

MaineHealth

YourPath® 403(b) Webinars Q&A

April 2022

[Recording of the webinar](#)

YourPath PORTFOLIOS

Q. How do I find what portfolios I am currently invested in? How do I make a change?

A. Log into your account at LincolnFinancial.com/Retirement. Under the *Investments* section on your account home page, you will see a chart and a list of your investments. If you want to make a change, click on *Change Contributions*.

Q. If I have selected investments in my portfolio, did this enhancement automatically switch percentages on April 14, 2022?

A. If you have selected your own investments, the **YourPath** portfolio investment changes did NOT affect you.

Q. If I did not have the *LifeSpan* portfolio prior to April 14, 2022, what do I need to do?

A. If you have chosen your own investments and did not have the *LifeSpan* portfolio, no changes occurred.

Q. I am currently in "2035 Moderate" portfolio. What change took place with *YourPath*?

A. You will continue to be in the 2035 portfolio. However, the *YourPath* model will automatically default to the Conservative model. This Conservative model is still slightly more aggressive than the Moderate portfolio you are in today.

Q. How do I enroll in *YourPath* if my portfolio did not automatically moved into it?

A. Changes occurred automatically for those in the *LifeSpan* portfolio. If your portfolio was not automatically moved into *YourPath*, but wish to change to the *YourPath* model, log into your account at LincolnFinancial.com/Retirement and click on *Investment Changes*. You may also contact a Lincoln Retirement Consultant:

One-on-one meetings are available at LincolnFinancial.com/MaineHealthschedule .	
Jenny Billings 207-774-1113 Toll free: 866-386-7134 Jenny.Billings@LFG.com	Terri Gulliver 207-767-4000 Toll free: 877-232-8451 Terri.Gulliver2@LFG.com

Q. Will the portfolio change from Moderate to Conservative with the *YourPath* enhancement?

A. Yes, the default is to the Conservative model since *YourPath* is a more aggressive investment mix. If you want to be more aggressive than the Conservative model, you should review the investments with a Lincoln Retirement Consultant.

Q. How is rebalancing done?

A. Typically, the portfolios rebalance quarterly but the glide path will be reviewed once per year.

Q. Will the retirement funds become more conservative once I reach retirement age?

A. The *YourPath* portfolio automatically de-risks as you get closer to retirement; this is a strength of this type of investment option. If you are not in the model portfolios, it is very important to review your investments as you get closer to retirement and to review de-risking at least once a year.

Q. How do the management fees of *YourPath* compare to choosing your own investments?

A. The portfolios use the underlying investments in the Plan, which is a mix of active and passive investments. The fees will vary. The portfolios that are further away from retirement and are more equity-based are more expensive than those are closer to retirement. There is not a single cost as the fees range, and there are dozens of portfolios.

If you structure a lineup on your own with active and passive funds and use the same funds in the portfolio, the fees are the same. There are no additional fees for being in the portfolio. If fees are your primary concern, you can structure a pure index fund lineup at less than 10 basis points.

Q. What are the asset allocation models in the *YourPath* portfolio?

A. The listing of the asset allocation models is located within the *Investment Changes* section online at LincolnFinancial.com/Retirement. The *YourPath* portfolios begin at 2020, run through 2065, in five-year increments. You can decide if you wish to be in the Conservative, Moderate or Aggressive risk versions of the model.

Q. Did the transition to *YourPath* automatically account for the investment style based on my age?

A. You were transitioned to the age model closest to your retirement age.

Q. I do not want to be in the *YourPath* portfolio. What are my options?

A. The *LifeSpan* portfolio is no longer an option under our Plan. If you do not wish to be in *YourPath*, you can invest your assets in the funds directly and review your options with a Retirement Consultant.

Q. What is the performance history of managed glide-through portfolios?

A. If you were in the *LifeSpan* portfolios, the three, five and ten-year histories are listed on LincolnFinancial.com/Retirement. Click *Research Investments* to find performance information for your options. *YourPath* performance will be available later.

Q. Can I invest in both a Moderate and an Aggressive path at the same time?

A. You can invest in different years and in different risk types. The *YourPath* portfolios were designed to be a single choice investment – for a specific year and type of risk category – to be the most effective.

Q. If I am in the Moderate 2025 *LifeSpan* portfolio and want to stay in that risk category, should I change to the Moderate 2025 *YourPath*?

A. Yes, if you want to be in a Moderate portfolio, you will have to make a change, as you will be defaulted to a Conservative *YourPath* portfolio. Please be aware that the 2025 Conservative portfolio is more aggressive than the 2025 *LifeSpan* portfolio. Look closely at the asset allocations to make sure it fits what you need. The Retirement Consultants can assist with this as well.

Q. Are targets based on age or income?

A. The targets are based on your target retirement age. Most people use 65 as the target age and use the date that most closely aligns with that age.

LINCOLN FINANCIAL

Q. What does it mean by "registering" your account?

A. Log into LincolnFinancial.com/Retirement and make sure you are set up with online access and an account. You will also want to name your beneficiaries. Contact the Retirement Consultants if you need assistance. You may also download the app, Lincoln Financial Mobile.

Q. How does registering my account protect against cyber criminals?

A. You become engaged in looking at your account regularly. CapTrust and MaineHealth have both reviewed the Lincoln Financial Group cybersecurity program. Lincoln has what our Financial Advisor describes as a best-in-class cybersecurity program. You have a responsibility as well to protect your account by reviewing it regularly and making sure there are no discrepancies. There are cybersecurity tools you can also turn on, such as two-party authentication, to help protect your account.

Q. Can the Retirement Consultants help with a rollover from additional accounts?

A. Yes.

Q. Where do I find risk-level information?

A. Log into LincolnFinancial.com/Retirement, click on *Investment Choices* and review the risk spectrum. Contact the Retirement Consultants if you need assistance.

Q. Where do I find the beneficiary listing on the website?

A. The beneficiary section is on the home page.

ROTH

Q. Is the \$27,000 maximum for employee contributions on pre-tax only? If not, am I allowed to max out pre-tax through my employer and a Roth outside of work?

A. The Roth savings method in the MaineHealth 403(b) Plan is not a Roth IRA but a choice to contribute post-tax within the MaineHealth 403(b) Plan. Depending on your income, you may be able to contribute to a Roth IRA outside the Plan as well. Check with your tax advisor.

Regarding the MaineHealth 403(b) Plan, you can save up to \$20,500 per year via the pre-tax method, via the Roth method or a combination of both. The total cannot go beyond your limit of \$20,500. The exception is, if you are 50 or older, the maximum is \$27,500. The \$27,000 limit starts the year you turn 50.

Q. Is this limit for employee contributions? Does the total include the employer contributions?

A. The \$20,500 (or \$27,000) limit is just your employee contribution. The employer contribution is not included in that limit. Any employer match on your pre-tax and/or Roth contributions is made on a pre-tax basis.

Q. Since all employer contributions are made on a pre-tax basis, can they be directed to a Roth plan sometime in the future?

A. Within the MaineHealth 403(b) Retirement Plan, there is an “In Plan Roth Conversion” provision that does allow for the conversion of any vested monies to be converted to Roth. This involves a distribution from your account, payment of taxes and then a rollover to the Roth component of the MaineHealth 403(b) Plan. It is complex so please contact a Retirement Consultant to ensure you have all the details as you consider whether it is right for you.

Q. How do I select a Roth?

A. To contribute to the MaineHealth 403(b) Retirement Plan on a Roth/post-tax basis, log into LincolnFinancial.com/Retirement and choose an after-tax deferral percentage as your contribution.

Q. How do I chose to contribute to a Roth IRA portion, in addition to my regular traditional 403(b) with Lincoln Financial?

A. The *YourPath* portfolio changes do not affect the Roth IRA at all. The 403(b) Plan has a pre-tax and a Roth contribution feature. If you are in a Roth in the 403(b) Plan, the *YourPath* changes are investment changes and do not impact how you contribute to the 403(b) Plan.

GENERAL RETIREMENT QUESTIONS

Q. At what age can I start to withdraw funds?

A. Retirement plans are designed for retirement. The IRS regulations allow you to withdraw monies after age 59 ½ and/or with a distributable event such as death, disability or termination of employment.

Q. What is the MaineHealth match?

A. You can find your match percentage on the Benefits portal. “403(b) Employer Contribution Details Member Name” outlines the employer contribution where you are working. We encourage you to consider contributing enough to meet the match and earn a full match.

Q. Can retirement investments from a previous employer be rolled over to Lincoln Financial Group if I am no longer employed by MaineHealth?

A. As long as you have an account at Lincoln Financial, you can roll funds over and consolidate accounts.

Q. What are the rules about withdrawing funds?

A. There are many choices as to how we take distributions upon retirement. Distribution planning is a very important decision. You want to take money out to meet your needs but you also want to do tax planning in the process as well. You can purchase an annuity, a systematic withdrawal (a specific amount per month or year that you select), or a lump sum.

Q. With current world events, how is this affecting the markets?

A. From an investment perspective, set your long-term asset allocation strategy and try not to let immediate market events effect your long-term strategy. It can vary from person to person but generally speaking, those further away for retirement, the appropriate advice is to stay the course.

Q. At what age do you need to begin to take a distribution from the plan?

A. The required minimum distribution age is age 72. You do have to begin to withdraw at age 72 unless you are working. You do want to check in on that required minimum distribution. If you are retired and do not begin taking distributions by age 72, there is a significant tax penalty.

Q. Can I change my beneficiaries to be only my children?

A. Yes, you can have your children as beneficiaries but your spouse has to consent.

Q. If I leave employment at MaineHealth, can I keep the Lincoln Financial account?

A. Yes, you can keep your funds at Lincoln Financial in your account if you no longer work at MaineHealth.

Q. Could I lose money if I do not withdraw it?

A. If your money is in the retirement plan, it will gain and lose money with the market but that is on paper until you actually withdraw the money.

Q. Is there a fee to change the allocation of funds in the Lincoln accounts?

A. No, there is no charge for that.

Q. Is there a fee to withdraw funds when retiring?

A. The only fee is a \$50 annual administrative fee. This is deducted from account at \$12.50 per quarter. We have benchmarked that fee to ensure it is competitive. There may be underlying investment fees and that depends on what you have chosen as funds.

Q. If a person chooses to use Lincoln Financial as the administrator of their 403(b) after retirement, what is the fee?

A. The fee after retirement is the same as active employees have now. Our 403(b) plan has a flat fee of \$50 annually. \$12.50 is deducted per quarter from your account. If you leave your funds in the plan after retirement, you can and the same fee applies.

Q. If I have other MMC retirement accounts, can I roll these over to Lincoln Financial?

A. Yes, but it depends what retirement account. You can choose to roll over the MMC pension benefit into your Lincoln account if you wish to. The Lincoln Financial Retirement Consultants can assist you.

Q. What is the tax rate to withdraw at retirement?

A. Depends on your specific situation.

Q. For example, if I opt to contribute 80% to the new portfolios and 10% to funds I individually selected, will I receive the company match on all of my contributions?

A. Regardless of where you invest within the 403(b) plan, you always get the company match that you have earned. You will get the entire company match that you are eligible for. It does not matter how you invest for the match.

Q. What is the best way to add additional funds to my account?

A. These retirement plan accounts are restricted to payroll deduction contributions unless you are rolling in an account from another retirement plan.