guaranteed monthly income payments you will receive for the rest of your life. Any amounts rolled in on or after July 1, 2021, including Roth rollovers, must be at Y Retirement for at least 5 years in order to be converted into an annuity.

Q. Does Y Retirement offer different annuity options to choose from?

A. Yes. Individual needs are different, so Y Retirement offers several different annuity options ranging from Single Life Annuities (which provides monthly income as long as you live) to Joint & Survivor Annuities (which provides monthly income as long as you or your survivor lives). Once you begin receiving your annuity, your named survivor cannot be changed. Go to www.yretirement.org to learn more.

Q. When can I start receiving an annuity?

A. You can start an annuity as early as age 55.

Q. How much vested retirement savings do I need to have in my account(s) in order to start an annuity?

A. As long as you have more than \$5,000 in either the 401(a) Retirement Plan or the 403(b) Savings Plan, you qualify for an annuity. To combine an annuity from both Plans at the same time, you must have more than \$5,000 in each Plan. You can also start an annuity with the savings in either the 401(a) Retirement Plan or the 403(b) Savings Plan, while leaving your balance in the other Plan to continue to earn interest.

Q. How is my annuity payment calculated?

A. Your annuity is calculated based on: your vested account balances at retirement, the interest rates used to convert your account balances into an annuity, the annuity option you select, and your age at retirement. If you choose a Joint & Survivor Annuity, the age of your survivor is also factored into your calculation.

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Q. How do I start receiving an annuity?

A. You should notify Y Retirement's Customer Service Department at least 30 days and up to 180 days in advance of when you wish to start receiving an annuity. We will mail an *Annuity Application Kit* to you, which includes your personalized annuity estimates.

Q. Can I annuitize any vested account balance in the 401(a) Retirement Plan if my YMCA Account is unvested?

A. No. You must wait until the YMCA Account is either vested or forfeited.

Q. Does Y Retirement withhold federal income tax from my annuity payment?

A. You can choose the amount of federal income taxes to be withheld from your annuity payment or, as long as you are not a foreign person or a U.S. citizen requesting delivery outside of the U.S. or its possessions, you can elect that no federal income taxes be withheld. Complete an *IRS Form W-4P*, which is sent to you with your *Annuity Application Kit*. *IRS Form W-4P* can also be located on our website and withholdings updated at any time. If you request that Y Retirement not withhold federal taxes, you will be responsible for paying any taxes directly to the IRS when you file your return. If Y Retirement does not receive a completed *Form W-4P* from you, a default rate of federal income taxes will be withheld from your annuity payment. Log in to your account at www.yretirement.org and go to *Document Uploader* under Account Services to securely upload your completed form/documents.

Q. How are state taxes calculated and withheld from my annuity payment?

A. State taxes can vary. Contact a tax professional to understand how taxes in your state may impact your annuity payments.

Q. Can I retire and then return to work for a YMCA?

A. Federal tax law generally prohibits a pre-arranged strategy to collect retirement benefits while still employed. It is also a violation of the Retirement Plan's rules.