

Frequently Asked Questions (FAQs)

Meijer 401(k) Retirement Plan Overview

1. What is a 401(k) plan?

A 401(k) plan is a defined contribution plan that allows employees to set aside money for retirement purposes.

2. When am I eligible to participate in the Meijer 401(k) Retirement Plan?

Immediately, once your employment with Meijer starts. If you're a non-union team member and don't actively enroll in the plan, you'll be enrolled automatically—at a 5% before-tax contribution rate (if you're a salaried team member) or at a 3% before-tax contribution rate (if you're an hourly team member)—after one year of service.

3. How much money can I contribute to the plan?

You may contribute from 1% to 75% of your eligible pay (in 1% increments) on a before-tax and/or Roth 401(k) basis (combined), up to the annual limit set by the Internal Revenue Service (IRS) (\$18,000 for 2016). Contributions to the Meijer 401(k) Retirement Plan may be limited to less than \$18,000 per year for some highly compensated team members as necessary to satisfy the nondiscrimination rules of the Internal Revenue Code.

You may be able to make additional “catch-up” contributions on a before-tax and/or Roth 401(k) basis if you're age 50 or older by the end of the calendar year (\$6,000 for 2016). To do so, you choose a specific dollar contribution amount each pay period.

4. What does it mean to say contributions are tax-deferred?

Taxes are not due on before-tax contributions—or on any investment earnings—until the money is withdrawn. This helps your account grow more quickly. Depending on the reason for the distribution, withdrawals before age 59½ may be subject to an additional IRS tax penalty.

5. What is the company matching contribution?*

It is a contribution that Meijer makes to promote participation in the plan and to assist you with meeting your retirement savings goals. After one year of service, the Meijer 401(k) Retirement Plan contributes \$0.50 for each dollar that you contribute (if you're a non-union team member) or \$0.20 for each dollar that you contribute (if you're a union team member), up to 5% of your pay on a before-tax and/or Roth 401(k) basis.

6. What is the base company contribution?*

Base contributions are contributions that Meijer makes to your account each year once you complete one year of service, whether you choose to make contributions to the plan or not. Currently, the base contribution is 2% of your eligible pay** You're eligible to receive this contribution if you are employed by Meijer at the end of the calendar year and work at least 1,000 hours during that same year. These contributions are made to your account to further assist you with meeting your retirement savings goals.

* Except for grandfathered team members who continue to earn a benefit in the pension plan.

** The base contribution is determined by your eligible pay earned after your first anniversary date.

7. What does vesting mean?

For purposes of the Meijer 401(k) Retirement Plan, vesting means “ownership” of the funds in your account. You are always 100% vested in the contributions you make to your 401(k) account and their earnings. You’re also immediately vested in Meijer base contributions and earnings.

Company matching contributions vest incrementally over time (five years in the Meijer 401(k) Retirement Plan), as follows:

Years of Vested Service	Vested Percentage
Less than 2	0%
2	25%
3	50%
4	75%
5 or more	100%

Once you’re fully vested, all company matching contributions and any associated earnings belong to you, just like the contributions noted above.

8. How will I know what my taxes will be in retirement?

You can’t know for sure, but here are some things to consider:

- You may see a **decrease** in the amount of taxes you’ll pay in retirement. This could occur if your total annual taxable income at retirement is less than it is now. One reason some people expect a decrease is that part of their retirement income includes Social Security, which isn’t fully taxable.
- On the other hand, some people may see taxes **stay the same or increase** during retirement. This could occur if you continue working during retirement while drawing on your retirement savings. Also under current rules, a portion of Social Security payments may be taxable if you work during retirement. Also, some people believe that in general, future tax rates will increase. Any or all of these factors could lead to your tax burden being the same or higher during your retirement.
- And last, are you thinking of spending your retirement in a different region? State income tax rates can vary significantly, so keep that in mind when thinking about your future tax situation.

9. Can I take a loan from the Meijer 401(k) Retirement Plan?

You may borrow from your account and pay yourself back through payroll deductions on an after-tax basis with interest. See the Summary Plan Description (SPD) available on the Meijer Rewards site for more information. While you can take a loan from the plan, it is not recommended, because this may impact longterm savings goals.

10. Can I withdraw money from the Meijer 401(k) Retirement Plan?

In certain circumstances, you may be eligible to withdraw a portion of your account if necessary. Unlike a loan, you do not pay this money back into your 401(k) account and you likely will incur tax penalties for the withdrawal. See the SPD available on the Meijer Rewards site for more information.

But think wisely. By avoiding withdrawals, you may be able to build a bigger nest egg for your retirement.

11. Where can I get more information about the plan?

To access the Meijer 401(k) Retirement Plan, visit the Meijer Rewards site at digital.alight.com/meijer from your computer or mobile device.

- To enroll, make changes and update beneficiary information, click **View/Change Your Benefits** under the **About You** section on the Meijer Rewards home page.
- On the **Savings & Retirement page**, watch an informational video, review the 401(k) plan overview guide (**Financial Education > Plan Information**) and use our simple **Compare Roth Savings Versus Before-Tax tool** (**Financial Education > Tools and Calculators**). You can also access the **Putting Time on Your Side tool** (and other helpful savings tools) to find out how quickly your account can grow over time.

Other helpful resources include the:

- **Meijer Rewards Service Center** – Representatives are available to answer your questions at **1-866-681-6116**, Monday through Friday, from 8:30 a.m. to 6:30 p.m. ET.
- **Financial Wellness Center** – Specialists are available to answer your questions about saving and investing in the plan during any stage of life at **1-866-437-DESK (3375)**, Monday through Friday, from 9 a.m. to 7 p.m. ET.

Roth 401(k) Savings Option

12. How are Roth 401(k) contributions different from traditional before-tax 401(k) contributions?

Roth 401(k) contributions are made with after-tax dollars. Traditional 401(k) contributions are made on a before-tax basis, and you pay taxes only when you take a distribution.

13. I've always been told that one advantage of my 401(k) contributions is that they're made on a before-tax basis. Why should I consider Roth 401(k) contributions, which are made on an after-tax basis?

Before-tax contributions are still advantageous because they reduce your current taxes. With the addition of Roth 401(k) contributions, you have greater flexibility in managing your taxes both now and in retirement:

- Before-tax contributions reduce your taxable income now (the year contributions are made), but you pay taxes on your contributions and earnings when they're distributed to you at retirement.
- Roth 401(k) contributions don't reduce your taxable income now, but your contributions and earnings are tax-free at retirement (provided that you withdraw them when you're at least age 59½ and your Roth account is at least five years old).

14. Can Meijer matching contributions be designated as Roth 401(k) contributions?

Regardless of whether you contribute to the Meijer 401(k) Retirement Plan on a before-tax or Roth 401(k) basis, company contributions will continue to be made with before-tax dollars and will be taxable (along with the associated earnings) when they're paid to you.

15. What's the difference between Roth 401(k) contributions and after-tax contributions in an outside account?

The main difference is that both your Roth 401(k) contributions **and earnings** can be distributed tax-free if the Roth 401(k) distribution is qualified or eligible for additional tax benefits (you're at least age 59½ and the Roth account is at least five years old). In a regular after-tax account, the earnings are taxable when they're paid to you.

16. How do I know if Roth 401(k) contributions are right for me?

It will depend on your situation. Be sure to review the information provided through the **Meijer Rewards site** at digital.alight.com/meijer from your computer or mobile device. On the **Savings & Retirement page**, you can watch an informational video, review the 401(k) plan overview guide (**Financial Education > Plan Information**) and use a simple modeling tool to help you compare before-tax and Roth 401(k) contributions (**Financial Education > Tools and Calculators > Compare Roth Savings Versus Before-Tax tool**). By making a few assumptions in the modeling tool, you'll have a better idea about the types of contributions you will want to make. The important thing is to save for your retirement.

17. If I make Roth 401(k) contributions, can I also make contributions to a Roth individual retirement account (IRA)?

You can contribute to both a Roth IRA and your plan's Roth 401(k) account, if you wish. Keep in mind that your contributions to a Roth IRA are limited based on your income and tax-filing status. Roth 401(k) contributions aren't subject to these limits.

18. Can I roll over my existing before-tax funds into a Roth 401(k) account?

Yes. The Meijer 401(k) Retirement Plan offers a Roth in-plan conversion option, so you have the choice to convert your employee before-tax and rollover funds into the Roth 401(k) account. You should consult with a financial planner or tax advisor regarding any potential tax considerations.

19. Do participants have to be age 59½ in order to receive a qualified Roth 401(k) payment?

Yes. The qualified (or additional tax benefit eligibility) status of a Roth 401(k) distribution is based on a combination of age 59½ and the account being five years old (calculated from the year of your initial contribution to the time five consecutive calendar years have passed). So, a Roth 401(k) distribution to a team member who is age 60 with a three-year-old account taking a payment would not be qualified. **Note:** A Roth 401(k) payment can also be a qualified distribution if it's made on account of the participant's death or disability, regardless of age.

If you take a non-qualified distribution, any Roth 401(k) investment earnings are subject to regular income tax, plus a 10% tax penalty if withdrawn before age 59½. Because your contributions are made with after-tax income, they will not be subject to taxes.

20. Can I roll over my Roth 401(k) account if I leave Meijer?

You can roll over funds in the Roth 401(k) account into a Roth IRA. You may be able to roll over Roth 401(k) funds into your new employer's plan if it offers a Roth 401(k) account; check with your new employer.

Likewise, if you have funds in a designated Roth 401(k) account with a previous employer, you may roll those funds into the Roth 401(k) account under the Meijer 401(k) Retirement Plan.

21. What if I can't decide which type of contribution is best for me?

The important thing is to save in the plan. Whether you decide to make before-tax contributions, Roth 401(k) contributions, or both, participating in the plan and saving for your retirement are key. Additionally, due to specific tax considerations associated with Roth 401(k) contributions, you may want to consult a tax advisor or financial planner for more detailed guidance.